Legislative Budget Office of the Legislative Service Commission

LBO BUDGET FOOTNOTES INFOGRAPHIC

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- A large negative variance in GRF tax revenues in December ($263.7 million, 11.5%) wiped out the positive year-to-date (YTD) variance in the first five months of the fiscal year, resulting in a small negative YTD variance at the midpoint of FY 2024 of $19.0 million (0.1%).
- The personal income tax was the culprit in December with a negative variance of $266.8 million (28.4%) primarily caused by higher than expected refunds paid in that month on tax liabilities from tax year 2022. This tax ended December with a negative YTD variance of $101.9 million (2.0%).
- The other two major GRF taxes fared better in December. The sales and use tax rose above the monthly estimate by $8.8 million (0.7%), increasing the YTD positive variance to $54.6 million (0.8%). Likewise, the commercial activity tax was also above estimate for December ($2.2 million, 11.1%), and the YTD ($63.7 million, 5.4%).
- The state's nontax revenue had a positive YTD variance ($118.9 million, 81.6%). Federal grants, however, were below the YTD estimate by $242.2 million (3.3%). Total YTD GRF sources were under estimate by $136.7 million (0.6%).
- The negative YTD variance in federal grants coincided with a negative YTD variance in GRF Medicaid spending of $302.1 million (2.8%). Non-GRF Medicaid spending was also under estimate ($294.1 million, 3.4%), resulting in a negative YTD variance in all funds Medicaid spending of $596.2 million (3.1%).
- GRF spending in almost all other program categories besides Medicaid was also under the YTD estimate. Total program expenditures were under estimate by $644.1 million (2.8%) for the YTD at the end of December.
- Transfers out were above the YTD estimate by $986.5 million (17.6%) due to the timing of transfers to support capital spending, resulting in total GRF uses being above the YTD estimate by $342.4 million (1.2%).

GRF & Medicaid Variances – Actual vs. Estimate

Month of December

Tax revenue	**Federal grants**	**Total GRF sources**
-$263.7 million -11.5% ↓	-$15.9 million -3.4% ↓	-$273.3 million -9.9% ↓
Program expenditures		**Total GRF uses**
-$49.2 million -1.9% ↓		-$49.2 million -1.9% ↓
GRF Medicaid	**Non-GRF Medicaid**	**All funds Medicaid**
-$11.4 million -1.4% ↓	-$11.8 million -0.4% ↓	-$23.3 million -0.6% ↓

YTD through December

Tax revenue	**Federal grants**	**Total GRF sources**
-$19.0 million -0.1% ↓	-$242.2 million -3.3% ↓	-$136.7 million -0.6% ↓
Program expenditures		**Total GRF uses**
-$644.1 million -2.8% ↓		$342.4 million 1.2% ↑
GRF Medicaid	**Non-GRF Medicaid**	**All funds Medicaid**
-$302.1 million -2.8% ↓	-$294.1 million -3.4% ↓	-$596.2 million -3.1% ↓