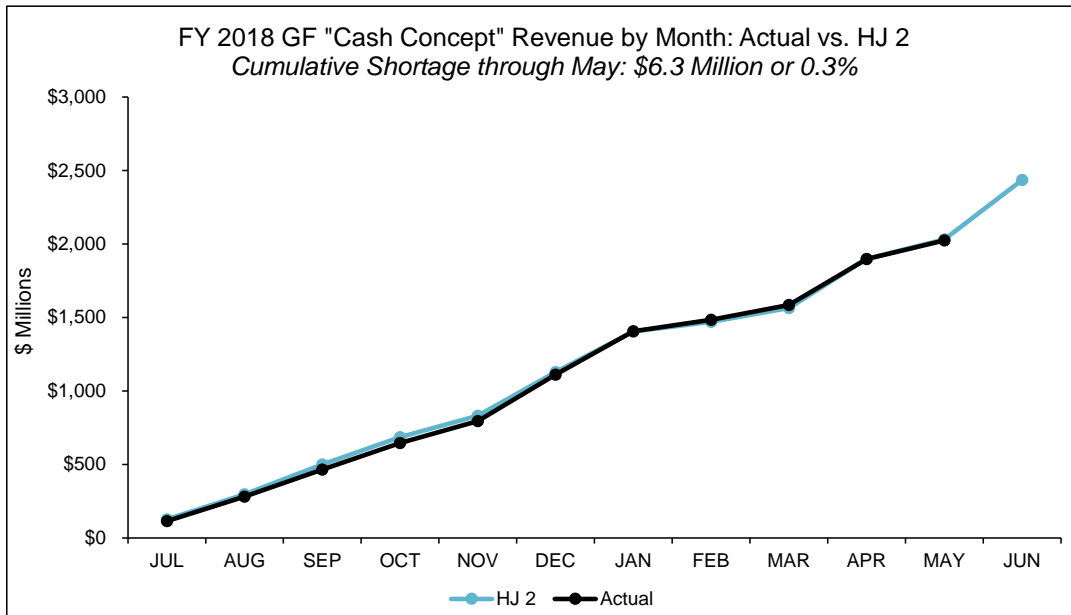


APPENDIX E

The monthly cash flow model is based on state accounting (SABHRS) revenue data by month from FY 2002 to FY 2017, with accruals and subsequent accrual reversals removed. The top seven revenue sources and general fund transfers are modeled separately, with the remaining sources estimated as a group.

The chart below shows modeled cumulative HJ 2 (adjusted for the enacted legislation of the 2017 regular and special sessions) by month with the blue line, and actual collections with the black line. Through May, the cash concept model suggests general fund revenue is below what would be expected based on the official revenue estimate by \$6.3 million or 0.3%. If revenue continues to be below HJ 2 by 0.3% through FY 2018, final collections could be \$7.5 million lower than expected.



Individual income tax and remaining sources had the largest differences with respect to the estimates in HJ 2; based on the cash flow model, individual income tax through May is \$8.4 million below the HJ 2 estimate and nearly offset by the remaining sources which is \$8.0 million above the estimate.

