agencies is $67.7 million or 9.3% less; and the assumed expenditure level for the Legislative and Judicial branches combined is $4.4 million or 7.2% less than their FY 2017 appropriations. These reductions are required because we can only spend money we realistically believe we will collect.

The FY 2018 estimates of General Fund revenues and sources are composed of $780.5 million from taxes and other revenues, and $63.4 million in transfers from other Funds, for a gross total of $843.9 million. After allowing for $90.3 million general obligation debt service, and $10.0 million mandatory transfers to other Funds, a net amount of $743.6 million is estimated to be available to support budgeted General Fund appropriations and tax refunds. The FY 2018 General Fund budget assumes no debt financing and no new taxes. With this constraint, the budget assumes a vigorous and aggressive set of enhanced collection initiatives focused on more vigorous enforcement of existing statutes and collection of outstanding amounts due to the treasury. These initiatives are estimated to generate $74.4 million including: $22.0 million from enhanced enforcement and $15.7 million from collection of delinquent amounts, a $16.3 million Internal Revenue Matching Fund transfer, and $13.0 million from concession fees.

In this message, I want to point out that the FY 2018 General Fund expenditure budget reflects the constraints imposed by the available fiscal resources detailed above; particularly the lack of access to deficit financing. The challenge was to reduce expenditures sufficient to achieve balance in a way that minimizes reduced public service delivery and, at the same time, adequately fund critical needs. In addition, some of our generous grants of benefits and expenditures must be reduced so we can have the resources to deliver vital public services. For example, we provide a generous health insurance benefit to retirees of the government equal to that of active government employees. In this budget, we are proposing to pay 50% of the health insurance cost of retirees and their families and contribute 25% of the savings as a direct contribution to the Government Employees Retirement System, annually.

The sheer size of the personnel cost budget ensures that substantive budget cuts will focus there without furloughs or reductions of the work week. The FY 2018 budget funds significantly fewer employee positions than FY 2017, and reduces the Government's contribution to employees' fringe benefit cost, which averages 40% of salaries. Specifically, the budget assumes a change in the allocation of the employee health insurance cost, which is currently shared 65% employer versus 35% employees, to a 60% employer versus 40% employee split for active employees, 50% for retirees under age 65, and 100% contribution by retirees over the age of 65 (who are therefore eligible for Medicare).

In this message, I want to also point out that jobs in manufacturing, leisure and hospitality and other services regained momentum upward in 2016. Relative to construction and information technology, the economy is expected to grow through expanded manufacturing activity and several public-sector projects that will begin or continue within the upcoming fiscal year.

For example, the $9.6 million Turpentine Run Bridge Project began in Spring 2017. The $10.6 million Main Street Enhancement and the St. John $1.2 million road restoration project is continuing. The Port Authority has begun the $5.0 million two-level parking garage at the Urman Fredericks Marine Red Hook Terminal, while the University of the Virgin Islands continues the