



# Revenue Estimated Conference Meeting—October 12, 2023

**FY 2024 Estimate**—The Revenue Estimating Conference (REC) met and increased their estimate for FY 2024 net General Fund Receipts (including transfers) by \$109.8 million compared to the adjusted March REC estimate (adjusted for legislative law changes that occurred after the March REC meeting). The new FY 2024 estimate is \$92.5 million (-0.9%) below the actual FY 2023 amount.

**FY 2025 Estimate**—The REC also set the FY 2025 estimate at \$176.5 million (-1.8%) below the new FY 2024 estimate. Factors for the negative growth rate included upcoming tax law changes that will reduce the income tax rates and uncertainty in the future economy.

| Revenue Estimating Conference October 12, 2023: Net General Fund Receipts (including Transfers) |   |                          |                             |   |                          |                                     |   |
|---|---|--------------------------|-----------------------------|---|--------------------------|-------------------------------------|---|
| (Dollars in Millions)   |   |                          |                             |   |                          |                                     |   |
| Actual FY<br>2023 Net<br>General Fund<br>Receipts   | FY 2024 -<br>March REC<br>Adjusted for<br>Tax Changes | October REC Estimates    |                             |   |                          |                                     |   |
|   |   | Estimated for FY<br>2024 | Est. FY 2024<br>vs. FY 2023 | % Change<br>Est. FY 2024<br>vs. FY 2023 | Estimated for<br>FY 2025 | Est. FY 2025<br>Vs. Est. FY<br>2024 | % Change<br>Est. FY 2025<br>vs. FY 2024 |
| \$ 9,845.3  | \$ 9,643.0  | \$ 9,752.8               | \$ (92.50)                  | -0.9%                                   | \$ 9,576.3               | \$ (176.50)                         | -1.8%                                   |

## What does this mean?

Final FY 2023 general fund tax revenues grew slightly more than REC projected, coming in at about \$42 million above the March REC estimate (adjusted for tax law changes and based on the end of session Legislative Services Agency balance sheet). At the end of FY 2023, the state general fund surplus totaled nearly \$1.8 billion, the taxpayer relief fund totaled more than \$2.7 billion and reserve funds totaled approximately \$900 million. Despite these large balance amounts it's important to keep in mind that any fund balances are considered one-time in nature and are generally not used for on-going expenditure items.

The October REC estimates are really a barometer 3 months into the new fiscal year. It's important to keep in mind that the December REC estimates will be what the governor and legislature use when establishing the budget for FY 2025. The next meeting will likely occur by mid-December and will help provide more insight into the overall budget situation.

## More on the REC

The Revenue Estimating Conference is a three-member panel that is required to meet three times a year to agree upon the revenue estimates for the current fiscal year and following fiscal year. These estimates are used by:

- The Governor when submitting budget recommendations to the legislature in January, and
- The Legislature when appropriating funds for the state budget during the legislative session.

The next REC meeting will be held in December and estimates they establish for FY 2025 will be used to set the state budget for FY 2025. Additional information on the REC is available on the [Department of Management's website](#).