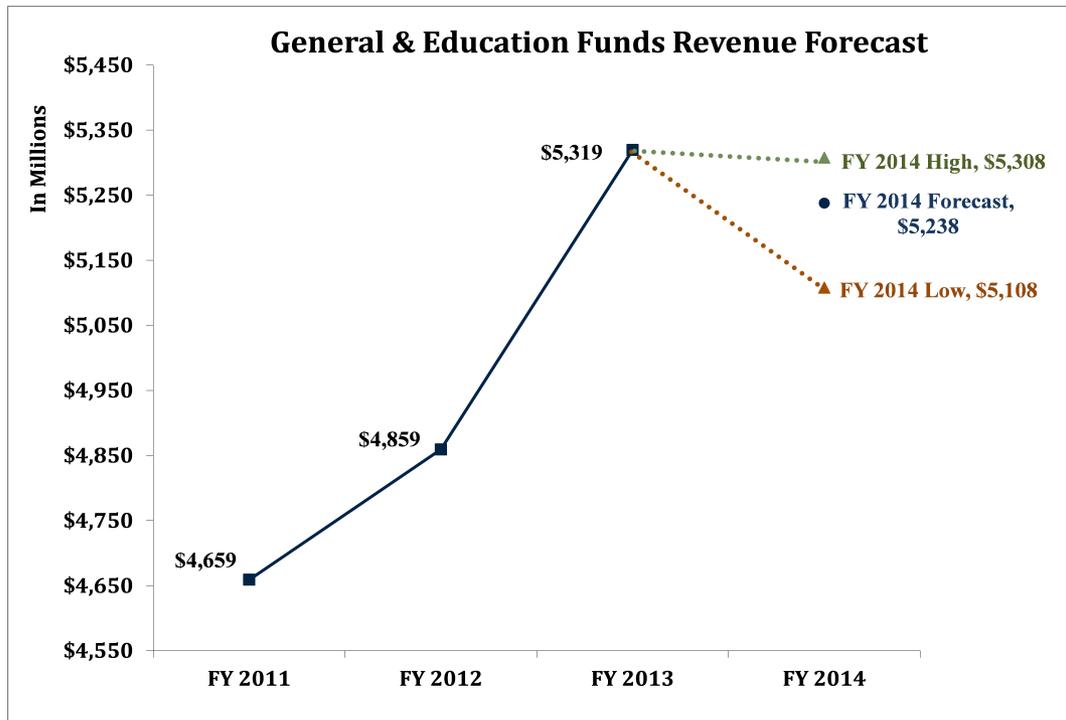


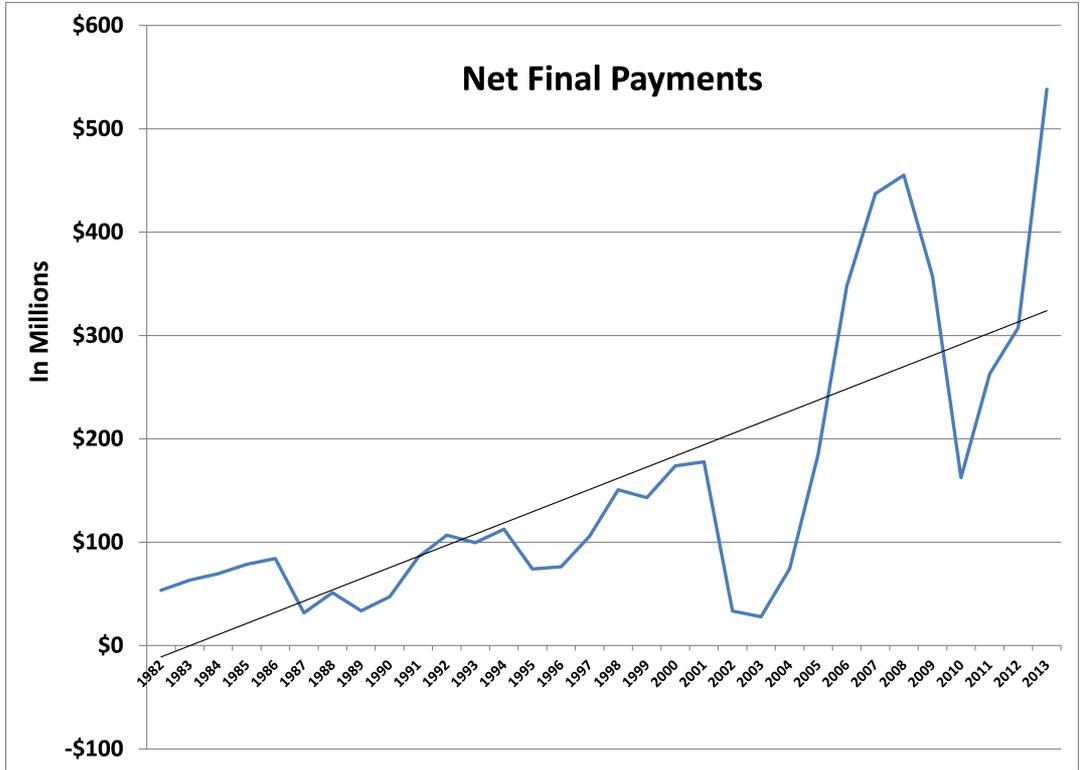
## Fiscal Highlights

### Where Will Revenues be in FY 2014 - Andrea Wilko

General Fund and Education Fund revenues for FY 2014 could range between \$130 million below to \$70 million above the May 2013 estimates (see chart below). The General Fund ended FY 2013 with a \$15 million revenue deficit. Going forward, the General Fund could be in the range of \$60 million below to \$10 million above the May estimates. In looking at both collections and revised economic indicators, we think that the Education Fund could be within a range of \$70 million below to \$60 million above the May estimates.



Currently, there is a greater likelihood that revenues will come in below forecasts than above targets. The greatest downside risk is in the General Fund, and is due to lower-than-projected FY 2013 collections and flagging consumer confidence. Growth in the Education Fund collections is not expected to be as strong in FY 2014 as it was in FY 2013 because total wage estimates have been adjusted down from May targets, and final payments in FY 2013 were at all-time highs. These final payments are expected to come closer to trends in FY 2014 (see chart below).



Economic indicators have been revised down from the May estimates. This is the result of a variety of factors, including federal policy uncertainty and rising interest rates. As a result, we expect the growth rates of state revenues in FY 2014 to be below the FY 2013 levels.