

GOVERNOR'S OFFICE OF MANAGEMENT & BUDGET

THREE YEAR BUDGET PROJECTION (General Funds), FY13-FY15

Impose Financial Discipline and Focus on Long-Term Fiscal Stability

(\$ in Millions)

	Base Case			
	2012	2013	2014	2015
RESOURCES				
<u>Base Resources</u>				
Individual Income Tax	15,062	15,273	15,791	14,315
Corporate Income Tax	2,354	2,550	2,718	2,446
Sales Tax	7,100	7,235	7,385	7,570
All Other State Sources	2,969	3,029	3,019	3,049
State Sources	27,485	28,087	28,913	27,380
Federal Sources	3,830	4,200	4,200	4,200
Transfers In	1,826	1,844	1,862	1,881
TOTAL RESOURCES	33,140	34,131	34,975	33,461
EXPENDITURES				
<u>Agency Operating Budget Results</u>				
1. Providing a quality education and opportunities for growth	8,946	8,946	8,946	8,946
2. Enhancing the economic well-being of citizens	94	87	87	87
3. Protecting the lives and property of citizens	1,531	1,408	1,408	1,408
4. Protecting the most vulnerable among us	6,873	6,523	6,523	6,523
5. Improving access to and cost effectiveness of healthcare	6,639	6,639	6,639	6,639
6. Improving the quality of life for citizens	68	63	63	63
7. Improving the efficiency and fiscal stability of State Government	1,104	1,016	1,016	1,016
Unspent Appropriations (Salvage)	(904)	(500)	(500)	(500)
Total Operating Budget	24,352	24,182	24,182	24,182
<u>Additional Expenditures</u>				
State Employees' Pensions	978	1,144	1,202	1,259
State Universities' Pensions	750	1,403	1,496	1,549
K-12 Education Pensions	2,406	2,703	2,895	3,096
Pension Contributions	4,135	5,250	5,593	5,905
Statutory Transfers Out	2,366	2,226	2,226	2,226
Debt Service: Existing Capital Bonds	563	494	520	465
Debt Service: Pension Bonds (2003, 2010 & 2011)	1,605	1,552	1,655	1,501
Total Additional Expenditures	8,670	9,523	9,994	10,097
TOTAL EXPENDITURES	33,022	33,705	34,176	34,279
Repay Interfund Borrowing & Budget Stabilization Fund	626	140	-	-
Surplus/Deficit	(507)	286	799	(818)
<u>Additional Cash Uses</u>				
Pay Bill Backlog	-	200	800	-
Net Surplus/Deficit after Bill Backlog Payment	(507)	86	(1)	(818)

About RESOURCES

State Sources reflect Economic Growth and Tax Reform Package, SB397, from December 2011

Largest contributor to Transfers In is Lottery revenues

About EXPENDITURES

FY12 operating budget reflects reallocation agreement from November's veto session

FY13-15 expenditures assume material reductions in Medicaid costs and statutory changes in Transfers Out

Largest contributors to Transfers Out is Local Government Distributive Fund

About SURPLUS/DEFICIT

Reflects single-year surplus/deficit; information on outstanding payables can be found in the Economic and Fiscal Policy Report

All projected revenues and expenditures are subject to change during the budget development process.

A detailed budget will be presented with the Governor's budget speech on February 22, 2012.