

LBO BUDGET FOOTNOTES INFOGRAPHIC

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Volume: Fiscal Year 2020

Issue: July 2020

- State GRF tax revenues in June were below estimate by \$50.5 million (2.2%), a negative variance that is significantly less than the negative variances from the past three months since the beginning of the economic slowdown due to the COVID-19 pandemic. GRF tax revenue ended the fiscal year with a negative variance of \$1.10 billion (4.6%).
- The personal income tax was the main driver of both the monthly and yearly negative variances. This tax was under estimate by \$78.0 million in June and \$845.1 million (9.7%) for the year. This tax has been below estimate each month since March, but most of its negative yearly variance was caused by a negative variance of \$635.7 million in April, which reflected the delay in the personal income tax filing deadline from April 15 to July 15, in addition to the economic slow down.
- The sales and use tax, the largest GRF tax, had a good month in June when compared to its negative variances of \$167.3 million (17.6%) in May and \$236.7 million (24.0%) in April. In June, this tax had a negative variance of \$1.4 million caused by a negative variance of \$35.6 million in nonauto sales largely offset by a positive variance of \$34.1 million in auto sales. For the fiscal year, this tax had a negative variance of \$328.0 million (3.0%).
- In response to the pandemic, the federal government increased reimbursements for Medicaid spending. This is reflected in a positive variance of \$613.1 million for federal grants deposited into the GRF in FY 2020.
- Medicaid caseloads increased by over 60,000 in June. A negative GRF variance of \$431.5 million for the month was largely offset by a positive variance in non-GRF spending. Nevertheless, both GRF and non-GRF Medicaid spending were below estimate for FY 2020. All funds Medicaid expenditures were \$240.5 million (0.8%) under estimate for the fiscal year.
- On May 7, the Governor signed an executive order requiring GRF budget reductions totaling \$775.0 million for FY 2020. FY 2020 GRF spending for all program categories was under estimate, except for Other Education, which had a small positive variance. Total program expenditures ended the fiscal year \$865.1 million (2.5%) under estimate.

GRF & Medicaid Variances – Actual vs. Estimate

Tax revenue

-\$50.5 million
-2.2% ↓

Federal grants

\$313.3 million
33.7% ↑

Total GRF sources

\$126.9 million
3.7% ↑

Program expenditures

-\$755.7 million
-29.0% ↓

Month of June

Total GRF uses

-\$768.1 million
-29.3% ↓

GRF Medicaid

-\$431.5 million
-29.3% ↓

Non-GRF Medicaid

\$402.4 million
42.4% ↑

All funds Medicaid

-\$29.1 million
-1.2% ↓

Tax revenue

-\$1,098.7 million
-4.6% ↓

Federal grants

\$613.1 million
6.2% ↑

Total GRF sources

-\$559.4 million
-1.6% ↓

Program expenditures

-\$865.1 million
-2.5% ↓

FY 2020

Total GRF uses

-\$879.3 million
-2.5% ↓

GRF Medicaid

-\$49.1 million
-0.3% ↓

Non-GRF Medicaid

-\$191.4 million
-1.5% ↓

All funds Medicaid

-\$240.5 million
-0.8% ↓