



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

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May 1, 2013

The Honorable Bruce Maloch, Co-Chair
The Honorable Joe Jett, Co-Chair
Joint Committee on Economic and Tax Policy
171 State Capitol
Little Rock, Arkansas 72201

Dear Senator Maloch and Representative Jett:

In accordance with the provisions of Arkansas Code, §10-3-1404, I am attaching tables summarizing the May 1, 2013 revision to the official general revenue forecast for Fiscal Years 2013 and 2014.

Included in the tables are selected economic assumptions and the details of the updated revenue forecasts for Fiscal Years 2013 and 2014.

Summary of Net Available Revenues:

Actual

- In FY 2012 net available revenues totaled \$4,751.6 million, an increase of \$178.7 million or 3.9% from FY 2011. However, the official funding level for distribution was \$4,605.9 million. A surplus of \$145.6 million was transferred to the General Revenue Allotment Reserve Fund.

Forecast

- For FY 2013 net available revenues are expected to reach \$4,865.2 million, an increase of \$113.6 million, or 2.4 percent from FY 2012 net available. Year-to-date actual growth after nine months in the fiscal year has been 4.7 percent above year earlier levels for net available and 3.4 percent for gross revenue, resulting in \$84.1 million above forecast at that point. The forecast for FY 2013 is increased from the Official Forecast and current budget. Rebound in the state economy from business and household economic activity continues at a modest pace, but with better-than-expected income tax receipts. Estimated payments in individual income tax are on track for the second consecutive year of double digit growth. The forecast recognizes gains from income tax strategy evident in estimated payments shifted to tax year 2012.

The forecast is expected to fund the allocations 100% of "A" plus a \$137.7 million surplus.

- For FY 2014 net available revenues are expected to reach \$4,957.6 million, an annual increase of \$92.4 million or 1.9 percent above FY 2013. This amount reflects updates to the economic forecast and a total net revenue reduction of -\$10.2 million from tax law changes by the Regular Session of the 89th General Assembly. Gross general revenue (collections) is expected to grow by 2.2 percent or \$133.0 million.

The forecast is expected to fund the allocations 100% of "A" + "B" + "C" + \$18.9 million Rainy Day Fund set-aside plus a \$13.8 million surplus.

Economic Forecast Assumptions

Forecasts of the U.S. and state economies indicate continued slow economic recovery and subdued inflation. Arkansas maintained moderate net job growth in the private sector in the past year, with additional gains expected in the near term. Personal income growth derived from a combination of jobs, wage gains, and non-wage components has maintained a 3.0-4.0 percent growth rate with the backdrop of 2.0 percent inflation. The short-term outlook still carries significant risk of faltering with little relevancy to prior cycles and average recoveries. Modest revenue growth is expected over the next year. Evidence of income shifting into tax year 2012 also hinders the near-term outlook.

The macroeconomic forecast assumes continued weakness in the EU economy, generally low inflation and low interest rates, falling energy prices on average, and modest wage gains. A turn to more normal relationships for job growth and job quality, earned income versus transfer payments, and more diversified sources of sector growth is the positive story, at least as a work in progress. Sources of growth favoring the Arkansas mix of industries are expected with maturation of the national recovery. The state generally saw less dramatic rates of recovery in recent years compared to the more distorted housing markets nationally. Local recovery depends on replacing jobs lost during the extended downturn in manufacturing and construction plus the timing for major new investments. New and expanded projects in primary steel and metal fabrication plus energy-related projects are encouraging for recovery. Transportation services will also help drive additional gains.

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. Also attached is a schedule reflecting the funding allocations for state agencies under the Balanced Budget.

Sincerely,



Richard A. Weiss
Director

RAW/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 year and a half. The Official Revenue Forecast for FY 2013 and 2014 is included.

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

Summary of Economic and Revenue Estimates for FY 2013

- **FY 2013 U.S. Gross Domestic Product (current dollars).** This summary is based on the April 2013 baseline forecast of IHS Global Insight, Inc. During FY 2013, the U.S. economy is expected to produce final goods and services valued at \$15.95 trillion in current dollars, or an increase of \$567.7 billion for 3.7 percent annual growth, unadjusted for inflation. Two general measures of inflation indicate modest price gains during the year. 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 1.7 percent and the GDP price deflator is expected to rise by 1.6 percent.
- **U.S. gross domestic product in inflation-adjusted dollars** is estimated at \$13.73 trillion, an increase of \$278.9 billion for 2.1 percent growth.
- **FY 2013 Arkansas nonfarm personal income** (the sum of wages and salaries, proprietor's income, rent, dividends, interest and transfer payments) is estimated at \$102.8 billion (current dollars), an increase of \$3.52 billion or 3.5 percent over FY 2012.
- **FY 2013 Arkansas wage and salary disbursements** (the result of net job growth, wage changes, and bonuses) are estimated at \$48.48 billion, an increase of \$1.5 billion or 3.2 percent.
- **FY 2013 Arkansas payroll employment** is expected to reach a level of 1.172 million jobs, an annual increase of 9,000 jobs or 0.8 percent. Private sector employment is expected to increase by 0.7 percent.

FY 2013 General Revenues

Gross general revenues are estimated at \$6,095.4 million, an increase over FY 2012 of \$171.2 million, or 2.9 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** 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, \$287.4 million will be distributed (net) in FY 2013.

FY 2013 Net Available General Revenues

The “net available” forecast for FY 2013 is revised effective May 1, 2013. Net available revenues are estimated at \$4,865.2 million, an increase of \$113.6 million or 2.4 percent compared to FY 2012.

FY 2013 allocations: The forecast is expected to fully fund 100% of “A” plus a \$137.7 million surplus.

FY 2013 Selected Special Revenues:

- **FY 2013 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.

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 2013: \$444.4 million.

- **FY 2013 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, \$26.5 million will be distributed in FY 2013.

- **FY 2013 Medicaid Program Trust Fund (Soft Drink Excise Tax).** In FY 2013, the soft drink excise tax is forecast at \$44.9 million, representing a -4.1 percent decrease compared to FY 2012 collections.

Summary of Economic and Revenue Estimates for FY 2014

- **FY 2014 U.S. Gross Domestic Product (current dollars).** This summary is based on the April 2013 baseline forecast of IHS Global Insight, Inc. During FY 2014, the U.S. economy is expected to produce final goods and services valued at \$16.55 trillion in current dollars, or an increase of \$594.7 billion for 3.7 percent annual growth, unadjusted for inflation. Two general measures of inflation indicate modest price gains during the year. 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 1.4 percent and the GDP price deflator is expected to rise by 1.5 percent. Low inflation expectations are due in part to falling energy prices and limited acceleration in the economy.
- **U.S. gross domestic product in inflation-adjusted dollars** is estimated at \$14.03 trillion, an increase of \$301.9 billion for 2.2 percent growth.
- **FY 2014 Arkansas nonfarm personal income** (the sum of wages and salaries, proprietor's income, rent, dividends, interest and transfer payments) is estimated at \$107.0 billion (current dollars), an increase of \$4.21 billion or 4.1 percent over FY 2013.
- **FY 2014 Arkansas wage and salary disbursements** are estimated at \$50.36 billion, an increase of \$1.88 billion or 3.9 percent.
- **FY 2014 Arkansas payroll employment** is expected to reach a level of 1.188 million jobs, an annual increase of 16,200 jobs or 1.4 percent. Private sector employment growth is expected to be 1.5 percent.

FY 2014 General Revenues

Gross general revenues are estimated at \$6,228.4 million, an increase over FY 2013 of \$133.0 million, or 2.2 percent. Compared to the November 15, 2012 forecast and after allowance for tax reductions from the regular session of the 89th General Assembly, this represents an increase of \$11.7 million.

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** 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, \$291.7 million will be distributed (net) in FY 2014.

FY 2014 Net Available General Revenues

The “net available” forecast for FY 2014 is revised effective May 1, 2013. Net available revenues are estimated at \$4,957.6 million, an increase of \$92.4 million or 1.9 percent compared to FY 2013.

FY 2014 allocations: The forecast is expected to fully fund 100% of “A” + “B” + “C” + \$18.9 million Rainy Day Fund set-aside plus a \$13.8 million surplus.

FY 2014 Selected Special Revenues:

- **FY 2014 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.

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 2014: \$459.0 million.

- **FY 2014 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, \$25.4 million will be distributed in FY 2014.
- **FY 2014 Medicaid Program Trust Fund (Soft Drink Excise Tax).** In FY 2014, the soft drink excise tax is forecast at \$44.0 million, representing a -2.0 percent decrease compared to FY 2013 collections.

**OFFICIAL GENERAL REVENUE FORECAST
FY13 and FY14**

Millions of Dollars	05/01/13 Estimate	FY 13 Increase	% CH	05/01/13 Estimate	FY 14 Increase	% CH
INDIVIDUAL INCOME	3,027.3	132.1	4.6	3,101.2	73.9	2.4
CORPORATE INCOME	421.1	-14.2	-3.3	429.0	7.9	1.9
SALES AND USE	2,133.1	21.9	1.0	2,207.7	74.6	3.5
ALCOHOLIC BEVERAGE	52.0	1.2	2.4	52.9	0.9	1.7
TOBACCO	228.7	-11.2	-4.7	221.6	-7.1	-3.1
INSURANCE	112.4	13.1	13.2	101.6	-10.8	-9.6
RACING	3.0	-0.4	-11.1	2.9	-0.1	-3.3
GAMES OF SKILL	33.1	5.7	20.8	34.2	1.1	3.3
SEVERANCE	23.5	0.5	2.1	21.8	-1.7	-7.2
CORPORATE FRANCHISE	8.0	0.0	0.0	8.0	0.0	0.0
REAL ESTATE TRANSFER	2.6	0.0	-0.3	2.6	0.0	0.0
MISCELLANEOUS	50.6	22.4	79.7	44.9	-5.7	-11.3
TOTAL GROSS	6,095.4	171.2	2.9	6,228.4	133.0	2.2
LESS: SCS/COF	201.1	5.7	2.9	205.5	4.4	2.2
INDIVIDUAL REFUNDS	517.7	24.4	5.0	541.4	23.7	4.6
CORP REFUNDS	60.6	3.9	6.8	61.6	1.0	1.7
CLAIMS RESERVE	10.0	10.0	0.0	10.0	0.0	0.0
ECON DEV INCENTIVE	16.6	0.1	0.5	23.4	6.8	41.0
WATER/SEWER BONDS	14.8	0.0	0.0	14.8	0.0	0.0
COLL SAVINGS BONDS	24.0	6.3	35.3	24.0	0.0	0.0
MLA CITY/CO TOURIST	2.8	-2.5	-46.9	2.8	0.0	0.0
EDUC EXCEL TRUST	287.4	7.4	2.6	291.7	4.3	1.5
DESEGREGATION	69.8	1.8	2.6	69.8	0.0	0.0
ELDERLY TRANSPORT	0.0	-0.2	-100.0	0.0	0.0	0.0
EDUCATIONAL ADQCY	25.4	0.6	2.6	25.8	0.4	1.6
NET AVAILABLE	4,865.2	113.6	2.4	4,957.6	92.4	1.9
LESS: SURPLUS TO ALLOTMENT RESERVE FUND	137.7			13.8		
NET AVAILABLE DISTRIBUTION	4,727.5	121.6	2.6	4,943.8	216.3	4.6

**ECONOMIC ASSUMPTIONS AND THE
OFFICIAL GENERAL REVENUE FORECAST
FY13 and FY14**

Millions of Dollars	05/01/13 Estimate	FY-13 Increase	% CH	05/01/13 Estimate	FY-14 Increase	% CH
INDIVIDUAL INCOME TAX	3,027.3	132.1	4.6	3,101.2	73.9	2.4
INDIVIDUAL REFUNDS	<u>517.7</u>	<u>24.4</u>	<u>5.0</u>	<u>541.4</u>	<u>23.7</u>	<u>4.6</u>
NET INDIVIDUAL INCOME	2,509.6	107.7	4.5	2,559.8	50.2	2.0
CORPORATE INCOME TAX	421.1	-14.2	-3.3	429.0	7.9	1.9
CORPORATE REFUNDS	<u>60.6</u>	<u>3.9</u>	<u>6.8</u>	<u>61.6</u>	<u>1.0</u>	<u>1.7</u>
NET CORPORATE INCOME	360.5	-18.0	-4.8	367.4	6.9	1.9
SALES AND USE TAX	2,133.1	21.9	1.0	2,207.7	74.6	3.5
NET ECONOMIC TAX REVENUE	5,003.2	111.6	2.3	5,134.9	131.7	2.6
OTHER TAX REVENUE	<u>513.9</u>	<u>31.3</u>	<u>6.5</u>	<u>490.5</u>	<u>-23.4</u>	<u>-4.6</u>
GROSS GENERAL REVENUES	6,095.4	171.2	2.9	6,228.4	133.0	2.2
LESS: SCS/COF	201.1	5.7	2.9	205.5	4.4	2.2
INDIVIDUAL REFUNDS	517.7	24.4	5.0	541.4	23.7	4.6
CORPORATE REFUNDS	60.6	3.9	6.8	61.6	1.0	1.7
CLAIMS	10.0	10.0	0.0	10.0	0.0	0.0
ECON DEVEL INCENTIVE FUND	16.6	0.1	0.5	23.4	6.8	41.0
WATER/SEWER BONDS	14.8	0.0	0.0	14.8	0.0	0.0
MLA CITY/CO TOURIST	2.8	-2.5	-46.9	2.8	0.0	0.0
DESEGREGATION SETTLEMENT	69.8	1.8	2.6	69.8	0.0	0.0
EDUC EXCEL TRUST FUND	287.4	7.4	2.6	291.7	4.3	1.5
ELDERLY TRANSPORTATION	0.0	-0.2	-100.0	0.0	0.0	0.0
COLLEGE SAVINGS BONDS	24.0	6.3	35.3	24.0	0.0	0.0
EDUCATIONAL ADEQUACY	25.4	0.6	2.6	25.8	0.4	1.6
NET AVAILABLE	<u>4,865.2</u>	<u>113.6</u>	<u>2.4</u>	<u>4,957.6</u>	<u>92.4</u>	<u>1.9</u>
LESS: SURPLUS TO ALLOT. RESERVE	137.7			13.8		
NET AVAILABLE DISTRIBUTION	<u>4,727.5</u>	<u>121.6</u>	<u>2.6</u>	<u>4,943.8</u>	<u>216.3</u>	<u>4.6</u>

ECONOMIC ASSUMPTIONS

	FY 2013			FY 2014		
U.S. GDP Nominal (Billion \$)	15,954.7	567.7	3.7	16,549.4	594.7	3.7
U.S. GDP Real (Billions 2005\$ Chain-Weight)	13,729.6	278.9	2.1	14,031.4	301.9	2.2
U.S. GDP Deflator (Chain-Wt, 2005=100)	116.2	1.8	1.6	117.9	1.7	1.5
U.S. CPI Price Index (1984=100)	231.4	3.9	1.7	234.6	3.2	1.4
OIL - Avg. Dom. Crude to Refinery (\$ per barrel)	98.7	-3.9	-3.8	90.7	-8.0	-8.1
AR. Net General Revenue (Million \$)	5,517.1	142.9	2.7	5,625.4	108.3	2.0
AR. Net GR % of Non-Farm Personal Income	5.4	0.0	-0.9	5.3	-0.1	-2.1
AR. Non-Farm Personal Income (Million \$)	102,781.9	3,520.4	3.5	106,995.5	4,213.6	4.1
AR. Wage & Salary Disbursements (Million \$)	48,478.7	1,492.5	3.2	50,355.0	1,876.3	3.9
AR. Non-Farm Proprietor Income (Million \$)	7,137.4	317.7	4.7	7,562.7	425.3	6.0
AR. Per Capita Income (\$)	35,293.0	1,182.0	3.5	36,502.0	1,209.0	3.4
AR. GSP Nominal (Million \$)	111,688.6	3,636.4	3.4	115,772.6	4,084.0	3.7
AR. Employment Total Payroll (Thousands)	1,172.0	9.0	0.8	1,188.2	16.2	1.4
AR. Employment Private Sector (Thousands)	948.8	6.8	0.7	963.3	14.5	1.5
AR. Employment Manufacturing (Thousands)	156.2	0.0	0.0	157.7	1.4	0.9
AR. New Car/Light Truck registrations (Thous.)	126.1	13.3	11.8	129.7	3.7	2.9
AR. Retail Sales (Million \$)	37,415.4	1,744.3	4.9	38,314.1	898.7	2.4

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

Initial Forecast - May 1, 2013

Fiscal Year 2014

FUND ACCOUNTS	FY13 FORECAST	FY13			TOTAL ALLOCATION	FORECAST	OVER/(UNDER)	% DIFFERENCE
		"A"	"B"	"C"		"A"+"B"+"C"	FY13 FORECAST	OVER FY13
General Education	\$1,961,576,841	\$2,008,442,215	\$0	\$0	\$2,008,442,215	\$2,008,442,215	\$46,865,374	2.4%
State Library	5,672,143	5,672,143	0	0	5,672,143	5,672,143	0	0.0%
Career Education	32,284,224	32,284,224	0	0	32,284,224	32,284,224	0	0.0%
PUBLIC SCHOOL FUND	\$1,999,533,208	\$2,046,398,582	\$0	\$0	\$2,046,398,582	\$2,046,398,582	\$46,865,374	2.3%
GENERAL EDUCATION FUND								
Dept. of Education	\$15,471,687	\$15,694,668	\$883,677	\$0	\$16,578,345	\$16,578,345	\$1,106,658	7.2%
Educational Facilities Partnership	34,828,951	34,828,951	0	0	34,828,951	34,828,951	0	0.0%
Academic Facilities & Transportation	2,492,317	2,459,734	92,392	0	2,552,126	2,552,126	59,809	2.4%
Educational Television	5,075,556	5,258,911	135,786	0	5,394,697	5,394,697	319,141	6.3%
School for the Blind	6,110,288	6,343,953	110,493	0	6,454,446	6,454,446	344,158	5.6%
School for the Deaf	10,457,470	10,766,120	104,463	0	10,870,583	10,870,583	413,113	4.0%
State Library	3,345,374	3,414,707	202,007	0	3,616,714	3,616,714	271,340	8.1%
Dept. of Career Education	3,341,028	3,604,145	152,088	0	3,756,233	3,756,233	415,205	12.4%
Rehabilitation Services	12,953,772	13,114,455	97,552	0	13,212,007	13,212,007	258,235	2.0%
Subtotal - General Education	\$94,076,443	\$95,485,644	\$1,778,458	\$0	\$97,264,102	\$97,264,102	\$3,187,659	3.4%
Technical Institutes:								
Crowley's Ridge TI	\$2,498,384	\$2,621,376	47,638	\$0	\$2,669,014	\$2,669,014	170,630	6.8%
Northwest TI	2,908,129	3,046,942	58,383	0	3,105,325	3,105,325	197,196	6.8%
Riverside VTS	2,226,907	2,277,757	35,890	0	2,313,647	2,313,647	86,740	3.9%
Subtotal - Technical Institutes	\$7,633,420	\$7,946,075	\$141,911	\$0	\$8,087,986	\$8,087,986	\$454,566	6.0%
TOTAL GENERAL ED. FUND	\$101,709,864	\$103,431,719	\$1,920,369	\$0	\$105,352,088	\$105,352,088	\$3,642,225	3.6%
HUMAN SERVICES FUND								
DHS-Administration	\$15,637,721	\$16,016,105	\$166,887	\$0	\$16,182,992	\$16,182,992	\$545,271	3.5%
Aging and Adult Services	17,391,126	17,535,550	140,020	0	17,675,570	17,675,570	284,444	1.6%
Children & Family Services	49,511,800	49,297,108	170,212	0	49,467,320	49,467,320	(44,480)	-0.1%
Child Care/Early Childhood Ed.	563,454	1,166,559	8,875	0	1,175,434	1,175,434	611,980	108.6%
Youth Services	48,255,346	48,199,120	57,952	0	48,257,072	48,257,072	1,726	0.0%
Devel. Disab. Services	61,773,664	62,498,483	3,710,219	0	66,208,702	66,208,702	4,435,038	7.2%
Medical Services	4,958,217	5,033,790	58,234	0	5,092,024	5,092,024	133,807	2.7%
DHS-Grants	805,960,522	800,198,600	90,000,000	0	890,198,600	890,198,600	84,238,078	10.5%
Behavioral Health	78,502,870	75,588,892	3,871,277	1,775,000	81,235,169	81,235,169	2,732,299	3.5%
Services for the Blind	1,880,943	1,895,147	6,497	0	1,901,644	1,901,644	20,701	1.1%
County Operations	47,191,028	48,273,135	538,654	0	48,811,789	48,811,789	1,620,761	3.4%
TOTAL HUMAN SERVICES	\$1,131,626,691	\$1,125,702,489	\$98,728,827	\$1,775,000	\$1,226,206,316	\$1,226,206,316	\$94,579,625	8.4%
STATE GENERAL GOV'T FUND								
Dept. of Ark. Heritage	\$6,203,610	\$6,405,925	\$215,658	\$0	\$6,621,583	\$6,621,583	\$417,973	6.7%
Department of Agriculture	15,851,863	16,249,015	1,645,467	0	17,894,482	17,894,482	2,042,619	12.9%
Dept. of Labor	3,005,407	3,151,763	57,023	0	3,208,786	3,208,786	203,379	6.8%
Dept. of Higher Education	3,291,808	3,291,808	148,920	0	3,440,728	3,440,728	148,920	4.5%
Dept. of H.E.-Grants	34,491,806	36,491,806	415,660	0	36,907,466	36,907,466	2,415,660	7.0%
Dept. of Economic Development	10,311,798	10,460,081	278,043	0	10,738,124	10,738,124	426,326	4.1%
Dept. of Correction	298,842,000	308,632,534	3,678,195	687,500	312,998,229	312,998,229	14,156,229	4.7%
Dept. of Community Correction	69,975,623	72,505,152	4,380,620	0	76,885,772	76,885,772	6,910,149	9.9%
State Military Department	9,466,483	9,666,944	140,454	0	9,807,398	9,807,398	340,915	3.6%
Dept. of Parks & Tourism	22,607,437	23,322,193	409,408	0	23,731,601	23,731,601	1,124,164	5.0%
Dept. of Environmental Quality	4,210,633	4,345,521	64,737	0	4,410,258	4,410,258	199,625	4.7%
Miscellaneous Agencies	56,788,049	62,229,670	2,707,964	0	64,937,634	64,937,634	8,149,585	14.4%
TOTAL STATE GENERAL GOV'T	\$535,046,517	\$556,752,412	\$14,142,149	\$687,500	\$571,582,061	\$571,582,061	\$36,535,544	6.8%
OTHER FUNDS								
County Aid	\$19,645,067	\$19,645,067	\$2,000,000	\$0	\$21,645,067	\$21,645,067	\$2,000,000	10.2%
County Jail Reimbursement	9,453,607	9,453,607	0	0	9,453,607	9,453,607	0	0.0%
Crime Information Center	3,681,833	3,727,388	57,679	0	3,785,067	3,785,067	103,234	2.8%
Child Support Enforcement	12,951,328	12,951,328	166,393	0	13,117,721	13,117,721	166,393	1.3%
Dept. of Health	90,838,467	87,798,265	592,803	1,587,500	89,978,568	89,978,568	(859,899)	-0.9%
Merit Adjustment Fund	0	0	0	0	0	0	0	0.0%
Motor Vehicle Acquisition	0	0	0	0	0	0	0	0.0%
Municipal Aid	27,372,099	27,372,099	2,000,000	0	29,372,099	29,372,099	2,000,000	7.3%
State Police	62,293,971	64,781,579	2,141,692	0	66,923,271	66,923,271	4,629,300	7.4%
Department of Information Systems	0	200,000	0	0	200,000	200,000	200,000	100.0%
Dept. of Workforce Services-TANF	3,775,642	3,901,924	0	0	3,901,924	3,901,924	126,282	3.3%
TOTAL OTHER FUNDS	\$230,012,014	\$229,831,257	\$6,958,567	\$1,587,500	\$238,377,324	\$238,377,324	\$8,365,310	3.6%

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

Initial Forecast - May 1, 2013

Fiscal Year 2014

FUND ACCOUNTS	FY13 FORECAST	Fiscal Year 2014			TOTAL ALLOCATION	FORECAST	OVER/(UNDER)	% DIFFERENCE
		"A"	"B"	"C"		100% OF "A"+"B"+"C"	FY13 FORECAST	OVER FY13
INSTITUTIONS OF HIGHER EDUCATION - Four Year Institutions:								
Arkansas State University	\$56,856,765	\$57,065,954	\$1,493,933	\$0	\$58,559,887	\$58,559,887	1,703,122	3.0%
Arkansas Tech University	31,535,222	31,535,222	405,518	0	31,940,740	31,940,740	405,518	1.3%
Henderson State University	18,713,847	18,713,847	0	0	18,713,847	18,713,847	0	0.0%
Southern Arkansas University	15,449,575	15,449,575	0	0	15,449,575	15,449,575	0	0.0%
UA-Fayetteville	116,761,613	116,761,613	3,055,239	0	119,816,852	119,816,852	3,055,239	2.6%
UA - Archeological Survey	2,327,380	2,327,380	0	0	2,327,380	2,327,380	0	0.0%
UA - Agriculture	62,800,138	62,800,138	0	0	62,800,138	62,800,138	0	0.0%
UA - Clinton School	2,295,575	2,295,575	0	0	2,295,575	2,295,575	0	0.0%
UA - Criminal Justice Institute	1,825,769	1,825,769	0	0	1,825,769	1,825,769	0	0.0%
UA - AR Sch.Math, Science, & Arts	1,113,015	1,113,015	0	0	1,113,015	1,113,015	0	0.0%
U of A - Ft. Smith	20,245,166	20,245,166	169,925	0	20,415,091	20,415,091	169,925	0.8%
UA-Little Rock	59,841,915	59,841,915	414,262	0	60,256,177	60,256,177	414,262	0.7%
UA-Medical Sciences	95,656,661	90,456,661	1,000,000	2,600,000	94,056,661	94,056,661	(1,600,000)	-1.7%
UAMS - Child Abuse/Rape/Domestic Violence	735,000	735,000	0	0	735,000	735,000	0	0.0%
UAMS - Pediatrics/Psychiatric Research	1,950,000	1,950,000	0	0	1,950,000	1,950,000	0	0.0%
UAMS - Child Safety Center	720,588	720,588	0	0	720,588	720,588	0	0.0%
UAMS - Indigent Care	5,342,181	5,342,181	0	0	5,342,181	5,342,181	0	0.0%
UA-Monticello	15,832,510	15,832,510	0	0	15,832,510	15,832,510	0	0.0%
UA-Pine Bluff	25,229,737	25,229,737	0	0	25,229,737	25,229,737	0	0.0%
University of Central Arkansas	52,284,021	52,284,021	363,157	0	52,647,178	52,647,178	363,157	0.7%
Subtotal - 4 Year Institutions	\$587,516,679	\$582,525,868	\$6,902,034	\$2,600,000	\$592,027,902	\$592,027,902	\$4,511,223	0.8%
INSTITUTIONS OF HIGHER EDUCATION - Two Year Institutions:								
Arkansas Northeastern College	\$8,577,052	\$8,577,052	\$0	\$0	\$8,577,052	\$8,577,052	\$0	0.0%
Arkansas State University - Beebe	12,044,916	11,835,727	0	0	11,835,727	11,835,727	(209,189)	-1.7%
Arkansas State Univ.-Mt. Home	3,582,223	3,582,223	65,887	0	3,648,110	3,648,110	65,887	1.8%
Arkansas State Univ. - Newport	5,992,293	5,992,293	0	0	5,992,293	5,992,293	0	0.0%
Cossatot C C of the UA	3,351,626	3,351,626	44,176	0	3,395,802	3,395,802	44,176	1.3%
East Arkansas Cmty. College	5,788,058	5,788,058	0	0	5,788,058	5,788,058	0	0.0%
Mid-South Cmty. College	3,818,117	3,818,117	39,890	0	3,858,007	3,858,007	39,890	1.0%
Mid-South - ADTEC	0	0	1,000,000	0	1,000,000	1,000,000	1,000,000	100.0%
National Park Cmty. College	8,943,803	8,943,803	102,686	0	9,046,489	9,046,489	102,686	1.1%
North Arkansas College	7,966,091	7,966,091	873	0	7,966,964	7,966,964	873	0.0%
NorthWest Arkansas Cmty. College	10,084,563	10,084,563	534,639	0	10,619,202	10,619,202	534,639	5.3%
Phillips Cmty. College of the UA	9,063,088	9,063,088	0	0	9,063,088	9,063,088	0	0.0%
Rich Mountain Cmty. College	3,201,250	3,201,250	5,619	0	3,206,869	3,206,869	5,619	0.2%
Southern Ark. University - Tech	5,639,168	5,639,168	66,343	0	5,705,511	5,705,511	66,343	1.2%
SAU-Tech-Envir. Control Center	368,404	368,404	0	0	368,404	368,404	0	0.0%
SAU-Tech-Fire Training Academy	1,651,221	1,651,221	0	0	1,651,221	1,651,221	0	0.0%
South Arkansas Cmty. College	5,994,316	5,994,316	39,991	0	6,034,307	6,034,307	39,991	0.7%
U of A - Cmty. College at Batesville	4,050,586	4,050,586	80,475	0	4,131,061	4,131,061	80,475	2.0%
U of A - Cmty. College at Hope	4,491,997	4,491,997	0	0	4,491,997	4,491,997	0	0.0%
U of A - Cmty. College at Morrilton	4,787,010	4,787,010	235,145	0	5,022,155	5,022,155	235,145	4.9%
Subtotal - 2 Year Institutions	\$109,395,782	\$109,186,593	\$2,215,724	\$0	\$111,402,317	\$111,402,317	\$2,006,535	1.8%
INSTITUTIONS OF HIGHER EDUCATION - Technical Colleges:								
Black River	\$6,049,404	\$6,049,404	\$64,112	\$0	\$6,113,516	\$6,113,516	\$64,112	1.1%
College of the Ouachitas	3,527,261	3,527,261	0	0	3,527,261	3,527,261	0	0.0%
Ozarka	2,988,694	2,988,694	137,781	0	3,126,475	3,126,475	137,781	4.6%
Pulaski	14,457,088	14,457,088	680,349	0	15,137,437	15,137,437	680,349	4.7%
Southeast Arkansas College	5,636,798	5,636,798	0	0	5,636,798	5,636,798	0	0.0%
Subtotal - Technical Colleges	\$32,659,245	\$32,659,245	\$882,242	\$0	\$33,541,487	\$33,541,487	\$882,242	2.7%
TOTAL INST'S OF H. E.	\$729,571,706	\$724,371,706	\$10,000,000	\$2,600,000	\$736,971,706	\$736,971,706	7,400,000	1.0%
Grand Total	\$4,727,500,000	\$4,786,488,165	\$131,749,912	\$6,650,000	\$4,924,888,078	\$4,924,888,078	\$197,388,078	4.2%

prepared by DFA - Office of Budget 5.1.13

NOTE: Pursuant to Section 4(a) of Act 1517 of 2013, Net Available for Distribution includes \$18,891,427 above the "A" Allocation for transfer as rainy day funds and mandatory set asides.