



General Fund Budget Monitor – August 2022

This month’s General Fund Budget Monitor focuses on the FY23 impact of House Bill 1 from the Extraordinary Session. HB1 used \$500 million of the \$1.1 billion budget surplus from FY22 to deliver tax rebates to Idahoans who filed both a 2020 and 2021 Idaho income tax return (the budget surplus is found on line 1 in the difference column of the table below). This leaves approximately \$600 million of one-time budget surplus from FY22 to be directed by the 1st Regular session of the 67th Legislature, which convenes January 9th.

Turning to the current year, the updated revenue forecast for FY23 of \$6.08 billion (line 6, update column) creates a projected budget surplus of \$1.44 billion (line 13, difference column), after accounting for original appropriations (line 10) and appropriations to other funds (line 8). This revenue number, as you can see on line 6, was increased \$904 million from the revenue number the Legislature used for setting budgets. One important thing to note is there is a structural balance in the General Fund budget for FY23, meaning there are more ongoing revenues than ongoing appropriations in the current business cycle, regardless of which revenue number is used.

Finally, for the first two months of the fiscal year, General Fund revenues are up \$20.4 million, or 2.6%, compared to last year at this time. Sales tax revenues are 10.3% higher over the same period and corporate income tax collections for FY23 are \$8.4 million higher. However, not all revenue categories are tracking ahead when compared to last year. FY23 individual income tax is 4.6% lower than collections. These lower collections are expected and driven by the income tax cut found in H436 from last session. Please see pages 2 and 3 of this report for more detail about revenue collections.

FISCAL YEAR 2023 (\$ in Millions)

| <u>REVENUES</u> | <u>At SINE DIE, March 31, 2022</u> | <u>Update</u> | <u>Difference</u> |
|---|--|------------------|-------------------|
| 1. Beginning Cash Balance | 305.2 | 1,471.7 | 1,166.4 |
| 2. Cash Reserved for Carryover | 0 | (69.1) | (69.1) |
| 3. H1 of 2022 Extraordinary Session - Tax Rebates | 0 | (500.0) | (500.0) |
| 4. After Year-End Reversion (Health & Welfare) | 0 | 9.7 | 9.7 |
| 5. Available Cash Balance | \$305.2 | \$912.3 | \$607.1 |
| 6. DFM Revised Revenue Forecast (1.9% below 2022) | 5,182.4 | 6,086.3 | 904.0 |
| 7. TOTAL REVENUES & BEGINNING BALANCE (Line 5 + 6) | \$5,487.6 | \$6,998.7 | \$1,511.1 |
| 8. Transfers In (Out) | (\$627.9) | (\$627.9) | 0 |
| 9. NET REVENUES (Line 7 + 8) | \$4,859.7 | \$6,370.8 | \$1,511.1 |
| <u>APPROPRIATIONS</u> | | | |
| 10. FY 2023 Original Appropriations (9.5% over FY 2022) | 4,624.5 | 4,624.5 | 0 |
| 11. Authorized Reappropriation | 0 | 69.1 | 69.1 |
| 12. FY 2023 Total Appropriations | \$4,624.5 | \$4,693.6 | \$69.1 |
| 13. Estimated Ending Balance (Line 9 - 12) | \$235.2 | \$1,677.2 | \$1,442.0 |

**State of Idaho General Fund Revenue Collections
FY 2023 Monthly Revenue Monitoring**

Historical Collections

| | Month | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Total |
|---|--------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|---------|-----------|
| 1 | FY 19 Actual Collections | \$301.7 | \$266.6 | \$329.6 | \$270.8 | \$243.7 | \$303.0 | \$315.1 | \$186.4 | \$203.5 | \$706.2 | \$246.8 | \$361.2 | \$3,734.6 |
| 2 | FY 20 Actual Collections | \$305.6 | \$277.1 | \$356.7 | \$301.9 | \$270.9 | \$315.8 | \$348.0 | \$228.8 | \$260.4 | \$315.3 | \$287.9 | \$763.6 | \$4,032.0 |
| 3 | FY 21 Actual Collections | \$412.3 | \$318.7 | \$381.2 | \$337.8 | \$313.4 | \$353.2 | \$415.0 | \$290.9 | \$298.2 | \$578.3 | \$844.6 | \$465.8 | \$5,009.5 |
| 4 | FY 22 Actual Collections | \$404.0 | \$378.6 | \$459.1 | \$415.1 | \$350.0 | \$560.5 | \$652.4 | \$306.1 | \$382.1 | \$1,290.3 | \$389.0 | \$610.3 | \$6,197.6 |
| 5 | Difference FY21 and FY22 | (\$8.29) | \$59.9 | \$77.9 | \$77.3 | \$36.6 | \$207.3 | \$237.5 | \$15.2 | \$84.0 | \$712.0 | (\$455.6) | \$144.5 | \$1,188.1 |

Forecast vs. Last Year

| | | | | | | | | | | | | | | |
|----|--|---------|---------|---------|---------|---------|---------|-----------|---------|---------|-----------|-----------|-----------|-----------|
| 6 | Gov's Aug. Forecast '23 | \$429.3 | \$412.3 | \$543.4 | \$407.4 | \$388.9 | \$582.1 | \$546.4 | \$346.6 | \$409.9 | \$836.6 | \$422.9 | \$760.7 | \$6,086.3 |
| 7 | FY23 Forecast and Actual FY22 Difference | \$25.3 | \$33.7 | \$84.3 | (\$7.7) | \$39.0 | \$21.6 | (\$106.1) | \$40.5 | \$27.7 | (\$453.7) | \$33.9 | \$150.4 | (\$111.3) |
| 8 | % Difference Between Actual and Forecast | 6.3% | 8.9% | 18.4% | (1.9%) | 11.1% | 3.8% | (16.3%) | 13.2% | 7.3% | (35.2%) | 8.7% | 24.6% | (\$0.0) |
| 9 | Cumulative Difference | \$25.3 | \$58.9 | \$143.2 | \$135.4 | \$174.4 | \$196.0 | \$89.9 | \$130.4 | \$158.1 | (\$295.5) | (\$261.6) | (\$111.3) | |
| 10 | Cumulative % Change FY22 | 6.3% | 7.5% | 11.5% | 8.2% | 8.7% | 7.6% | 2.8% | 3.7% | 4.0% | (5.7%) | (4.7%) | (1.8%) | |

FY23 Collections

| | | | | | | | | | | | | | | |
|----|-------------------------|---------|---------|--|--|--|--|--|--|--|--|--|--|---------|
| 11 | FY23 Actual Collections | \$416.1 | \$386.9 | | | | | | | | | | | \$803.0 |
| 12 | FY23 Cumulative | \$416.1 | \$803.0 | | | | | | | | | | | |

Actual vs Last Year

| | | | | | | | | | | | | | | |
|----|--------------------------|--------|--------|--|--|--|--|--|--|--|--|--|--|--------|
| 13 | Monthly Difference | \$12.1 | \$8.3 | | | | | | | | | | | \$20.4 |
| 14 | % Change from FY22 | 2.9% | 2.6% | | | | | | | | | | | 0.4% |
| 15 | Cumulative Difference | \$12.1 | \$20.4 | | | | | | | | | | | |
| 16 | Cumulative % Change FY22 | 3.0% | 2.6% | | | | | | | | | | | |

Actual vs DFM (Forecast)

| | | | | | | | | | | | | | | |
|----|-------------------------|----------|----------|--|--|--|--|--|--|--|--|--|--|----------|
| 17 | Monthly Difference | (\$13.2) | (\$25.4) | | | | | | | | | | | (\$38.5) |
| 18 | % Change from DFM | (3.1%) | (6.2%) | | | | | | | | | | | (0.6%) |
| 19 | Cumulative Difference | (\$13.2) | (\$38.5) | | | | | | | | | | | |
| 20 | Cumulative % Change DFM | (3.1%) | (4.6%) | | | | | | | | | | | |

August Collections By Tax Category

| | Individual Income | Corp. Income | Sales Tax | Product Taxes | Misc. Revenue | Total | |
|----|---|--------------|-----------|---------------|---------------|---------|----------|
| 21 | Collections | \$149.0 | \$22.0 | \$214.5 | \$14.7 | \$15.9 | \$416.1 |
| 22 | Difference from Last August | (\$17.6) | \$6.6 | \$17.6 | (\$0.3) | \$2.0 | \$8.3 |
| 23 | % Change from Last August | (10.5%) | 42.7% | 8.9% | (2.1%) | 14.5% | 2.0% |
| 24 | Cumulative Difference from Last Year | (\$14.7) | \$8.4 | \$39.4 | (\$8.1) | (\$4.7) | \$20.4 |
| 25 | Difference (Actual and DFM Forecast for August) | (\$11.6) | (\$3.5) | (\$11.1) | \$0.0 | \$0.8 | (\$25.4) |
| 26 | Cumulative Diff. (Actual and DFM Forecast) | (\$14.7) | (\$17.5) | (\$10.3) | (\$0.3) | \$4.3 | (\$38.5) |

For August in Fiscal Year 2023, revenues concluded ahead of August FY2022 by \$8.3 million. FY23 revenues to date are \$20.4 million ahead of FYTD 22.

August revenues were below the DFM forecast by \$25.4 million.

August Fiscal Year 2023 Monthly Revenues Accrued to the General Fund

| Revenues by Category | Individual Income Tax | Sales Tax | Corporate Income Tax | Product Tax | Miscellaneous Revenue | Total August Revenue |
|----------------------|-----------------------|-----------|----------------------|-------------|-----------------------|----------------------|
| | \$158.9M | \$205.8M | \$13.0M | \$5.1M | \$4.0M | = \$386.9M |

August Revenues and DFM Forecast

FY22 Compared to FY23

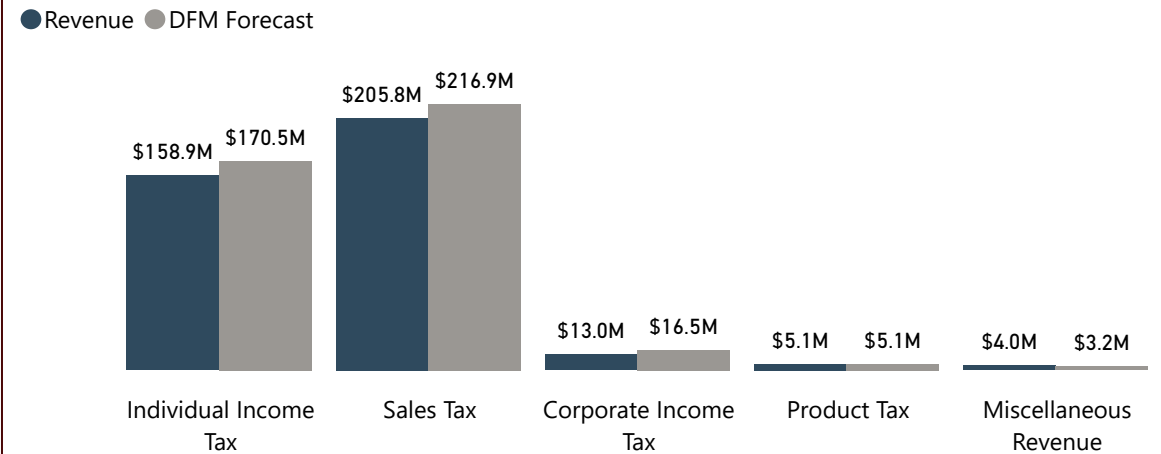


Note: the revenue amount displayed below the dial indicates actual August FY23 revenue, the amount shown above the dial indicates the target amount (either Division of Financial Management August FY23 forecast on the left dial or FY22 FYTD revenues on the right). The dial needle demonstrates if the current revenues fell short of or exceeded the predicted amount.

Cumulative Revenue and DFM Forecast Differences by Category

| Category | Revenue | DFM Forecast | Revenue minus Forecast |
|-----------------------|-----------------|-----------------|------------------------|
| Individual Income Tax | \$307.9M | \$322.6M | (\$14.7M) |
| Sales Tax | \$420.4M | \$430.6M | (\$10.3M) |
| Corporate Income Tax | \$35.0M | \$52.5M | (\$17.5M) |
| Product Tax | \$19.9M | \$20.2M | (\$0.3M) |
| Miscellaneous Revenue | \$19.9M | \$15.6M | \$4.3M |
| Total | \$803.0M | \$841.6M | (\$38.5M) |

August Revenue and DFM Forecast Comparison by Category



August Revenue Compared to Same Month in Previous FY

