Office of Budget and Management

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<u>Am. Sub. House Bill 49</u>
Conference Committee Testimony on the
FY 2018 and 2019 Biennial Operating Budget

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Mr. Chairman, members of the Conference Committee, thank you for the opportunity to testify today on Amended Substitute House Bill 49, the FY 2018 and 2019 Biennial Operating Budget for the State of Ohio. Governor Kasich appreciates the time and effort both chambers have given to development of the budget since introduction of the Executive Budget proposal in February.

The development of the FY18-19 budget has presented challenges throughout the executive and legislative process. While the economy has continued to grow, albeit sluggishly, as it has for the length of the current economic expansion, the State also has been experiencing tax revenue weakness since January 2016. This continued revenue weakness significantly impacted OBM's work during the last year. Even before introduction, OBM revised revenue estimates down and reassessed budget capacity a number of times.

The executive budget submitted in February factored in weak revenue performance through January, particularly in non-auto sales tax revenues and income tax withholding, but did not anticipate the very weak personal income tax filing season. At introduction, the budget assumed that FY 2017 GRF tax revenues would be $592 million below the July 2016 estimates that were published in the Monthly Financial Report. Within two months of the release of the executive budget it became clear that the FY 2017 forecast was overly optimistic and that the FY 2018-2019 forecasts would have to be revised downward as well.

The Governor met with legislative leadership to discuss the deteriorating revenue outlook. The leaders agreed that the revenue outlook required prompt action and that the necessary budget adjustment could not wait until the conference committee. At a press conference on April 13, Governor Kasich, Speaker Rosenberger, and Senate President Obhof announced that the tax revenue forecast would have to be reduced by *at least* $400 million per year.

That preliminary assessment of likely revisions was not based on a detailed forecast, but instead was predicated on some simple assumptions about continued slow growth in the non-auto sales tax and in withholding, along with some preliminary assumptions about weak income tax filing season results. The preliminary estimate also did not include baseline Medicaid program costs re-projections.

Both the House and the Senate have taken significant steps to ensure that the anticipated lower revenue estimates have been incorporated into the budget plan. Based on the action of both houses, we are well positioned in this conference committee to put in place a structurally balanced FY18-19 operating budget. Assuring we accomplish this during the next week is the Governor's highest priority.

In our view, the best way to accomplish this is a continued focus on conservative economic forecasts, conservative revenue estimates and appropriation levels sufficient to cover our expected expenses.

The administration looks forward to working with this Committee to reconcile the differences among various versions of the bill. To begin that effort, today I will present the Administration's revised GRF revenue estimates, the latest Medicaid projections and updated lottery profit estimates.

<u>Economic Forecast</u>

Let me begin by briefly discussing the latest economic forecasts that OBM has used for the revenue and Medicaid caseload forecasts, and how they differ from the forecasts that were used to build the Executive Budget.

In general, the revised forecasts are substantially the same as the forecasts that underpinned the Executive Budget, but the continued sluggish performance of the non-auto sales tax and of employer withholding has led OBM to hedge the wage and salary income forecast even further. This is a key adjustment because the revenue forecasting equations for withholding and the non-auto sales tax use projections of wage and salary income as a key input.

When I testified on the executive budget, fourth quarter GDP growth had just been released, showing growth of only 1.9%, and growth for all of CY 2016 of only 1.6%. Since that time, the fourth quarter growth estimate was revised slightly upward, to 2.1%, and the first quarter GDP growth estimate was released, showing growth of 1.2%. Neither of those growth rates are very different from what we have been seeing over much of this eight year expansion.

As has been the case for much of the past two years, national forecasters are calling for somewhat stronger growth in the second quarter, and in the remainder of 2017. This optimism is somewhat more muted than in recent years, however, as experience has shown that the U.S. economy has been on a growth path of about 2% for real GDP over the course of this long expansion. The IHS forecast for real GDP for CY 2017-2019 is for growth of about 2.4% per year, with no year's growth approaching 3%. In contrast, two years ago my conference testimony included a table showing projected U.S. GDP growth of 3% for FY 2017.

As always, there are risks to the baseline forecast that must be acknowledged. There are certainly more than two areas of risk that could lead to the economy performing worse than the baseline, but I will highlight two particular risks.

(1) Monetary Policy – in its June 14th statement, the Federal Reserve's Federal Open Market Committee (FOMC) announced that it was raising the target for the federal funds rate from 1.0% to 1.25%. The Committee has let it be known that it expects a total of three hikes in the federal funds rate (25 basis points each) this year, three next year, and three in 2019. If this occurs, then by the end of the decade, the federal funds rate will be at what many take to be its long-run equilibrium rate of 3%. Investors seem to have quite different expectations. Based on futures markets, it seems that many investors expect no more rate hikes in 2017, and only one or two more in 2018 and in 2019. The expectation seems to be that the federal funds rate will

ultimately rise to 2%, not 3%. If the FOMC does continue on a path of raising rates to 3% and investors are negatively surprised, this could result in bond and equity price declines that could cause pullbacks in consumer spending and in investment.

Analysts at Moodys point out that the national economy appears to have become more sensitive to moves in stock prices, particularly when they are declining. That is, the stock wealth effect on consumption appears to be larger than in times past, and to be asymmetric. This may be partly because many baby boomers in their 50s and 60s are not financially prepared for retirement, coupled with the fact that boomers have put a disproportionate share of their investments in the stock market compared with previous generations at the same point in their life cycle. When stock prices go up, the boomers are thus cautious to spend their newfound wealth, since they need it for their retirement. However, when prices go down, they will pull back sharply on consumption in fear that their retirement goals have become even farther out of reach.

(2) Geopolitical instability - There are a number of geopolitical hotspots that could damage global trade and reduce growth abroad and in the U.S. North Korean risks associated with their continued missile tests are one such obvious risk, while ISIS inspired terror attacks are another. The British withdrawal from the European Union continues to create risk not only for Britain but for the Eurozone as a whole.

Instability around the world may increase demand for dollars as a safe haven currency, but this creates its own problems for the U.S., as appreciation of the dollar, all else constant, increases prices of U.S. exports and hurts U.S. manufacturing.

I would add that there is risk to international trade even aside from war and terror. Changes to trade agreements that increase tariffs or create other barriers to trade will generally tend to reduce trade overall and thus result in lower growth.

The May 2017 Global Insight baseline forecasts for the U.S. and Ohio have literally thousands of variables. As usual, OBM has condensed those forecasts into a table that contains a few variables that either summarize the broad economy or are key drivers of the revenue estimates for major taxes. Those forecasts for FY 2017-2019 are in the table below.

A change to the table from my prior testimony is that this version of the table shows both the IHS baseline forecast for wage and salary income growth and the more conservative forecast that I referenced earlier, where the more conservative forecast was used as the basis for developing forecasts of tax revenues for the non-auto sales tax and for employer withholding.

I would note that, although the IHS light vehicle forecast is not explicitly hedged with an alternative, as the wage and salary forecast is, the revenue forecast is hedged somewhat, on the presumption that light vehicle sales may have peaked in FY 2017.

Table 1: History and IHS May-2017 Baseline Forecast of Key Economic Variables, FY 2015-2019					
Annual percent change unless otherwise indicated					
Output	**FY 2015 Actual**	**FY 2016 Actual**	**FY 2017 Estimate**	**FY 2018 Forecast**	**FY 2019 Forecast**
U.S. Real GDP	2.9	1.7	2.0	2.5	2.6
Ohio Real GDP	3.3	0.8	1.5	1.8	2.0
Income					
U.S. nominal personal income	5.3	3.8	4.0	4.5	5.1
Ohio nominal personal income	4.1	3.3	3.4	4.0	4.6
Ohio nominal wage and salary income	4.5	3.9	4.1	4.0	4.7
Ohio nominal wage and salary income (alternative)**	4.5	3.9	2.8	3.1	3.6
Employment					
U.S. nonfarm employment	2.1	1.9	1.6	1.2	1.0
Ohio nonfarm employment	1.6	1.3	0.9	0.6	0.6
U.S. unemployment rate (percentage)	5.7	5.0	4.7	4.3	4.0
Ohio unemployment rate (percentage)	5.2	4.9	5.0	4.6	4.3
Consumer Spending					
U.S. real personal consumption expenditure	3.3	2.9	2.8	2.6	3.3
U.S. nominal personal consumption expenditure	4.4	3.4	4.4	4.2	4.8
U.S. retail and food service sales	3.7	2.6	3.9	4.1	4.9
Ohio retail and food service sales	2.0	1.6	3.7	3.4	4.3
U.S. light vehicle sales (millions of units)	16.85	17.49	17.48	17.48	17.53
** indicates variables from a forecast reduced below the baseline					

Revised Revenue Estimates

The forecast revisions that I am presenting today call for reductions of $949 million over the biennium, with the vast majority of the reductions ($934 million) coming in tax revenues. The tax revenue forecasts are reduced by $437 million and $497 million in FY 2018 and FY 2019, respectively, from the executive budget. Non-tax revenue estimates are reduced by $10 million in FY 2018 and $5 million in FY 2019.

As I mentioned in my testimony on the economic outlook, the revenue forecasts are built on the May 2017 baseline forecasts for the U.S. and Ohio. However, because reliance on these forecasts contributed to revenue forecasts being too high in FY 2017, OBM and Taxation took several measures to avoid the same outcome in FY 2018-2019. I discuss some of the measures that we took to customize the economic forecast variables and the use of those variables by the revenue forecasting models below.

First, because Ohio wage and salary income is such an important variable in the forecasting equations, OBM created its own forecast of Ohio wage and salary income for FY 2018-2019, based on the historical data on the gap between U.S. income growth and Ohio income growth (the IHS baseline forecast was used for U.S. growth estimates). OBM then validated its method with economists at IHS. As one can see by examining the table at the end of my testimony on the economy, the OBM forecasted growth rates are about 1% per year less than the IHS baseline forecasts. As a rough rule of thumb, this reduces the combined income and sales tax revenues by about $170 million per year from what they otherwise would be.

Second, because we believe – and other analysts at places such as Moodys also believe – that retail deflation has been an important factor in depressing growth in sales tax collections, we have created a retail price variable that is tailored to Ohio's non-auto sales tax base and used the forecast of that variable in the non-auto sales tax equation. In contrast to other measures of inflation such as the CPI, the forecast for that synthetic inflation invariable never reaches 0.5% over the forecast period, thus acting to restrain forecasted growth in non-auto revenues.

Third, we have independently forecasted the U.S. Census Bureau variable on the e-commerce share of retail sales and used the forecast of that variable in the non-auto sales tax equation. The growing share of e-commerce sales acts to depress the forecast of non-auto tax revenues.

Fourth, we have estimated the portion of the non-auto sales tax that comes from leasing transactions and assumed that revenues from those transactions have peaked and will decline in FY 2018-2019. This also reduces the forecast of non-auto tax revenues.

Fifth, although the IHS baseline forecast predicts that unit sales of light vehicles will remain essentially the same in FY 2018-2019 as in FY 2017, OBM's auto sales tax forecast assumes a decline in revenues in FY 2018 (despite assumed increases in average vehicle prices), and a return only to FY 2017 revenue levels in FY 2019.

Sixth, although the IHS forecast of Ohio nonwage income pegs growth at 4.0% and 4.6% in FY 2018 and FY 2019, respectively, the OBM-Taxation forecast assumes that taxable nonwage income will grow by only 3.3% and 2.8%. This reduces forecasted income tax revenues for both years of the biennium.

As one might expect given both the weak performance of the income tax and the non-auto sales tax in FY 2017, and the various ways in which OBM has hedged the forecasts of those taxes in an attempt to reduce downside risk, almost all of the net downward revisions to the executive budget forecast are in those two taxes. In FY 2018, non-auto sales tax revenues are revised downward by $105 million and income tax revenues are revised downward by $294 million. The non-auto sales tax and income tax combined thus account for $399 million of the $437 million in FY 2018 revisions. While other taxes have also had their forecasts revised, the net impact of the various upward and downward adjustments is only negative $38 million for the year.

The same pattern holds in FY 2019. The non-auto tax sales tax forecast is revised downward by $201 million, and the income tax forecast is revised downward by $256 million. Those two taxes combined account for $457 million of the $497 million reduction in forecasted tax

revenues. The auto sales tax forecast has also been revised downward by $18 million. All other taxes were revised downward by a combined $22 million.
In the interests of brevity I will discuss only two of the other taxes where OBM made forecast revisions. The commercial activity tax (CAT), which performed poorly through February of FY 2017 but has since outperformed the estimate, has actually had its forecasted revenues revised upward by $24 million in FY 2018 and $25 million in FY 2019 from the executive budget.

On the other hand, the financial institutions tax (FIT), which has fallen far short of estimate in FY 2017, has had its forecast revised downward by $38 million in FY 2018 and $41 million in FY 2019.

These two revisions are not unrelated. There has been a large increase in tax credits claimed against the FIT in FY 2017, while credits claimed against the CAT have actually declined. Business tax credits against GRF taxes are generally growing, but exactly when they are claimed and against what taxes is quite difficult to predict. OBM assumes that the general pattern of claiming credits that we have seen in FY 2017 will continue in FY 2018-2019, but there is significant risk that the pattern may revert to that of earlier years or change to something different altogether.

Finally, the one change in non-tax revenues is made to transfers to the GRF from the highway fund that holds petroleum activity tax (PAT) revenues. Transfers to the GRF for FY 2017 were originally expected to be $70 million. Our best estimate at this time is that FY 2017 transfers will be only about $55 million, due partly to extremely low petroleum product prices in the first quarter of 2016, which led to low PAT revenues in the fourth quarter of 2016. The PAT, like the FIT, has also had its revenues reduced by growth in business tax credits. As a result, we have also reduced estimated transfers for FY 2018 and 2019. Estimated transfers are expected to rebound to $60 million in FY 2018 and $65 million in FY 2019, but these levels are $10 million and $5 million below what was estimated for the executive budget.

Revised Medicaid Estimates

The Executive Budget contained the appropriations necessary to fund the projected costs of the Medicaid program for the upcoming biennium. Those forecasts can be divided into two parts: (1) the estimated costs of the existing program (baseline) and (2) the estimated costs or savings of any new reform proposals. The “baseline” portion is the projected cost of the program under current law – that is, the expected cost of providing health care services to individuals expected to be enrolled in the program under the current eligibility requirements, while paying providers the rates that are currently set in law or according to rule, without assuming the adoption of any new reform proposals. While the Executive Budget, and the versions passed by each chamber of the General Assembly, have all contained a number of reform items, my purpose today is to provide you with information about the Administration’s updates to our baseline projections based upon more recent information.

The updated baseline projection for all funds Medicaid spending has increased by only $49 million, or 0.1%, from the executive forecast. However, the required state GRF spending for Medicaid has increased by a larger amount, $138 million, or 1.1%, due to shifts in expected caseloads between programs that receive different federal matching rates.

By fiscal year, the updated forecast is for lower all funds spending of $151 million in FY 2018 and higher all funds spending of $200 million in FY 2019, for a net increase of $49 million over the biennium. For state GRF spending, the forecast increases in both years, rising by $15 million in FY 2018 and $123 million in FY 2019.

There are four caseload categories that are significantly higher in the conference update than in the executive budget forecast:

(1) The dually eligible Medicaid/Medicare caseload projection has increased, as persons who were formerly receiving only Medicare premium assistance have moved into the full dually eligible category;

(2) The CHIP caseload forecast has increased from the executive. This affects all funds spending much more than it does the GRF state share, since the federal match rate for CHIP is almost 97%;

(3) The projected caseload and retroactive billing amount for Medicare Part D have both increased from the executive. Although the Medicare Part D clawback has decreased, which decreases state GRF spending, the increase in caseload and retroactive billing more than offset the clawback decrease;

(4) The covered families and children (CFC) caseload forecast has been increased from the executive. The CFC caseload is still expected to decline, but at a slower, more gradual rate than in the executive forecast;

The Medicaid expansion (Group 8) caseload forecast has decreased from the executive. However, because the federal match rate for this category is so high, this decrease does not save much state GRF spending, although it does decrease all funds Medicaid spending. The increases in the four categories mentioned above, all of which except CHIP have lower federal match rates than the expansion group, outweigh the decrease in the projected expansion group, leading to the expected increase in state GRF costs.

In addition to changes in the caseload forecast, there is also a small increase in the expected growth rate of the managed care per member per month (PMPM) amount. The forecast update still leaves the PMPM at the lower bound of the growth rate estimated by the actuaries.

Medicaid Baseline Forecast, executive vs. conference							
amounts in millions of $							
						Biennial Total	
	FY18 All Funds	FY19 All Funds	FY18-GRF State	FY19-GRF State		All Funds	GRF State
Executive Baseline	$ 28,562.6	$ 29,661.2	$ 6,343.5	$ 6,701.7		$ 58,223.9	$ 13,045.2
Conference Baseline	$ 28,411.6	$ 29,861.0	$ 6,358.9	$ 6,824.4		$ 58,272.6	$ 13,183.3
Variance	$ (151.0)	$ 199.8	$ 15.4	$ 122.7		$ 48.8	$ 138.1
% Variance	-0.5%	0.7%	0.2%	1.8%		0.1%	1.1%

Please note that the updated baseline forecast does not include a projected $55 million state GRF savings in FY 2019 due to an increase in the basic FMAP rate for Ohio because the Senate budget has already incorporated those savings into its appropriations for FY 2019.

In my discussion of the reasons for the change in the baseline forecast, I did not mention the aged, blind, and disabled (ABD) caseload projection. In my February testimony on the executive budget, I identified increases in the ABD caseload as being a primary driver of increased Medicaid spending in the baseline forecast. That is still true in the updated baseline forecast, but the ABD caseload and spending forecast changed very little from the executive baseline to the conference baseline.

We look forward to discussing our revised Medicaid projections during Conference Committee deliberations to ensure adequate funding for the program through the next biennium.

Lottery Profit Estimates

Lottery profit transfers in FY 2017 have been well above budgeted estimates. Profit transfers to the Lottery Profits Education Fund (LPEF) have exceeded the estimate every month of the year, and through May are $50.1 million ahead of the official estimate prepared for the FY 2016-2017 budget. The estimate for all of FY 2017 is $988 million, so if profits ended the year $50 million above estimate they would be $1,038 million for the year. Based on performance over the first 11 months of the year, FY 2017 profit transfers will probably exceed that $1,038 million amount by a small margin.

Profit transfers in FY 2017 have actually declined somewhat from FY 2016, but that was to be expected given that FY 2016 saw a $1.6 billion jackpot, which has been described in LaFleur's magazine, which covers the gaming industry, as "the biggest jackpot in the history of the world." That huge jackpot pushed Powerball sales to record levels, and Ohio lottery profits were $116.7 million in January 2016 as a result (November and December sales and profits were boosted as well). This January, lottery profits were $81.1 million, a $35.6 million decline from the year before. In the other 10 months of FY 2017, however, lottery profits grew by $10.7 million from FY 2016.

Primarily as a result of FY 2017's strong performance, baseline forecasts of lottery profits have been increased slightly from the executive budget in both FY 2018 and FY 2019. The increases in the forecast are due to increased profit forecasts from both traditional games and VLTs at racinos, although the VLTs contribute a bit more to the upward revision. VLT sales and profits have been boosted and will continue to be helped by the addition of VLTs at certain tracks and also the addition of amenities, such as the new hotel at Scioto Downs. As shown in the table below, the baseline forecast for lottery profits increases from the executive budget estimates by $8 million in FY 2018 and $10 million in FY 2019.

Baseline Lottery Profits Transfer Forecast			
amounts in millions of dollars			
	FY 2017	FY 2018	FY 2019
Executive budget forecast	$1,030	$1,045	$1,055
Conference committee updated forecast	$1,038	$1,053	$1,065
Difference	$8	$8	$10

Concluding Remarks

As we collaborate to conclude our work on a state budget for Fiscal Years 2018 and 2019, Mr. Chairman, my Cabinet colleagues and I, along with other Administration staff, stand ready to provide any assistance and information the Conference Committee may need as you work to finalize the budget and policy provisions in this bill.

I thank you for the opportunity to address the Conference Committee today. At this time, I would be happy to answer any questions members of the Committee might have.

ATTACHMENTS

1: FY 2017 GRF Revenue (Executive Budget vs. Conference Committee)
2: FY 2018-2019 GRF Baseline Revenue (Executive Budget vs. Conference Committee)

Attachment 1

General Revenue Fund Revenues

Fiscal Year 2017

dollars in millions

Revenue Source	Feb-2017 Executive Budget	Jun-2017 Conference Committee	Conference vs. Executive $ Change
Non-Auto Sales and Use	$9,213.6	$9,183.0	($30.6)
Auto Sales and Use	$1,339.9	$1,382.0	$42.1
Subtotal Sales and Use	$10,553.4	$10,565.0	$11.5
Personal Income	$7,926.0	$7,590.0	($336.1)
Corporate Franchise	$0.0	$3.7	$3.7
Financial Institutions Tax	$223.0	$187.0	($36.0)
Commercial Activity Tax	$1,255.0	$1,290.0	$35.0
Petroleum Activity Tax	$6.0	$6.0	$0.0
Public Utility	$103.5	$107.0	$3.5
Kilowatt Hour Tax	$365.2	$347.0	($18.2)
Natural Gas Consumption	$66.0	$61.8	($4.2)
Foreign Insurance	$301.5	$323.0	$21.5
Domestic Insurance	$278.0	$278.0	$0.0
Other Business and Property	$0.0	($0.7)	($0.7)
Cigarette and Other Tobacco	$970.0	$972.0	$2.0
Alcoholic Beverage	$55.0	$57.0	$2.0
Liquor Gallonage	$45.0	$46.0	$1.0
Estate	$0.0	$0.7	$0.7
Total Taxes	$22,147.7	$21,833.4	($314.3)
Earnings on Investments	$45.0	$47.3	$2.3
Licenses and Fees	$57.0	$59.3	$2.3
Other Income	$59.3	$54.5	($4.8)
Interagency Transfers (ISTVs)	$18.5	$18.9	$0.4
Total of Non-Tax Revenue	$179.8	$180.0	$0.2
Budget Stabilization	$0.0	$0.0	$0.0
Transfers In - Other	$488.5	$447.7	($40.8)
Temporary Transfers In	$0.0	$0.0	$0.0
Total Transfers	$488.5	$447.7	($40.8)
Total Sources Excluding Federal Grants	$22,816.0	$22,461.1	($354.9)

Attachment 2

General Revenue Fund Baseline Revenues

Fiscal Year 2018-2019

dollars in millions

Baseline removes MHIC sales tax revenues, incorporates proposed change to GRF share of CAT (from 75% to 85%)

Revenue Source	FY 2018, Feb-2017 Executive Budget	FY 2018, Jun-2017 Conference Committee	FY 2018, Conference vs. Executive $ Change	FY 2019, Feb-2017 Executive Budget	FY 2019, Jun-2017 Conference Committee	FY 2019, Conference vs. Executive $ Change
Non-Auto Sales and Use	$8,786.8	$8,681.3	($105.5)	$9,046.3	$8,845.6	($200.8)
Auto Sales and Use	$1,359.3	$1,359.3	$0.0	$1,399.9	$1,382.0	($17.9)
Subtotal Sales and Use	$10,146.1	$10,040.6	($105.5)	$10,446.2	$10,227.6	($218.6)
Personal Income	$8,266.6	$7,972.9	($293.7)	$8,633.6	$8,377.5	($256.1)
Corporate Franchise	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Financial Institutions Tax	$227.3	$189.0	($38.3)	$231.6	$191.0	($40.6)
Commercial Activity Tax	$1,460.4	$1,484.0	$23.6	$1,498.1	$1,523.0	$24.9
Petroleum Activity Tax	$6.0	$6.0	$0.0	$6.0	$6.0	$0.0
Public Utility	$103.5	$110.0	$6.5	$103.5	$113.0	$9.5
Kilowatt Hour Tax	$374.7	$355.4	($19.2)	$374.7	$362.0	($12.7)
Natural Gas Consumption	$66.0	$65.5	($0.5)	$66.0	$66.5	$0.5
Foreign Insurance	$306.0	$293.0	($13.0)	$310.0	$303.0	($7.0)
Domestic Insurance	$286.0	$286.0	$0.0	$292.0	$292.0	$0.0
Other Business and Property	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cigarette and Other Tobacco	$945.8	$945.8	$0.0	$922.2	$922.2	$0.0
Alcoholic Beverage	$55.0	$57.0	$2.0	$55.0	$57.0	$2.0
Liquor Gallonage	$45.0	$46.0	$1.0	$45.0	$46.0	$1.0
Estate	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Taxes	$22,288.3	$21,851.2	($437.0)	$22,983.8	$22,486.7	($497.1)
Earnings on Investments	$60.0	$60.0	$0.0	$80.0	$80.0	$0.0
Licenses and Fees	$57.0	$57.0	$0.0	$57.0	$57.0	$0.0
Other Income	$282.8	$282.8	$0.0	$86.5	$86.5	$0.0
Interagency Transfers (ISTVs)	$9.5	$9.5	$0.0	$9.5	$9.5	$0.0
Total of Non-Tax Revenue	$409.3	$409.3	$0.0	$233.0	$233.0	$0.0
Budget Stabilization						
Transfers In - Other	$200.9	$190.9	($10.0)	$257.4	$252.4	($5.0)
Temporary Transfers In						
Total Transfers	$200.9	$190.9	($10.0)	$257.4	$252.4	($5.0)
Total Sources Excluding Federal Grants	$22,898.5	$22,451.4	($447.0)	$23,474.2	$22,972.1	($502.1)