Extraordinary Times

- State revenue streams are very unpredictable.
- COVID and its associated effects have placed unprecedented external pressures on the budget.
- Federal relief dollars (CARES and ARPA) are helpful, but have many complicated strings attached.
- Public health officials are struggling to predict where COVID may go.
- Inflation has escalated.
- All of this makes budgeting very challenging.
Revenue Side

• Revenue sources have shown surprising inexplicable patterns.
• Severance tax has grown remarkably.
• Corporate net income tax has grown as well.
• Federal dollars have temporarily changed our models.
• The Governor has opted for a conservative, cautious revenue projection.
• This is necessitated by the pandemic and its ongoing unpredictability.
• It leaves room for other expenditures as the fiscal year progresses.
• It allows us to avoid the risk of going into a deficit if revenues do not meet expectations.
Governor instructed us to build an essentially flat budget.

Our starting point was FY 22 - $4.580 billion.

This budget for FY 23 is $4.645 billion.

The increase to the proposed budget is $65.5 million above last year, as revised 1/12/22

Two exceptions to this notion:
  • Average 5% pay raises for state employees = $109 million.
  • Additional $41 million for inmate medical care, including court mandates and health care inflation.

Today’s budget meets these goals.

The increase is 1.4%, far below the 7% inflation rate.