### SUMMARY

General and Education Fund revenue collections totaled $6.9 billion for the first 11 months of FY 2019, representing a year-over-year (YoY) growth of 7.0%. The 7.0% is a slightly lower growth rate than the prior month’s 7.3% and breaks the trend from February to April of accelerating growth. The current revenue target is 5.7%. Combined, General and Education Fund sources are above forecast. However, sales tax and other General Fund collections are at the low end of their target range and are currently below the point estimates used in budgeting. The Transportation Fund is generally within target.

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### GENERAL FUND

General Fund collections totaled $2.4 billion through May. This represents a YoY growth rate of 3.6%. The current consensus target is 5.3%. Overall, the General Fund growth rate has been decelerating for seven straight months after peaking in October 2018.

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### EDUCATION FUND

Education Fund collections reached $4.5 billion through 11 months of FY 2019, a YoY increase of 8.9%. The 8.9% growth rate is a slight deceleration from the prior month’s 9.0%, but still well ahead of the 6.0% target. Behind the healthy Education Fund performance is income tax withholding, currently growing at a 9.0 YoY clip. This year was the year of income tax volatility. The state’s largest revenue source began the year up 11.2 YoY, then bottomed at −10.0% in December, and then re-accelerated to 7.5% through May. This volatility largely stemmed from the effect of federal tax reform on taxpayers’ filing behavior.

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### TRANSPORTATION FUND

Transportation Fund collections reached $551 million for the first 11 months (+4.4 YoY), above the 3.4% target. Overall, Transportation Fund revenue growth has floated in a narrow range this year, going from a low of 1.8% in January to a high of 5.8% in December. The current growth rate of 4.4% is well within the range of the revenue target.