



Summary of Governor's Emergency FY 11 Budget Recommendations

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**Prepared by the
Office of Fiscal & Program Review**

January 18, 2011

Governor's Emergency FY11 Budget Recommendations

Overview - General Fund Balance

\$'s in millions

Changes to General Fund Balance - Additional Resources Less Appropriations	
FY11 Budgeted Ending General Fund Balance - Prior to December RFC	\$6.686 ¹
- December 2010 RFC Revenue Revision	\$111.560
FY11 Budgeted Ending General Fund Balance - Prior to LD 100	\$118.246 ¹
Net Changes to Resources	
- Net Changes to Transfers/Adjustments to Balance - LD 100	\$7.635
- Net Changes to Revenue (FY11 Only) - LD 100	(\$0.603)
FY11 Balance with additional General Fund Resources in LD 100	\$125.278
Net Changes to Appropriations - LD 100	\$125.147
FY11 Budgeted Ending Balance after EFY11 Budget Bill (LD 100)	\$0.131

Changes to General Fund Balance - "Savings" Initiatives Less "Spending" Initiatives ²	
FY11 Budgeted Ending General Fund Balance - Prior to LD 100	\$118.246 ¹
"FY11 Savings" (General Fund Resources Added) by LD 100	\$40.209
Subtotal - Available FY11 General Fund Resources with LD 100	\$158.455
"FY11 Spending" (General Fund Resources Decreased) by LD 100	\$158.324
FY11 Budgeted Ending Balance after EFY11 Budget Bill (LD 100)	\$0.131

Major Initiatives

The Governor has proposed additional savings initiatives totaling \$40.2 million, primarily from the appropriation balances, reserve funds and debt service savings to support \$158.3 million of spending initiatives, committing all but \$0.1 million of the FY11 available budgeted balance. Provided below is a brief summary of the major initiatives.

- > Net increase in hospital payments of \$247.4 million (all funding sources);
- > Offsets General Fund MaineCare shortfalls from program growth and matching rate assumptions totaling \$71.8 million;
- > Conforms to recent federal income tax changes decreasing General Fund revenue by \$4.5 million in FY11;
- > Increases by \$3.9 million the fixed dollar reduction to revenue sharing equal to the amount of the budgeted increase in revenue sharing transfers for FY11 in the December 2010 revenue forecast; and
- > Uses \$7.0 million of FY10 year-end surplus intended for the Maine Budget Stabilization Fund (set aside for Railroad Assistance in error), but increases the FY11 budgeted transfer to the stabilization fund by \$1.1 million.

Notes:

¹ Reflects budgeted ending balance for FY11 including FY10 closing transactions, all legislative changes through the 124th Legislature and the December 2010 Revenue Forecast.

² This presentation presents a different look at the budget proposals from the traditional presentation of Budgeted Resources (net revenue changes and net transfers) less Appropriations. "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers from other funds; and other positive adjustments to balances. "Spending" initiatives include all those items that decrease resources: appropriations; revenue decreases; transfers to other funds; and other negative adjustments to fund balance.

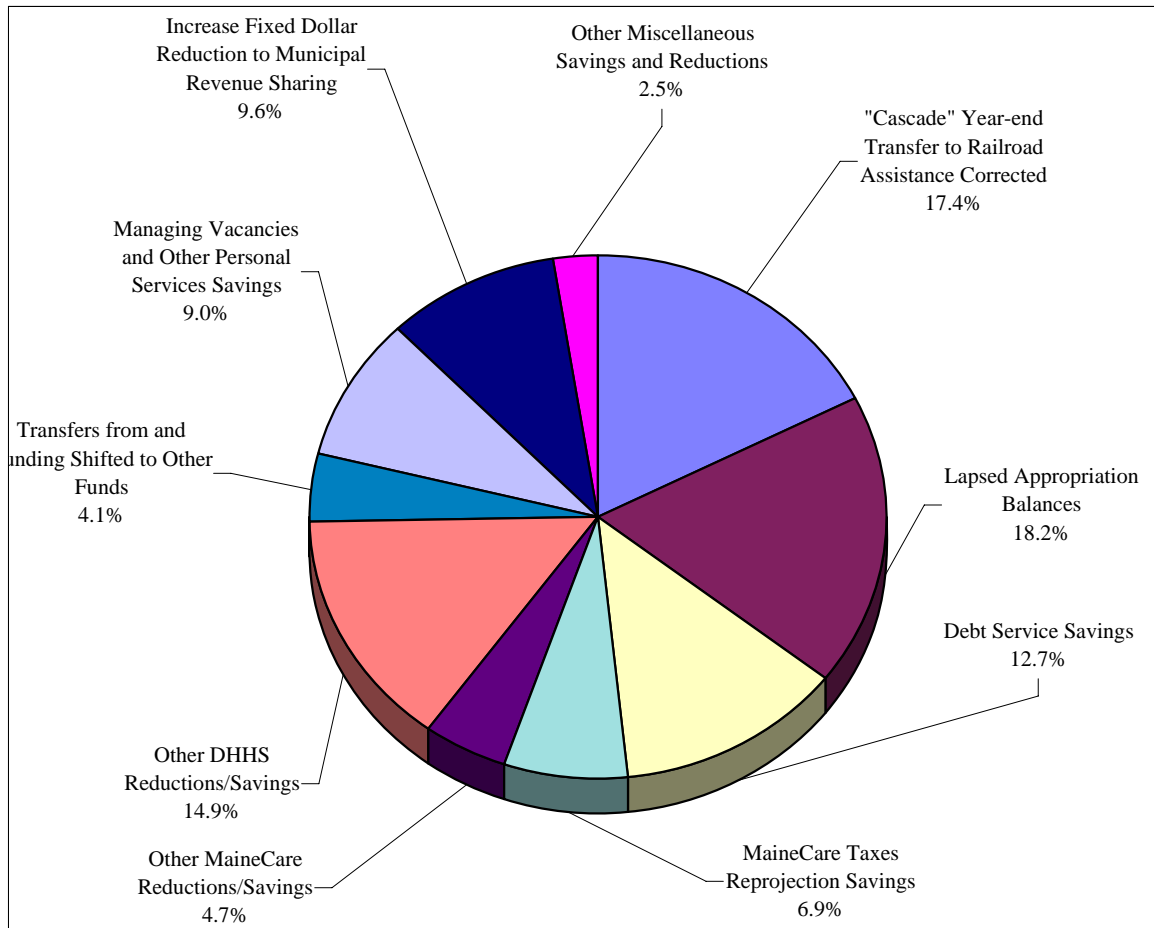
Amounts may not add due to rounding

Governor's Emergency FY11 Budget Recommendations

General Fund Adjustments - "Savings" Initiatives ¹

Initiatives Increasing General Fund FY11 Balance

	\$ in Millions	% of Total
"Cascade" Year-end Transfer to Railroad Assistance Corrected	\$7.0	17.4% ²
Lapsed Appropriation Balances	\$7.3	18.2%
Debt Service Savings	\$5.1	12.7%
MaineCare Taxes Reprojection Savings	\$2.8	6.9%
Other MaineCare Reductions/Savings	\$1.9	4.7%
Other DHHS Reductions/Savings	\$6.0	14.9%
Transfers from and Funding Shifted to Other Funds	\$1.6	4.1%
Managing Vacancies and Other Personal Services Savings	\$3.6	9.0%
Increase Fixed Dollar Reduction to Municipal Revenue Sharing	\$3.9	9.6%
Other Miscellaneous Savings and Reductions	\$1.0	2.5%
TOTAL ADJUSTMENTS INCREASING FY11 BALANCE	\$40.2	100.0%



Notes:

- ¹ "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers from other funds; and other positive adjustments to balances.
- ² PL 2009, c. 645, Part H inadvertently included a \$7 million transfer from the FY10 Year-end "Cascade" to the Railroad Assistance Program in the Department of Transportation. That part also included a \$7 million General Fund appropriation for this purpose. The intent was to designate the \$7 million in the FY10 Year-end "Cascade" to the Maine Budget Stabilization Fund, after the draft bill was changed to provide an appropriation, however, the change was not included.

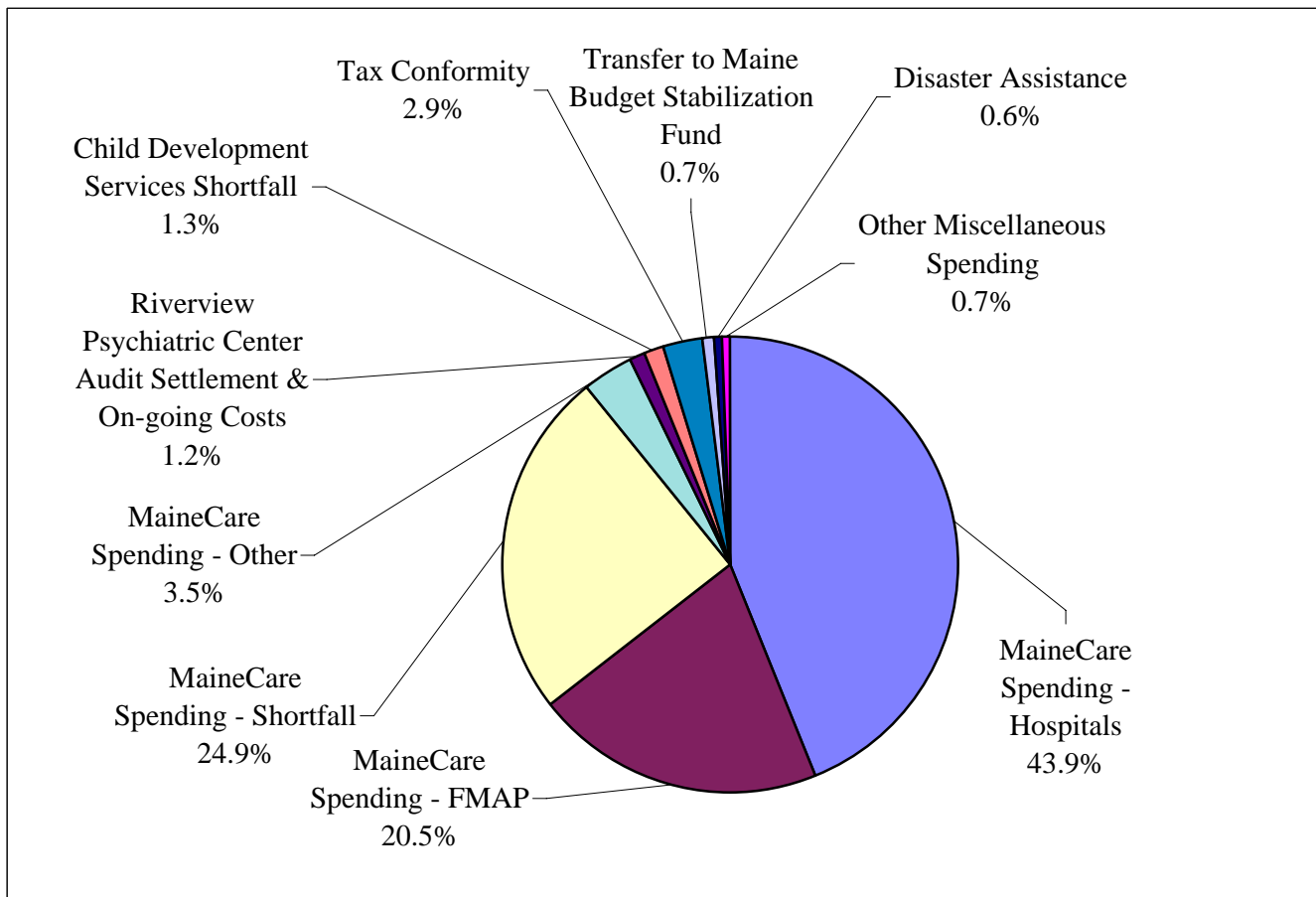
Amounts may not add due to rounding

Governor's Emergency FY11 Budget Recommendations

General Fund Adjustments - "Spending" Initiatives ¹

Initiatives Decreasing General Fund FY11 Balance

	\$ in Millions	% of Total
MaineCare Spending - Hospitals	\$69.5	43.9%
MaineCare Spending - FMAP	\$32.4	20.5%
MaineCare Spending - Shortfall	\$39.4	24.9%
MaineCare Spending - Other	\$5.5	3.5%
Riverview Psychiatric Center Audit Settlement & On-going Costs	\$1.9	1.2%
Child Development Services Shortfall	\$2.0	1.3% ²
Tax Conformity	\$4.5	2.9%
Transfer to Maine Budget Stabilization Fund	\$1.1	0.7%
Disaster Assistance	\$0.9	0.6%
Other Miscellaneous Spending	\$1.0	0.7%
TOTAL ADJUSTMENTS DECREASING FY11 BALANCE	\$158.3	100.0%



Notes:

¹ "Spending" initiatives include all those items that decrease resources: appropriations; revenue decreases; transfers to other funds; and other negative adjustments to fund balance.

² In addition to the \$2.0 million appropriation, \$5.7 million is proposed to be transferred from General Purpose Aid for Local Schools to address Child Development Services funding needs.

Amounts may not add due to rounding

Governor's Emergency FY11 Budget Recommendations
Overview - Highway Fund Proposals
\$'s in millions

Changes to Highway Fund Balance	
FY11 Budgeted Ending General Fund Balance - Prior to December RFC	\$0.347¹
- December 2010 RFC Revenue Revision	\$0.662
FY11 Budgeted Ending General Fund Balance - Prior to EFY11 Proposals	\$1.010
Adjustments to Highway Fund Resources:	
- Transfers/Adjustments to Balance	\$0.000
- Revenue Changes	\$0.000
Adjustments to Highway Fund Allocations:	
- Highway Fund Allocations	(\$0.160)
FY11 Budgeted Ending Balance after EFY11 Budget Bill	\$1.170

Major Adjustments to Highway Fund Allocations:	
- Savings from vacant State Police positions	(\$0.231)
- Reclassifications and Reorganizations	\$0.048
- State Cost Allocations Plan (STA-CAP) Costs	\$0.028
- Debt Service Costs	\$0.006
- Additional Rent Costs	\$0.036
- Other Miscellaneous Adjustments to Allocations	(\$0.048)
Net Changes to Highway Fund Allocations	(\$0.160)

Notes:

¹ Reflects budgeted ending balance for FY11 including FY10 closing transactions, all legislative changes through the 124th Legislature. The effect of the December 2010 Revenue Forecast listed separately.

Amounts may not add due to rounding

Governor's Emergency FY11 Budget Recommendations
Overview - Fund for a Healthy Maine (FHM)
\$'s in millions

Changes to Fund for a Healthy Maine Balance	
FY11 Budgeted Ending Fund for a Healthy Maine Balance	\$1.526¹
- December 2010 RFC Revenue Revision	(\$3.629)
FY11 Budgeted Ending General Fund Balance - Prior to LD 100	<u>(\$2.103)</u>
FHM Adjustments to Allocations in LD 100:	
- Eliminate Fund-wide Deallocation	\$1.381
Net Changes to FHM Allocations - EFY11 Budget Bill	<u>\$1.381</u>
FY11 Budgeted Ending Balance after EFY11 Budget Bill	<u>(\$3.484)</u>

Notes:

¹ Reflects budgeted ending balance for FY11 including FY10 closing transactions, all legislative changes through the 124th Legislature. The effect of the December 2010 Revenue Forecast listed separately.

Part G of the Supplemental Budget proposes to change the methodology to be used by the State Budget Officer to ensure that allocations stay within existing resources for Fund for a Healthy Maine programs. For fiscal year 2010-11 only, if actual revenue collections are less than approved legislative allocations, the adjustment must be a proportionate calculation based on All Other allocation balances remaining on March 1, 2011.

Amounts may not add due to rounding

Governor's Emergency FY11 Budget Recommendations
Summary of Position Count Changes
All Funds

<u>Fund</u>	<u>Total Authorized Positions - Through 124th Legislature</u>	<u>Position Changes in Governor's EFY11 Budget Proposals ¹</u>	<u>Total Authorized FY11 Positions - With Governor's EFY11 Proposals</u>
General Fund	5,915.493	5.000	5,920.493
Highway Fund	2,326.919	0.000	2,326.919
Fund for a Healthy Maine	19.500	0.000	19.500
Other Special Revenue Fund	2,458.753	0.001	2,458.754
Federal Expenditures Fund	1,604.273	-7.000	1,597.273
Federal Block Grant	124.500	0.000	124.500
Other Funds	1,639.360	-8.114	1,631.246
Total Change of Authorized Positions	14,088.798	-10.113	14,078.685

Notes:

¹ Reflects position count changes proposed in LD 100. No position count changes were proposed in the Highway Fund EFY11 Budget Bill.

**125th MAINE LEGISLATURE****LD 100****LR 1996(01)****An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2011****Fiscal Note for Original Bill****Sponsor: Rep. Flood of Winthrop****Committee: Appropriations and Financial Affairs****Fiscal Note Required: Yes****Fiscal Note**

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)					
General Fund	\$118,115,350	\$7,924,538	\$32,351	(\$7,688,384)	(\$7,055,595)
Fund for a Healthy Maine	\$1,380,582	\$0	\$0	\$0	\$0
Appropriations/Allocations					
General Fund	\$125,147,073	\$0	\$0	\$0	\$0
Federal Expenditures Fund	\$241,512,347	\$0	\$0	\$0	\$0
Fund for a Healthy Maine	\$1,380,582	\$0	\$0	\$0	\$0
Other Special Revenue Funds	(\$45,385,010)	\$0	\$0	\$0	\$0
Federal Block Grant Fund	\$2,497,522	\$0	\$0	\$0	\$0
Federal Expenditures Fund	(\$7,642,019)	\$0	\$0	\$0	\$0
Federal Block Grant Fund ARRA	(\$557,725)	\$0	\$0	\$0	\$0
Financial and Personnel Services Fund	\$7,625	\$0	\$0	\$0	\$0
Office of Information Services	\$0	\$0	\$0	\$0	\$0
Consolidated Emergency Communications Fund	\$29,429	\$0	\$0	\$0	\$0
Seed Potato Board Fund	(\$673,983)	\$0	\$0	\$0	\$0
Revenue					
General Fund	(\$602,844)	(\$7,924,538)	(\$32,351)	\$7,688,384	\$7,055,595
Other Special Revenue Funds	(\$4,112,854)	(\$417,081)	(\$1,703)	\$404,652	\$371,347
Transfers					
General Fund	\$7,634,567	\$0	\$0	\$0	\$0
Other Special Revenue Funds	(\$1,431,739)	\$0	\$0	\$0	\$0

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Fund Detail by Section					
Appropriations/Allocations					
General Fund					
PART A, Section 1	(\$80,284)	\$0	\$0	\$0	\$0
PART A, Section 2	(\$57,344)	\$0	\$0	\$0	\$0
PART A, Section 3	(\$6,581)	\$0	\$0	\$0	\$0
PART A, Section 4	(\$137,449)	\$0	\$0	\$0	\$0
PART A, Section 5	(\$12,717)	\$0	\$0	\$0	\$0
PART A, Section 6	(\$1,170)	\$0	\$0	\$0	\$0
PART A, Section 8	(\$143,721)	\$0	\$0	\$0	\$0
PART A, Section 9	(\$123,834)	\$0	\$0	\$0	\$0
PART A, Section 10	(\$92,023)	\$0	\$0	\$0	\$0
PART A, Section 11	(\$411)	\$0	\$0	\$0	\$0
PART A, Section 12	\$859,591	\$0	\$0	\$0	\$0
PART A, Section 13	(\$340)	\$0	\$0	\$0	\$0
PART A, Section 14	(\$1,249)	\$0	\$0	\$0	\$0
PART A, Section 15	(\$115,857)	\$0	\$0	\$0	\$0
PART A, Section 16	\$1,985,009	\$0	\$0	\$0	\$0
PART A, Section 17	(\$1,009)	\$0	\$0	\$0	\$0
PART A, Section 19	(\$58,834)	\$0	\$0	\$0	\$0
PART A, Section 20	(\$1,307)	\$0	\$0	\$0	\$0
PART A, Section 21	(\$17,747)	\$0	\$0	\$0	\$0
PART A, Section 22	(\$125,445)	\$0	\$0	\$0	\$0
PART A, Section 23	(\$517)	\$0	\$0	\$0	\$0
PART A, Section 24	\$29,710,228	\$0	\$0	\$0	\$0
PART A, Section 25	\$105,856,592	\$0	\$0	\$0	\$0
PART A, Section 26	(\$2,737)	\$0	\$0	\$0	\$0
PART A, Section 27	(\$445)	\$0	\$0	\$0	\$0
PART A, Section 28	(\$630)	\$0	\$0	\$0	\$0
PART A, Section 29	(\$3,804)	\$0	\$0	\$0	\$0
PART A, Section 30	(\$4,983)	\$0	\$0	\$0	\$0
PART A, Section 31	(\$529)	\$0	\$0	\$0	\$0
PART A, Section 32	(\$98,840)	\$0	\$0	\$0	\$0
PART A, Section 33	(\$3,703)	\$0	\$0	\$0	\$0
PART A, Section 34	(\$85,500)	\$0	\$0	\$0	\$0
PART A, Section 35	(\$107,120)	\$0	\$0	\$0	\$0
PART A, Section 36	(\$29,568)	\$0	\$0	\$0	\$0
PART A, Section 37	(\$52,735)	\$0	\$0	\$0	\$0
PART A, Section 39	(\$687)	\$0	\$0	\$0	\$0
PART A, Section 40	(\$13,294)	\$0	\$0	\$0	\$0
PART A, Section 41	(\$79)	\$0	\$0	\$0	\$0
PART A, Section 42	(\$2,526)	\$0	\$0	\$0	\$0
PART A, Section 44	(\$803)	\$0	\$0	\$0	\$0
PART A, Section 45	(\$19,325)	\$0	\$0	\$0	\$0
PART A, Section 46	(\$216,370)	\$0	\$0	\$0	\$0
PART A, Section 48	(\$466)	\$0	\$0	\$0	\$0

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
PART A, Section 50	(\$217)	\$0	\$0	\$0	\$0
PART A, Section 51	(\$7,000,000)	\$0	\$0	\$0	\$0
PART A, Section 52	(\$4,642,147)	\$0	\$0	\$0	\$0
PART B, Section 1	\$0	\$0	\$0	\$0	\$0
Federal Expenditures Fund					
PART A, Section 8	\$30,000	\$0	\$0	\$0	\$0
PART A, Section 12	\$34,584	\$0	\$0	\$0	\$0
PART A, Section 16	(\$189,024)	\$0	\$0	\$0	\$0
PART A, Section 18	(\$432,774)	\$0	\$0	\$0	\$0
PART A, Section 25	\$241,778,923	\$0	\$0	\$0	\$0
PART A, Section 26	\$2,737	\$0	\$0	\$0	\$0
PART A, Section 30	\$1,945	\$0	\$0	\$0	\$0
PART A, Section 35	\$5,162	\$0	\$0	\$0	\$0
PART A, Section 36	\$29,568	\$0	\$0	\$0	\$0
PART A, Section 43	\$168,643	\$0	\$0	\$0	\$0
PART A, Section 46	\$511	\$0	\$0	\$0	\$0
PART B, Section 1	\$82,072	\$0	\$0	\$0	\$0
Fund for a Healthy Maine					
PART A, Section 1	\$1,380,582	\$0	\$0	\$0	\$0
Other Special Revenue Funds					
PART A, Section 2	\$56,571	\$0	\$0	\$0	\$0
PART A, Section 7	\$8,763	\$0	\$0	\$0	\$0
PART A, Section 8	(\$55,287)	\$0	\$0	\$0	\$0
PART A, Section 15	\$2,861,631	\$0	\$0	\$0	\$0
PART A, Section 18	(\$47,461,834)	\$0	\$0	\$0	\$0
PART A, Section 20	\$1,307	\$0	\$0	\$0	\$0
PART A, Section 24	\$519,470	\$0	\$0	\$0	\$0
PART A, Section 25	(\$1,716,193)	\$0	\$0	\$0	\$0
PART A, Section 30	\$5,000	\$0	\$0	\$0	\$0
PART A, Section 35	(\$5,102)	\$0	\$0	\$0	\$0
PART A, Section 38	(\$500)	\$0	\$0	\$0	\$0
PART A, Section 40	(\$212)	\$0	\$0	\$0	\$0
PART A, Section 43	\$137,891	\$0	\$0	\$0	\$0
PART A, Section 46	\$81,143	\$0	\$0	\$0	\$0
PART A, Section 47	(\$100,000)	\$0	\$0	\$0	\$0
PART A, Section 48	\$6,000	\$0	\$0	\$0	\$0
PART A, Section 49	(\$441,999)	\$0	\$0	\$0	\$0
PART A, Section 52	\$691,160	\$0	\$0	\$0	\$0
PART A, Section 53	\$17,525	\$0	\$0	\$0	\$0
PART A, Section 54	\$141	\$0	\$0	\$0	\$0
PART B, Section 1	\$9,515	\$0	\$0	\$0	\$0

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Federal Block Grant Fund					
PART A, Section 25	\$2,414,214	\$0	\$0	\$0	\$0
PART B, Section 1	\$83,308	\$0	\$0	\$0	\$0
Federal Expenditures Fund ARRA					
PART A, Section 18	(\$5,076,500)	\$0	\$0	\$0	\$0
PART A, Section 25	(\$2,565,519)	\$0	\$0	\$0	\$0
Federal Block Grant Fund ARRA					
PART A, Section 18	(\$557,725)	\$0	\$0	\$0	\$0
Financial and Personnel Services Fund					
PART B, Section 1	\$7,625	\$0	\$0	\$0	\$0
Office of Information Services Fund					
PART B, Section 1	\$0	\$0	\$0	\$0	\$0
Consolidated Emergency Communications Fund					
PART A, Section 46	\$29,429	\$0	\$0	\$0	\$0
Seed Potato Board Fund					
PART A, Section 2	(\$673,983)	\$0	\$0	\$0	\$0
Revenue					
General Fund					
PART A, Section 37	\$40,000	\$0	\$0	\$0	\$0
PART N, Section 1	\$3,875,069	\$0	\$0	\$0	\$0
PART P, Section 1	(\$4,517,913)	(\$7,924,538)	(\$32,351)	\$7,688,384	\$7,055,595
Other Special Revenue Funds					
PART N, Section 1	(\$3,875,069)	\$0	\$0	\$0	\$0
PART P, Section 1	(\$237,785)	(\$417,081)	(\$1,703)	\$404,652	\$371,347

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Transfers					
General Fund					
PART H, Section 1	\$80,000	\$0	\$0	\$0	\$0
PART I, Section 1	\$11,185	\$0	\$0	\$0	\$0
PART J, Section 1	(\$987,605)	\$0	\$0	\$0	\$0
PART J, Section 2	\$987,605	\$0	\$0	\$0	\$0
PART L, Section 1	\$22,209	\$0	\$0	\$0	\$0
PART M, Section 1	(\$1,100,000)	\$0	\$0	\$0	\$0
PART Q, Section 1	\$3,500,000	\$0	\$0	\$0	\$0
PART U, Section 1	\$1,329,530	\$0	\$0	\$0	\$0
PART V, Section 1	\$2,000,000	\$0	\$0	\$0	\$0
PART V, Section 2	\$100,000	\$0	\$0	\$0	\$0
PART V, Section 3	\$173,315	\$0	\$0	\$0	\$0
PART Y, Section 1	\$392,944	\$0	\$0	\$0	\$0
PART Z, Section 1	\$1,125,384	\$0	\$0	\$0	\$0
Other Special Revenue Funds					
PART H, Section 1	(\$80,000)	\$0	\$0	\$0	\$0
PART J, Section 1	\$987,605	\$0	\$0	\$0	\$0
PART J, Section 2	(\$987,605)	\$0	\$0	\$0	\$0
PART L, Section 1	(\$22,209)	\$0	\$0	\$0	\$0
PART U, Section 1	(\$1,329,530)	\$0	\$0	\$0	\$0