



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE SECRETARY
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.arkansas.gov/dfa

January 11, 2022

Senator Jonathan Dismang, Co-Chair
Representative Lane Jean, Co-Chair
Joint Budget Committee
Arkansas General Assembly
State Capitol Building
Little Rock, AR 72201

Dear Co-Chairs:

Please find attached information detailing the economic forecast and balanced budget for the 2023 Fiscal Year. The forecast information reflects the Official General Revenue Forecast for the 2021-2023 Biennium and Fiscal Years 2024 and 2025 in the next biennium provided to the Legislative Council on December 16, 2021 pursuant to A.C.A. §19-4-304 (b).

You will also find attached a schedule reflecting the Governor's Proposed Balanced Budget under this Forecast for the 2023 Fiscal Year with a comparison to the 2022 Fiscal Year.

Sincerely,

A handwritten signature in cursive script that reads 'Larry W. Walther'.
Larry W. Walther
Secretary

LWW:rb



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE SECRETARY

1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.arkansas.gov/dfa

December 16, 2021

The Honorable Terry Rice, Co-Chair
The Honorable Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
State Capitol
Little Rock, Arkansas 72201

Dear Senator Rice and Representative Wardlaw:

In response to tax changes passed in the Second Extraordinary Session of 2021, I am providing a revised Official General Revenue Forecast for planning purposes for the 2021 – 2023 Biennium and Fiscal Years 2024 and 2025 in the next biennium.

The tax changes from the extraordinary session begin on January 1, 2022 with estimated reductions in general revenue of -\$135.25 million in FY 2022, -\$307.40 million in FY 2023, -\$383.2 million in FY 2024, -\$459.00 million in FY 2025, and -\$497.90 million in FY 2026.

Summary of Net Available Revenues:

Actual

- In FY 2021 net available revenues totaled \$6,845.3 million, an increase of \$1,091.9 million or 19 percent from FY 2020. A surplus of \$945.7 million resulted from exceeding the full amount of the allocations in the Revenue Stabilization Law.

Current Year

- For FY 2022 net available revenues are expected to reach \$6,113.6 million, a decrease of \$731.7 million, or -10.7 percent from FY 2021 results for net available. Year-to-date actual growth after five months in the fiscal year has been 3.0 percent above year earlier levels, resulting in \$73.0 million above forecast at that point. Individual Income Tax collections have been below year ago because of the occurrence of two income tax filing deadlines in FY 2021. Payroll Withholding Tax collections in the current year have been up 8.3 percent over the prior year. Sales and

Use Tax collections have been above forecast despite declining effects from stimulus payments to households. Corporate Income tax collections are also above forecast as large accounts have generally held up over the pandemic recession-recovery period to date.

The FY 2022 forecast is expected to fund the allocations “A” + “B” + “C” + “D” in the current Revenue Stabilization Law (RSA) and provide a surplus above RSA of \$264.4 million.

Forecast

- For FY 2023 net available revenues are expected to reach \$6,218.3 million, an increase of \$104.7 million or 1.7 percent above FY 2022.
- For FY 2024 net available revenues are expected to reach \$6,344.1 million, an increase of \$125.9 million or 2.0 percent above FY 2023.
- For FY 2025 net available revenues are expected to reach \$6,583.4 million, an increase of \$239.3 million or 3.8 percent above FY 2024.

Economic Forecast Assumptions

Economic models employed by the Department of Finance and Administration indicate continued high growth for the U.S. and Arkansas across FY 2022 and 2023. Moderation is expected thereafter toward trend average growth rates with potential for elevated inflation compared to the decade prior to COVID19. Inflation will comprise a larger share of nominal growth measures than prior estimates, but consumer confidence will continue to rise in the base case to pre-pandemic levels. Business fixed investment is expected to remain strong next year at 6.8 percent, after a surge of 7.6 percent in 2021. The gains in consumer and business spending are not expected to introduce new volatility and greater risk of recession in the current forecast period.

The Arkansas economy currently displays elevated growth derived from a mix of sector recovery rates and remaining stimulus program effects. Employment levels now surpass pre-pandemic levels in Retail Trade, Professional and Business Services, and Other (personal) Services. The goods producing sectors traditionally associated with recession-recovery volatility have also recovered in Manufacturing and Construction. The hardest hit sectors with longer recovery times, including restaurants and transportation, are also moving higher and will potentially push total private sector employment past pre-pandemic levels by year-end 2021. The sectors with delayed recovery unique to the pandemic period are in Healthcare and Social Assistance and the Educational Service units of state and local government. Weekly insured unemployment rates reported by the U.S. Department of Labor have also dropped to pre-pandemic levels below 1.0 percent, with related declines in levels of new and existing claims.

The short-term outlook for the Arkansas economy indicates elevated growth rates for another year in FY23, trending back toward average growth by FY24. This amounts to an extension of high growth compared to prior forecasts. Wage income will again exceed pre-pandemic averages in FY23 and to a lesser extent in FY24 from continued job gains and wage inflation. Retail sales are expected to soften in FY23 and 24 in the shadow of high consumption rates in FY20 and 21 from stimulus payments and rapid economic rebound. A blended picture for growth will mark FY23 with notable recovery in wage income and jobs, offsetting declines in stimulus spending and related programs.

Risk remains for revenue prediction in the course of continued viral outbreaks with new variants and policy response across the major economies and sectors. The pessimistic case with a 30 percent probability involves weaker consumer spending in response to the spread of variants and higher inflation than the base case. The optimistic case with a 20 percent probability is tied to higher consumer spending from stimulus income and slightly looser credit conditions. The Department will act expeditiously to adjust the forecast and budgets if conditions warrant.

The department utilizes more stable and conservative forecast sources and models among national forecast contractors to maintain a conservative input process. Revenue sources are evaluated separately to capture collection issues for each contributing revenue line. We have provided a conservative revenue forecast recognizing the growth opportunities and the risk profile.

I have attempted to provide this information in a format that facilitates your work. A narrative summary of the revenue forecasts and tables for quick reference are included with this letter.

Sincerely,



Larry W. Walther
Secretary

LWW/jps
Attachments (3)

STATE AND NATIONAL ECONOMIC AND REVENUE FORECASTS

The following sections summarize the economic outlook for the nation and Arkansas for the next four years with comments updating current year conditions. The Official Revenue Forecast for the 2021-2023 Biennium is included, along with an estimate for fiscal year 2024 and 2025.

The revenue forecasts are conditionally based on the expected economic conditions in the state and nation as of November 2021. The U.S. and state economic forecasts were compiled from simulations representing structural economic modeling systems at IHS Markit Inc., a national forecast provider. The Office of Economic Analysis and Tax Research, DFA, prepared the general revenue forecast.

Economic and Revenue Estimates for Fiscal Year 2022

Summary of Economic and Revenue Estimates for FY 2022

- **FY 2022 U.S. Gross Domestic Product (Real Output).** This summary is based on the November 2021 baseline forecast of IHS Markit Inc. During FY 2022, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at \$19,803 billion, for an annual increase of \$865 billion or 4.6 percent. Two general measures of inflation indicate high near-term price gains during the year, stemming from energy price rebound and a variety of factors related to supply chain issues and rapid economic recovery. These consist of the Consumer Price Index (CPI) and the GDP price deflator, a measure of overall price inflation spanning consumers, businesses, and government. The Consumer Price Index is expected to increase 5.0 percent and the GDP price deflator is expected to rise by 4.4 percent.
- **U.S. gross domestic product in current dollars** is estimated at \$23,877 billion, an increase of \$2,028 billion or 9.3 percent.
- **Average annual U.S. oil prices** are estimated at \$76 per barrel (domestic crude price to refineries) in FY 2022 from the November forecast. Energy prices in general have recovered from depressed levels in business activity and travel in major economies. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2022 Arkansas nonfarm personal income** (the sum of wages and salaries, proprietor's income, rent, dividends, interest, and transfer payments) is estimated at \$151.9 billion (current dollars), an increase of \$3.1 billion or 2.1 percent from FY 2021. Growth in total income is limited by the decline in the transfer payments component after Federal stimulus payments in the prior year.

- **FY 2022 Arkansas wage and salary disbursements** are estimated at \$68.5 billion, an increase of \$4.4 billion or 6.8 percent.
- **FY 2022 Arkansas payroll employment** is expected to reach a level of 1.279 million jobs, an increase of approximately 26,100 jobs or 2.1 percent. Private sector job change is expected to be 2.6 percent above the prior year.

FY 2022 Gross General Revenues

Gross general revenues are estimated at \$7,342.2 million, a decrease from FY 2021 of \$778.9 million, or -9.6 percent.

Pursuant to Arkansas Code §19-5-202, the total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2019 was set at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, \$395.1 million has been determined to be distributed (net) in FY 2022.

FY 2022 Net Available General Revenues

Net available revenues are estimated at \$6,113.6 million, a decrease of \$731.7 million or -10.7 percent from FY 2021.

FY 2022 revenues are expected to fund the allocations “A” + “B” + “C” + “D” in the current Revenue Stabilization Law and a surplus of \$264.4 million is indicated.

FY 2022 Selected Special Revenues:

- **FY 2022 Educational Adequacy Fund:** Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004, a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Estimate for FY 2022: \$614.4 million.

- **FY 2022 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. Under this formula, it has been determined that \$40.6 million will be distributed in FY 2022.

Economic and Revenue Estimates for Fiscal Year 2023

Summary of Economic and Revenue Estimates for FY 2023

- **FY 2023 U.S. Gross Domestic Product (Real Output).** This summary is based on the November 2021 baseline forecast of IHS Markit Inc. During FY 2023, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at \$20,547 billion, an increase of \$744 billion or 3.8 percent. Two general measures of inflation indicate elevated price pressures during the year. The Consumer Price Index is expected to increase 2.2 percent and the GDP price deflator is expected to rise by 2.4 percent.
- **U.S. gross domestic product in current dollars** is estimated at \$25,370 billion, an increase of \$1,493 billion or 6.3 percent over FY 2022.
- **Average annual U.S. oil prices** are estimated at \$72 per barrel (domestic crude price to refineries) in FY2023. Gradual price decline in annual averages is expected during the year, after large swings in prior years. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2023 Arkansas nonfarm personal income** is estimated at \$158.6 billion (current dollars), an increase of \$6.7 billion or 4.4 percent over FY 2022. Moderation in transfer payments is expected in FY 2023 after stimulus payments in the prior years.
- **FY 2023 Arkansas wage and salary disbursements** are estimated at \$72.9 billion, an increase of \$4.33 billion or 6.3 percent. Total disbursements reflect the combined effects of net job growth, longer average work weeks, and any gains in wage rates, bonuses, or level of overtime pay rates.
- **FY 2023 Arkansas payroll employment** is expected to reach a level of 1.300 million jobs, an increase of approximately 21,600 jobs or 1.7 percent. Private sector job growth is expected to be 1.6 percent in FY 2023.

FY 2023 Gross General Revenues

Gross general revenues are estimated at \$7,530.7 million, an increase from FY 2022 of \$188.5 million, or 2.6 percent.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2023 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. \$406.5 million is estimated to be distributed (net) in FY 2023.

FY 2023 Net Available General Revenues

Net available revenues are estimated at \$6,218.3 million, an increase of \$104.7 million or 1.7 percent compared to FY 2022.

FY 2023 Selected Special Revenues:

- **FY 2023 Educational Adequacy Fund:** Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004, a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Estimate for FY 2023: \$617.0 million.

- **FY 2023 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. \$31.1 million is estimated to be distributed in FY 2023.

Summary of Economic and Revenue Estimates for FY 2024

- **FY 2024 U.S. Gross Domestic Product (Real Output).** During FY 2024, the United States economy is expected to produce final goods and services valued at \$21,082 billion in inflation-adjusted dollars, an increase of \$535 billion or 2.6 percent. The two inflation measures of consumer price index (CPI) and GDP price deflator are expected to remain elevated. The consumer price index (CPI) is expected to increase 2.2 percent and the GDP price deflator is expected to increase 2.3 percent in FY 2024.
- **U.S. gross domestic product in current dollars** is estimated at \$26,641 billion for FY 2024, an increase of \$1,271 billion or 5.0 percent.
- **Average annual U.S. oil prices** are estimated at \$67 per barrel (domestic crude price to refineries) in FY 2024. Oil prices and domestic energy demand are expected to stabilize. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2024 Arkansas nonfarm personal income** will reach \$166.1 billion (current dollars), an increase of \$7.5 billion or 4.8 percent over FY 2023. Nonfarm income is expected to expand moderately in a rising job market and expanding national economy.
- **FY 2024 Arkansas wage and salary disbursements** are estimated at \$76.5 billion, an increase of \$3.7 billion or 5.1 percent.
- **FY 2024 Arkansas payroll employment** is expected to reach a level of 1.308 million jobs, an increase of approximately 8,100 jobs or 0.6 percent. Private sector job growth is expected to be 0.7 percent in FY 2024.

FY 2024 Gross General Revenues

The forecast for gross general revenues in FY 2024 is \$7,704.3 million, an increase of \$173.6 million or 2.3 percent over FY 2023.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2024 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, an estimated \$407.6 million may be distributed (net) in FY 2024.

FY 2024 Net Available General Revenues

For FY 2024, net available general revenues are estimated at \$6,344.1 million, an increase of \$125.9 million or 2.0 percent over FY 2023.

Summary of Economic and Revenue Estimates for FY 2025

- **FY 2025 U.S. Gross Domestic Product (Real Output).** During FY 2025, the United States economy is expected to produce final goods and services valued at \$21,643 billion in inflation-adjusted dollars, an increase of \$562 billion or 2.7 percent. The two inflation measures of consumer price index (CPI) and GDP price deflator are expected to remain elevated. The consumer price index (CPI) is expected to increase 2.2 percent and the GDP price deflator is expected to increase 2.5 percent in FY 2025.
- **U.S. gross domestic product in current dollars** is estimated at \$28,037 billion for FY 2025, an increase of \$1,396 billion or 5.2 percent.
- **Average annual U.S. oil prices** are estimated at \$65 per barrel (domestic crude price to refineries) in FY 2025. Oil prices and domestic energy demand are expected to stabilize. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2025 Arkansas nonfarm personal income** will reach \$174.7 billion (current dollars), an increase of \$8.5 billion or 5.1 percent over FY 2024. Nonfarm income is expected to expand moderately in a rising job market and expanding national economy.
- **FY 2025 Arkansas wage and salary disbursements** are estimated at \$80.3 billion, an increase of \$3.7 billion or 4.8 percent.
- **FY 2025 Arkansas payroll employment** is expected to reach a level of 1.315 million jobs, an increase of approximately 6,200 jobs or 0.5 percent. Private sector job growth is expected to be 0.5 percent in FY 2025.

FY 2025 Gross General Revenues

The forecast for gross general revenues in FY 2025 is \$8,006.1 million, an increase of \$301.8 million or 3.9 percent over FY 2024.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2025 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, an estimated \$416.9 million may be distributed (net) in FY 2025.

FY 2025 Net Available General Revenues

For FY 2025, net available general revenues are estimated at \$6,583.4 million, an increase of \$239.3 million or 3.8 percent over FY 2024.

Office of the Secretary and
Economic Analysis and Tax Research,
Department of Finance and Administration
December 16, 2021

**Official General Revenue Forecast
FY 2022 - 2023**

Millions of Dollars

	Actual	FY 21 Increase	Yr/Yr % CH	12/16/21 Estimate	FY 22 Increase	Yr/Yr % CH	12/16/21 Estimate	FY 23 Increase	Yr/Yr % CH
Individual Income	3,969.2	550.6	16.1	3,300.9	-668.3	-16.8	3,481.1	180.2	5.5
Corporate Income	651.9	169.8	35.2	518.0	-133.9	-20.5	485.1	-32.9	-6.4
Sales and Use Tax	2,883.8	340.1	13.4	2,966.5	82.7	2.9	2,974.9	8.4	0.3
Alcohol	68.8	8.0	13.1	70.7	1.9	2.7	73.6	2.9	4.1
Tobacco	224.5	4.2	1.9	206.4	-18.1	-8.1	196.8	-9.6	-4.7
Insurance	191.8	66.8	53.4	148.8	-43.0	-22.4	183.0	34.2	23.0
Racing	1.6	0.0	-2.0	1.5	-0.1	-8.0	1.3	-0.2	-13.3
Gaming	38.8	6.4	19.8	45.2	6.4	16.5	50.4	5.2	11.5
Severance	7.2	-0.2	-3.2	8.9	1.7	23.2	8.3	-0.6	-6.7
Franchise	8.0	0.0	0.0	8.0	0.0	0.0	8.0	0.0	0.0
Real Estate Transfer	2.6	0.0	0.0	2.6	0.0	-0.3	2.6	0.0	0.0
Miscellaneous	72.7	7.7	11.8	64.7	-8.0	-11.0	65.7	1.0	1.5
Total Gross	8,121.0	1,153.3	16.6	7,342.2	-778.8	-9.6	7,530.8	188.6	2.6
LESS: SCS / COF	250.1	34.4	16.0	227.6	-22.5	-9.0	233.5	5.9	2.6
Individual Refunds	502.1	-1.6	-0.3	381.5	-120.6	-24.0	437.5	56.0	14.7
Corporate Refunds	65.3	16.0	32.4	86.1	20.8	31.9	92.8	6.7	7.8
Claims Reserve	0.0	0.0	0.0	10.0	10.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	13.2	-4.7	-26.4	23.4	10.2	77.4	23.4	0.0	0.0
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	-0.1	5.3	0.0	0.2	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.2	0.0	0.0	20.4	-2.8	-12.1	18.3	-2.1	-10.3
City / County Tourist	0.9	0.0	0.0	0.9	0.0	1.4	0.9	0.0	0.0
Educational Excellence	348.5	10.8	3.2	395.1	46.6	13.4	406.5	11.4	2.9
Educational Adequacy	30.8	1.0	3.2	34.9	4.1	13.3	35.9	1.0	2.9
Highway Casino Transfer	5.6	5.6	0.0	12.6	7.0	125.0	17.6	5.0	39.7
Net Available	6,845.3	1,091.9	19.0	6,113.6	-731.7	-10.7	6,218.3	104.7	1.7
LESS: Surplus	945.7	942.6		264.4	-681.3				
Net Available Distribution	5,899.6	149.4	2.6	5,849.2	-50.4	-0.9	6,218.3	369.1	6.3

**Official General Revenue Forecast
FY 2024 - 2025**

Millions of Dollars	12/16/21 Estimate	FY 24 Increase	Yr/Yr % CH	12/16/21 Estimate	FY 25 Increase	Yr/Yr % CH
Individual Income	3,625.4	144.3	4.1	3,786.0	160.6	4.4
Corporate Income	480.0	-5.1	-1.1	480.3	0.3	0.1
Sales and Use Tax	3,042.6	67.7	2.3	3,151.2	108.6	3.6
Alcohol	75.4	1.8	2.4	77.3	1.9	2.5
Tobacco	190.4	-6.4	-3.3	184.3	-6.1	-3.2
Insurance	151.3	-31.7	-17.3	185.0	33.7	22.3
Racing	1.2	-0.1	-7.7	1.2	0.0	0.0
Gaming	54.8	4.4	8.7	57.1	2.3	4.2
Severance	7.6	-0.7	-8.4	7.3	-0.3	-3.9
Franchise	8.0	0.0	0.0	8.0	0.0	0.0
Real Estate Transfer	2.6	0.0	0.0	2.6	0.0	0.0
Miscellaneous	64.8	-0.9	-1.4	65.8	1.0	1.5
Total Gross	7,704.1	173.3	2.3	8,006.1	302.0	3.9
LESS: SCS / COF	238.8	5.3	2.3	248.2	9.4	3.9
Individual Refunds	466.2	28.7	6.6	503.2	37.0	7.9
Corporate Refunds	96.3	3.5	3.8	100.0	3.7	3.8
Claims Reserve	10.0	0.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	23.4	0.0	0.0	23.4	0.0	0.0
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	0.0	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.0	4.7	25.7	23.0	0.0	0.0
City / County Tourist	0.9	0.0	0.0	0.9	0.0	0.0
Educational Excellence	407.6	1.1	0.3	416.9	9.3	2.3
Educational Adequacy	36.0	0.1	0.3	36.9	0.9	2.5
Highway Casino Transfer	21.9	4.3	24.4	24.1	2.2	10.0
Net Available	6,343.9	125.6	2.0	6,583.4	239.5	3.8
LESS: Surplus						
Net Available Distribution	6,343.9	125.6	2.0	6,583.4	239.5	3.8

**Economic Assumptions and the
Official General Revenue Forecast
FY 2022 - 2023**

Millions of Dollars	FY 21			12/16/21 Estimate	FY 22			FY 23		
	Actual	Increase	Yr/Yr % CH		Increase	Yr/Yr % CH	12/16/21 Estimate	Increase	Yr/Yr % CH	
Individual Income Tax	3,969.2	550.6	16.1	3,300.9	-668.3	-16.8	3,481.1	180.2	5.5	
<u>Individual Refunds</u>	<u>502.1</u>	<u>-1.6</u>	<u>-0.3</u>	<u>381.5</u>	<u>-120.6</u>	<u>-24.0</u>	<u>437.5</u>	<u>56.0</u>	<u>14.7</u>	
Net Individual Income	3,467.1	552.2	18.9	2,919.4	-547.7	-15.8	3,043.6	124.2	4.3	
Corporate Income Tax	651.9	169.8	35.2	518.0	-133.9	-20.5	485.1	-32.9	-6.4	
<u>Corporate Refunds</u>	<u>65.3</u>	<u>16.0</u>	<u>32.4</u>	<u>86.1</u>	<u>20.8</u>	<u>31.9</u>	<u>92.8</u>	<u>6.7</u>	<u>7.8</u>	
Net Corporate Income	586.7	153.8	35.5	431.9	-154.8	-26.4	392.3	-39.6	-9.2	
Sales and Use Tax	2,883.8	340.1	13.4	2,966.5	82.7	2.9	2,974.9	8.4	0.3	
Net Economic Tax Revenue	6,937.6	1,046.2	17.8	6,317.8	-619.8	-8.9	6,410.8	93.0	1.5	
Other Tax Revenue	616.1	92.8	17.7	556.8	-59.3	-9.6	589.7	32.9	5.9	
Gross General Revenues	8,121.0	1,153.3	16.6	7,342.2	-778.8	-9.6	7,530.8	188.6	2.6	
LESS: SCS / COF	250.1	34.4	16.0	227.6	-22.5	-9.0	233.5	5.9	2.6	
Individual Refunds	502.1	-1.6	-0.3	381.5	-120.6	-24.0	437.5	56.0	14.7	
Corporate Refunds	65.3	16.0	32.4	86.1	20.8	31.9	92.8	6.7	7.8	
Claims Reserve	0.0	0.0	0.0	10.0	10.0	0.0	10.0	0.0	0.0	
Econ Develop Incentive	13.2	-4.7	-26.4	23.4	10.2	77.4	23.4	0.0	0.0	
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0	16.0	0.0	0.0	
Amendment 82 Bonds	5.3	0.0	-0.1	5.3	0.0	0.2	5.3	0.0	0.0	
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0	14.8	0.0	0.0	
College Savings Bonds	23.2	0.0	0.0	20.4	-2.8	-12.1	18.3	-2.1	-10.3	
City / County Tourist	0.9	0.0	0.0	0.9	0.0	1.4	0.9	0.0	0.0	
Educational Excellence	348.5	10.8	3.2	395.1	46.6	13.4	406.5	11.4	2.9	
Educational Adequacy	30.8	1.0	3.2	34.9	4.1	13.3	35.9	1.0	2.9	
Highway Casino Transfer	5.6	5.6	0.0	12.6	7.0	125.0	17.6	5.0	39.7	
Net Available	6,845.3	1,091.9	19.0	6,113.6	-731.7	-10.7	6,218.3	104.7	1.7	
LESS: Surplus	945.7	942.5		264.4	-681.3					
Net Available Distribution	5,899.6	149.4	2.6	5,849.2	-50.4	-0.9	6,218.3	369.1	6.3	

ECONOMIC ASSUMPTIONS	FY2021			FY2022			FY2023		
U.S. GDP Nominal (Billion \$)	21,848.8	809.2	3.8%	23,877.0	2,028.2	9.3%	25,370.0	1,493.0	6.3%
U.S. GDP Real (Billions 2012\$ Chain-Weight)	18,938.1	306.8	1.6%	19,802.6	864.5	4.6%	20,547.0	744.4	3.8%
U.S. GDP Deflator (Chain-Wt, 2012=100)	115.5	2.5	2.2%	120.6	5.1	4.4%	123.5	2.9	2.4%
U.S. CPI Price Index (1982-84=100)	263.1	5.8	2.3%	276.3	13.2	5.0%	282.3	6.0	2.2%
OIL - Avg. Dom. Crude to Refinery (\$ per bbl.)	52.4	3.3	6.7%	76.1	23.7	45.3%	71.9	-4.2	-5.6%
AR. Net General Revenue (Million \$)	7,553.7	1,138.9	17.8%	6,874.6	-679.1	-9.0%	7,000.5	125.9	1.8%
AR. Net GR % of Total Personal Income	5.1%	0.5%	11.2%	4.5%	-0.5%	-10.8%	4.4%	-0.1%	-2.5%
AR. Total Personal Income (Million \$)	148,824.8	8,327.0	5.9%	151,886.2	3,061.4	2.1%	158,607.9	6,721.7	4.4%
AR. Wage & Salary Disbursements (Million \$)	64,154.5	3,371.7	5.5%	68,538.8	4,384.3	6.8%	72,872.4	4,333.6	6.3%
AR. Personal Transfer Payments (Million \$)	41,339.6	4,779.1	13.1%	36,888.5	-4,451.1	-10.8%	37,819.3	930.8	2.5%
AR. Per Capita Income (\$)	49,406.0	2,730.0	5.8%	50,359.0	953.0	1.9%	52,450.0	2,091.0	4.2%
AR. GDP Nominal (Million \$)	137,514.3	7,498.5	5.8%	149,828.2	12,313.9	9.0%	157,613.0	7,784.8	5.2%
AR. Employment Total Payroll (Thousands)	1,252.7	-9.8	-0.8%	1,278.8	26.1	2.1%	1,300.4	21.6	1.7%
AR. Employment Private Sector (Thousands)	1,046.8	-5.1	-0.5%	1,073.9	27.1	2.6%	1,091.2	17.3	1.6%
AR. Employment Manufacturing (Thousands)	157.2	-1.7	-1.1%	161.2	4.0	2.5%	159.0	-2.2	-1.4%
AR. New Car/Light Truck registrations (Thous.)	135.5	16.3	13.7%	112.4	-23.1	-17.0%	127.4	15.0	13.3%
AR. Retail Sales (Million \$)	49,328.0	6,711.6	15.7%	52,783.4	3,455.4	7.0%	52,653.1	-130.3	-0.2%

U.S. Summary: IHS Markit, Nov 2021 baseline
AR Summary: IHS Markit, Nov 2021 baseline

**Economic Assumptions and the
Official General Revenue Forecast
FY 2024 - 2025**

Millions of Dollars	12/16/21	FY 24	Yr/Yr	12/16/21	FY 25	Yr/Yr
	Estimate	Increase	% CH	Estimate	Increase	% CH
Individual Income Tax	3,625.4	144.3	4.1	3,786.0	160.6	4.4
<u>Individual Refunds</u>	<u>466.2</u>	<u>28.7</u>	<u>6.6</u>	<u>503.2</u>	<u>37.0</u>	<u>7.9</u>
Net Individual Income	3,159.2	115.6	3.8	3,282.8	123.6	3.9
Corporate Income Tax	480.0	-5.1	-1.1	480.3	0.3	0.1
<u>Corporate Refunds</u>	<u>96.3</u>	<u>3.5</u>	<u>3.8</u>	<u>100.0</u>	<u>3.7</u>	<u>3.8</u>
Net Corporate Income	383.7	-8.6	-2.2	380.3	-3.4	-0.9
Sales and Use Tax	3,042.6	67.7	2.3	3,151.2	108.6	3.6
Net Economic Tax Revenue	6,585.5	174.7	2.7	6,814.3	228.8	3.5
Other Tax Revenue	556.1	-33.6	-5.7	588.6	32.5	5.8
Gross General Revenues	7,704.1	173.3	2.3	8,006.1	302.0	3.9
LESS: SCS / COF	238.8	5.3	2.3	248.2	9.4	3.9
Individual Refunds	466.2	28.7	6.6	503.2	37.0	7.9
Corporate Refunds	96.3	3.5	3.8	100.0	3.7	3.8
Claims Reserve	10.0	0.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	23.4	0.0	0.0	23.4	0.0	0.0
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	0.0	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.0	4.7	25.7	23.0	0.0	0.0
City / County Tourist	0.9	0.0	0.0	0.9	0.0	0.0
Educational Excellence	407.6	1.1	0.3	416.9	9.3	2.3
Educational Adequacy	36.0	0.1	0.3	36.9	0.9	2.5
Highway Casino Transfer	21.9	4.3	24.4	24.1	2.2	10.0
Net Available	6,343.9	125.6	2.0	6,583.4	239.5	3.8
LESS: Surplus						
Net Available Distribution	6,343.9	125.6	2.0	6,583.4	239.5	3.8
ECONOMIC ASSUMPTIONS	FY2024			FY2025		
U.S. GDP Nominal (Billion \$)	26,641.2	1,271.2	5.0%	28,037.4	1,396.2	5.2%
U.S. GDP Real (Billions 2012\$ Chain-Weight)	21,081.7	534.7	2.6%	21,643.3	561.6	2.7%
U.S. GDP Deflator (Chain-Wt, 2012=100)	126.4	2.9	2.3%	129.5	3.2	2.5%
U.S. CPI Price Index (1982-84=100)	288.4	6.1	2.2%	294.7	6.3	2.2%
OIL - Avg. Dom. Crude to Refinery (\$ per bbl.)	66.9	-5.0	-6.9%	65.0	-1.9	-2.9%
AR. Net General Revenue (Million \$)	7,141.6	141.1	2.0%	7,402.9	261.3	3.7%
AR. Net GR % of Total Personal Income	4.3%	-0.1%	-2.6%	4.2%	-0.1%	-1.4%
AR. Total Personal Income (Million \$)	166,154.1	7,546.2	4.8%	174,686.5	8,532.4	5.1%
AR. Wage & Salary Disbursements (Million \$)	76,565.4	3,693.0	5.1%	80,276.4	3,711.0	4.8%
AR. Personal Transfer Payments (Million \$)	39,487.0	1,667.7	4.4%	41,535.9	2,048.9	5.2%
AR. Per Capita Income (\$)	54,773.0	2,323.0	4.4%	57,394.0	2,621.0	4.8%
AR. GDP Nominal (Million \$)	164,232.7	6,619.7	4.2%	171,758.6	7,525.9	4.6%
AR. Employment Total Payroll (Thousands)	1,308.5	8.1	0.6%	1,314.7	6.2	0.5%
AR. Employment Private Sector (Thousands)	1,098.3	7.1	0.7%	1,103.4	5.1	0.5%
AR. Employment Manufacturing (Thousands)	158.9	-0.1	-0.1%	158.2	-0.7	-0.4%
AR. New Car/Light Truck registrations (Thous.)	134.0	6.6	5.2%	135.8	1.8	1.3%
AR. Retail Sales (Million \$)	53,624.8	971.7	1.8%	55,369.3	1,744.5	3.3%

U.S. Summary: IHS Markit, Nov 2021 baseline
AR Summary: IHS Markit, Nov 2021 baseline

**STATE GENERAL REVENUE
2023 Balanced Budget**

FUND ACCOUNTS	FY22 RSA	Fiscal Year 2023				
		BASE LEVEL	Executive Recommendation	TOTAL	FY23 Over FY22	OVER FY22
Div. of Elementary and Secondary Education	2,221,385,390	2,187,718,268	103,293,257	2,291,011,525	69,626,135	3.13%
State Library	5,641,919	5,359,823	282,096	5,641,919	0	0.00%
Career and Technical Education	22,730,476	22,730,645	0	22,730,645	169	0.00%
Career and Technical Education-Adult Ed	8,137,976	7,637,976	500,000	8,137,976	0	0.00%
PUBLIC SCHOOL FUND	2,257,895,761	2,223,446,712	104,075,353	2,327,522,065	69,626,304	3.08%
GENERAL EDUCATION FUND						
Div. of Elementary and Secondary Education	17,149,189	16,379,120	817,321	17,196,441	47,252	0.28%
Div. of Elementary and Secondary Education - Succeed Scholarship	3,300,000	0	3,300,000	3,300,000	0	0.00%
Educational Facilities Partnership	41,828,951	41,828,951	28,500,000	70,328,951	28,500,000	68.13%
Div. of Academic Facilities & Transportation	2,658,305	2,531,297	131,198	2,662,495	4,190	0.16%
Educational Television	5,459,958	5,393,951	78,930	5,472,881	12,923	0.24%
School for the Blind	7,703,572	7,136,122	585,430	7,721,552	17,980	0.23%
School for the Deaf	11,070,981	10,372,183	720,136	11,092,319	21,338	0.19%
State Library	3,695,744	3,515,890	180,840	3,696,730	986	0.03%
Div. of Career and Technical Education	9,500	9,500	0	9,500	0	0.00%
Rehabilitation Services	11,596,466	11,641,802	0	11,641,802	45,336	0.39%
Subtotal - General Education	104,472,666	98,808,816	34,313,855	133,122,671	28,650,005	27.42%
Technical Institutes:						
Northwest TI	3,059,189	3,066,434	0	3,066,434	7,245	0.24%
Riverside VTS	0	2,317,086	(2,317,086)	0	0	0.00%
Subtotal - Technical Institutes	3,059,189	5,383,520	(2,317,086)	3,066,434	7,245	0.24%
TOTAL GENERAL ED. FUND	107,531,855	104,192,336	31,996,769	136,189,105	28,657,250	26.65%
HUMAN SERVICES FUND						
DHS-Administration	23,733,915	23,778,727	0	23,778,727	44,812	0.19%
Children & Family Services	119,946,575	119,997,824	11,000,000	130,997,824	11,051,249	9.21%
Child Care/Early Childhood Ed.	2,167,125	2,173,405	400,000	2,573,405	406,280	18.75%
Youth Services	48,897,465	48,903,006	0	48,903,006	5,541	0.01%
Devel. Disab. Services	65,234,278	65,306,674	0	65,306,674	72,396	0.11%
Medical Services	2,325,764	2,333,276	0	2,333,276	7,512	0.32%
DHS-Grants	1,373,215,466	1,313,215,466	103,566,432	1,416,781,898	43,566,432	3.17%
Behavioral Health	95,165,518	95,232,260	6,000,000	101,232,260	6,066,742	6.37%
Provider Services and Quality Assurance	5,312,733	5,321,846	0	5,321,846	9,113	0.17%
County Operations	47,383,974	47,470,649	5,000,000	52,470,649	5,086,675	10.74%
TOTAL HUMAN SERVICES	1,783,382,813	1,723,733,133	125,966,432	1,849,699,565	66,316,752	3.72%

2023 Balanced Budget

FUND ACCOUNTS	FY22 RSA	Fiscal Year 2023				
		BASE LEVEL	Executive Recommendation	TOTAL	FY23 Over FY22	OVER FY22
STATE GENERAL GOV'T FUND						
Div. of Ark. Heritage	7,324,050	7,327,148	0	7,327,148	3,098	0.04%
Department of Agriculture	18,277,498	17,406,921	886,174	18,293,095	15,597	0.09%
Dept. of Labor and Licensing	3,777,575	3,127,575	650,000	3,777,575	0	0.00%
Div. of Higher Education	11,644,080	11,066,536	579,272	11,645,808	1,728	0.01%
Higher Education Grants	40,619,625	38,018,752	2,600,873	40,619,625	0	0.00%
Economic Development Commission	15,233,684	14,555,029	6,480,874	21,035,903	5,802,219	38.09%
Div. of Correction	375,058,996	369,577,554	9,378,462	378,956,016	3,897,020	1.04%
Div. of Community Correction	96,899,889	94,397,166	3,256,341	97,653,507	753,618	0.78%
Dept. of the Military	7,745,921	7,069,321	679,051	7,748,372	2,451	0.03%
Parks & Tourism	20,614,754	20,630,801	0	20,630,801	16,047	0.08%
Div. of Environmental Quality	4,045,277	3,848,855	198,271	4,047,126	1,849	0.05%
Miscellaneous Agencies	72,860,695	63,122,604	9,578,722	72,701,326	(159,369)	-0.22%
TOTAL STATE GENERAL GOV'T	674,102,044	650,148,262	34,288,040	684,436,302	10,334,258	1.53%
OTHER FUNDS						
County Aid	21,428,616	20,357,186	1,071,430	21,428,616	0	0.00%
County Jail Reimbursement	19,365,944	18,397,647	968,297	19,365,944	0	0.00%
Crime Information System 3	2,541,309	3,543,658	(1,000,000)	2,543,658	2,349	0.09%
Child Support Enforcement	12,619,632	12,631,574	0	12,631,574	11,942	0.09%
Dept. of Health	80,387,021	80,496,222	413,847	80,910,069	523,048	0.65%
Performance Fund	0	0	16,000,000	16,000,000	16,000,000	100.00%
Motor Vehicle Acquisition	0	0	0	0	0	0.00%
Municipal Aid	29,372,099	27,903,494	1,468,605	29,372,099	0	0.00%
Div. of Arkansas State Police	70,554,741	66,601,474	11,417,040	78,018,514	7,463,773	10.58%
Div. of Workforce Services-TANF	3,682,210	3,685,419	0	3,685,419	3,209	0.09%
Div. of Workforce Services-Adult Education	918,273	918,996	0	918,996	723	0.08%
Services for the Blind	1,897,471	1,900,926	0	1,900,926	3,455	0.18%
Skills Development Fund	3,585,793	3,586,921	0	3,586,921	1,128	0.03%
TOTAL OTHER FUNDS	246,353,109	240,023,517	30,339,219	270,362,736	24,009,627	9.75%
INSTITUTIONS OF HIGHER EDUCATION - Four Year Institutions:						
Arkansas State University	61,175,637	56,712,052	5,407,122	62,119,174	943,537	1.54%
Arkansas Tech University	34,605,343	31,718,000	6,516,177	38,234,177	3,628,834	10.49%
Henderson State University	19,322,901	18,079,415	1,253,868	19,333,283	10,382	0.05%
Southern Arkansas University	17,141,612	15,437,518	1,841,082	17,278,600	136,988	0.80%
UA-Fayetteville	126,404,532	116,687,604	14,165,100	130,852,704	4,448,172	3.52%
UA - System	3,479,474	3,305,500	173,974	3,479,474	0	0.00%
UA - Archeological Survey	2,369,274	2,250,810	118,464	2,369,274	0	0.00%
UA - Agriculture	65,800,138	62,510,131	3,290,007	65,800,138	0	0.00%
UA - Clinton School	2,336,896	2,220,051	116,845	2,336,896	0	0.00%
UA - Criminal Justice Institute	2,258,634	2,145,702	312,932	2,458,634	200,000	8.85%
UA - AR Sch.Math, Science, & Arts	1,133,048	1,076,396	56,652	1,133,048	0	0.00%

2023 Balanced Budget

FUND ACCOUNTS	Fiscal Year 2023					
	FY22	BASE	Executive	TOTAL	FY23 Over	OVER
	RSA	LEVEL	Recommendation		FY22	FY22
U of A - Ft. Smith	20,887,035	19,329,841	2,583,762	21,913,603	1,026,568	4.91%
UA-Little Rock	60,696,343	57,494,393	2,906,837	60,401,230	(295,113)	-0.49%
UA-Medical Sciences	88,012,881	83,612,237	4,400,644	88,012,881	0	0.00%
UAMS - Child Abuse/Rape/Domestic Violence	0	710,820	(360,820)	350,000	350,000	0.00%
UAMS - Pediatrics/Psychiatric Research	1,985,100	1,885,845	99,255	1,985,100	0	0.00%
UAMS - Child Safety Center	0	696,881	(696,881)	0	0	0.00%
UAMS - Indigent Care	5,438,340	5,166,423	271,917	5,438,340	0	0.00%
UA-Monticello	16,324,482	15,174,764	2,210,440	17,385,204	1,060,722	6.50%
UA-Pine Bluff	26,540,553	24,901,490	1,707,070	26,608,560	68,007	0.26%
University of Central Arkansas	56,184,891	52,490,524	4,333,449	56,823,973	639,082	1.14%
Subtotal - 4 Year Institutions	612,097,114	573,606,397	50,707,897	624,314,294	12,217,180	2.00%
INSTITUTIONS OF HIGHER EDUCATION - Two Year Institutions:						
Arkansas Northeastern College	8,879,506	8,226,185	659,559	8,885,744	6,238	0.07%
Arkansas State University - Beebe	11,525,049	11,163,297	246,856	11,410,153	(114,896)	-1.00%
Arkansas State Univ.-Mt. Home	3,610,087	3,499,574	38,311	3,537,885	(72,202)	-2.00%
Arkansas State Univ. - Newport	6,760,375	5,925,957	660,758	6,586,715	(173,660)	-2.57%
Cossatot C C of the UA	3,591,046	3,302,237	506,714	3,808,951	217,905	6.07%
East Arkansas Cmty. College	8,492,198	7,832,089	1,011,391	8,843,480	351,282	4.14%
Arkansas State Univ. - Mid-South	4,097,247	3,823,640	191,662	4,015,302	(81,945)	-2.00%
ASU - Mid-South - ADTEC	1,527,000	1,449,300	77,700	1,527,000	0	0.00%
National Park College	8,995,642	8,380,599	1,065,032	9,445,631	449,989	5.00%
North Arkansas College	7,650,936	7,416,724	166,961	7,583,685	(67,251)	-0.88%
NorthWest Arkansas Cmty. College	11,957,237	10,385,422	1,673,549	12,058,971	101,734	0.85%
Phillips Cmty. College of the UA	9,280,566	8,539,259	715,958	9,255,217	(25,349)	-0.27%
U of A - Rich Mountain	3,482,763	3,064,504	448,130	3,512,634	29,871	0.86%
Southern Ark. University - Tech	5,786,720	5,292,367	276,317	5,568,684	(218,036)	-3.77%
SAU-Tech-Envir. Control Center	375,036	356,284	18,752	375,036	0	0.00%
SAU-Tech-Fire Training Academy	1,680,943	1,596,896	84,047	1,680,943	0	0.00%
South Arkansas Cmty. College	6,068,049	5,731,301	476,521	6,207,822	139,773	2.30%
U of A - Cmty. College at Batesville	4,192,275	3,923,626	663,332	4,586,958	394,683	9.41%
U of A - Cmty. College at Hope-Texarkana	5,017,494	4,445,127	394,195	4,839,322	(178,172)	-3.55%
U of A - Cmty. College at Morrilton	5,348,579	4,815,231	586,885	5,402,116	53,537	1.00%
Subtotal - 2 Year Institutions	118,318,748	109,169,619	9,962,630	119,132,249	813,501	0.69%
INSTITUTIONS OF HIGHER EDUCATION - Technical Colleges						
Black River	5,842,364	5,663,516	144,325	5,807,841	(34,523)	-0.59%
ASU - Three Rivers	3,407,518	3,297,333	53,565	3,350,898	(56,620)	-1.66%
Ozarka	3,257,617	2,896,343	439,924	3,336,267	78,650	2.41%
U of A - Pulaski Tech	14,466,048	14,023,209	357,358	14,380,567	(85,481)	-0.59%
Southeast Arkansas College	5,386,789	5,221,887	133,071	5,354,958	(31,831)	-0.59%
Subtotal - Technical Colleges	32,360,336	31,102,288	1,128,243	32,230,531	(129,805)	-0.40%
TOTAL INST'S OF H. E.	762,776,198	713,878,304	61,798,770	775,677,074	12,900,876	1.69%

2023 Balanced Budget

FUND ACCOUNTS	FY22 RSA	Fiscal Year 2023				FY23 Over FY22	OVER FY22
		BASE LEVEL	Executive Recommendation	TOTAL			
Rainy Day Funds	0	0	0	0	0	0	
Medicaid Trust Fund	0	0	0	0	0	0	
Restricted Reserve	17,158,003	0	0	0	(17,158,003)	-100.00%	
Total Request	5,849,199,783	5,655,422,264	388,464,583	6,043,886,847	194,687,064	3.33%	
OFFICIAL FORECAST 12.16.2021	6,113,600,000			6,218,300,000			
Surplus/(Deficit)	264,400,217			174,413,154			

1. Base Level includes adjustments for the FY20 and FY21 Performance Pay, 2021-2023 Retirement Rate Contribution Rates, calculated 2021-2023 Career Service Payments, and the \$360 annual increase in EBD Contribution.

PREPARED BY DFA-OFFICE OF BUDGET
1/11/2022