

Current Revenue / Budget Situation
July 15, 2008

1. Through May general revenue is down \$269 million from the March 2008 estimating conference.
 - a. Corporate income tax continues to decline. \$63 million less than estimated.
 - b. Sales Tax, particularly general sales tax, are behind by \$132 million.
 - c. Documentary stamp taxes are close to the estimate, but still down by \$3 million.
 - d. Beverage taxes are up by \$9 million.
2. Another general revenue estimating conference is expected to take place later this summer.
3. Agencies, including universities, are having 1% (potential 4% annual withholding) of their funds withheld each quarter since revenue collections continue to fall below the March estimates.
4. This 4% reduction (approx. \$96 m for the university system) will be realized through a 24% quarterly release of funds instead of the normal 25% quarterly release.

Attachments:

1. Monthly Revenue Report for May, 2008
2. Memorandum from the Office of the Governor on the release plan