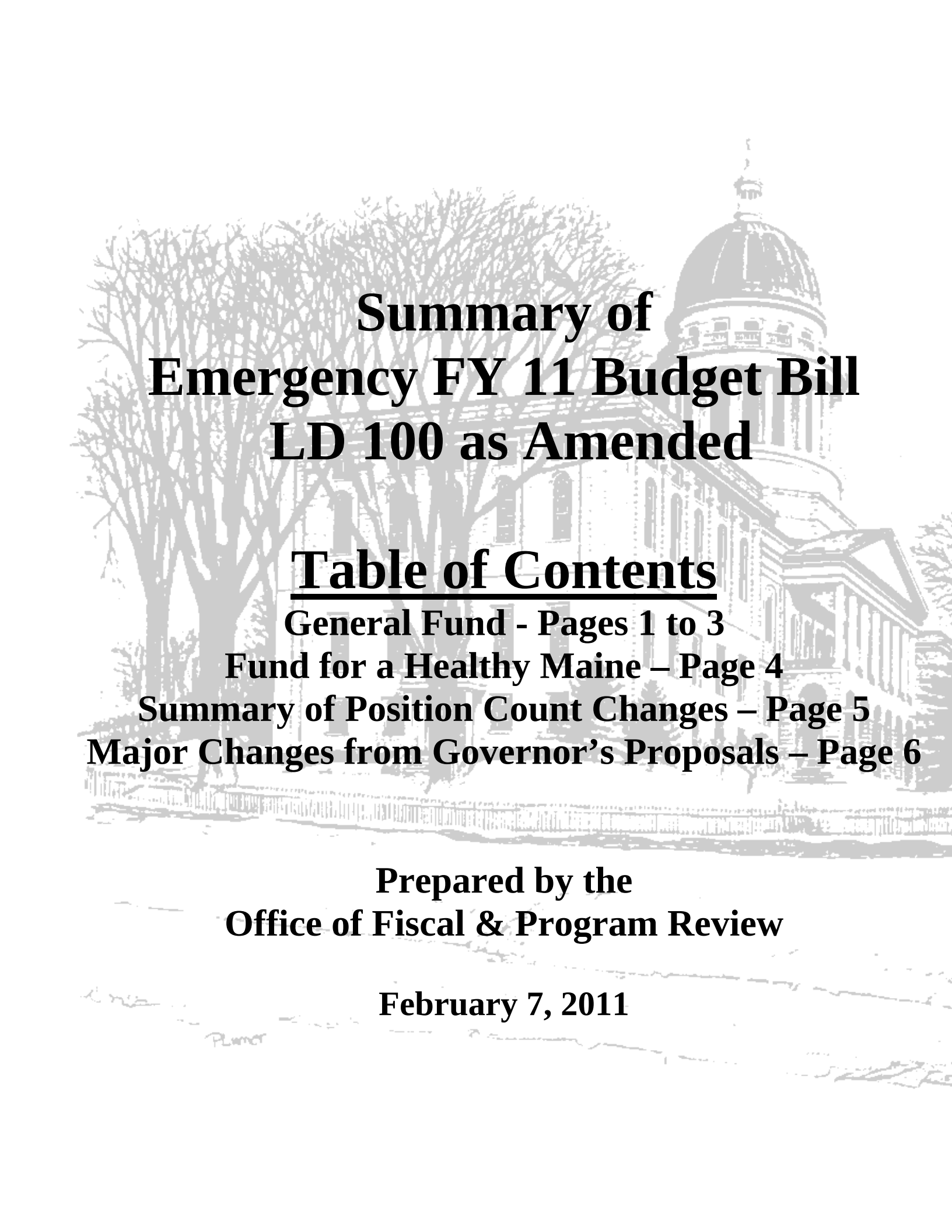




Summary of Emergency FY 11 Budget Bill LD 100 as Amended

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

February 7, 2011

Emergency FY11 Budget - LD 100 as Amended

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	\$8.360
- Net Changes to Revenue (FY11 Only) - LD 100	(\$1.500)
FY11 Balance with additional General Fund Resources in LD 100	\$125.106
Net Changes to Appropriations - LD 100	\$124.977
FY11 Budgeted Ending Balance after EFY11 Budget Bill (LD 100)	\$0.129

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	\$42.009
Subtotal - Available FY11 General Fund Resources with LD 100	\$160.255
"FY11 Spending" (General Fund Resources Decreased) by LD 100	\$160.126
FY11 Budgeted Ending Balance after EFY11 Budget Bill (LD 100)	\$0.129

Major Initiatives

The Supplemental Budget as amended proposes additional savings initiatives totaling \$42.0 million, primarily from the appropriation balances, reserve funds and debt service savings to support \$160.3 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 \$2.9 million the fixed dollar reduction to revenue sharing, \$1.0 million less than 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 \$0.7 million.

Notes:

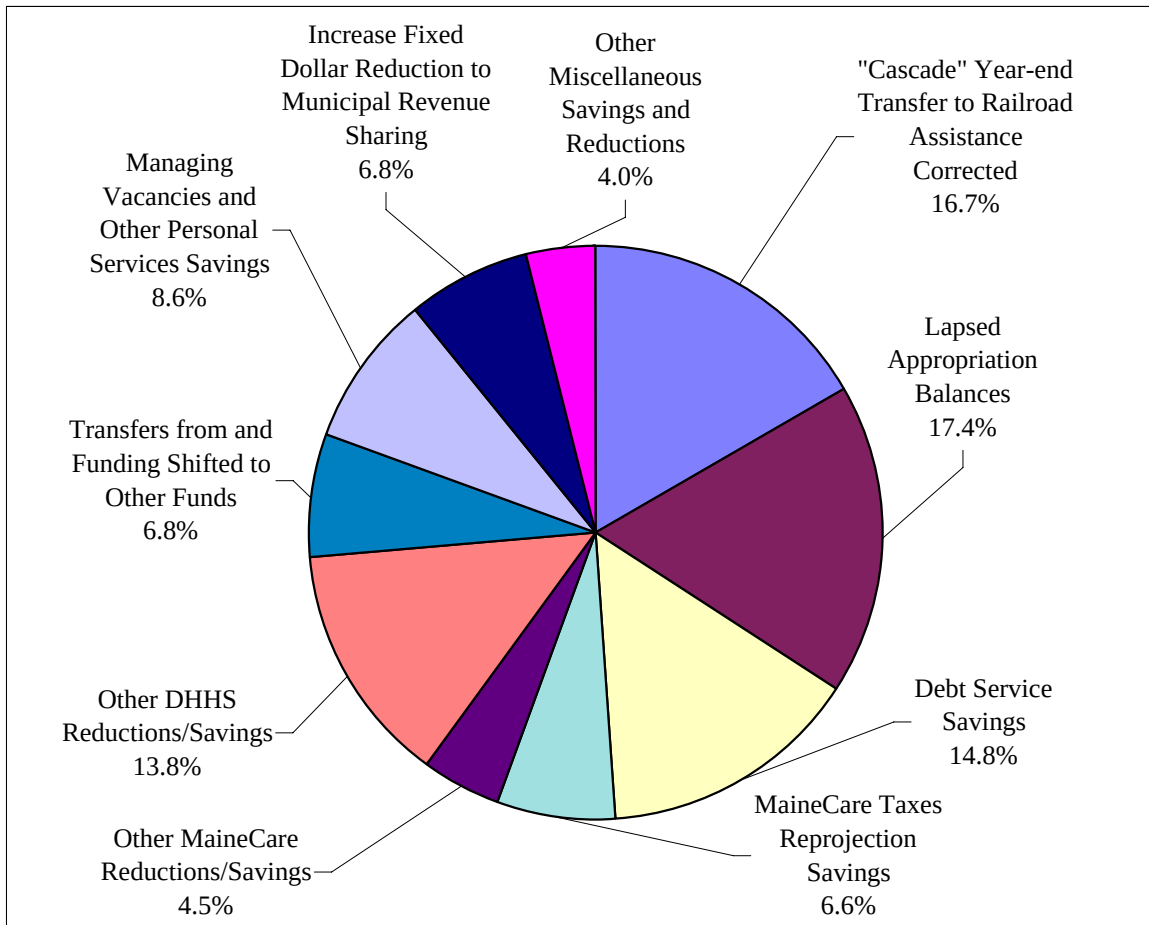
¹ Reflects budgeted ending balance for FY11 including FY10 closing transactions, all legislative changes through the 124th Legislature and the December 2010 Revenue Forecast.

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

Emergency FY11 Budget - LD 100 as Amended
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	16.7% ²
Lapsed Appropriation Balances	\$7.3	17.4%
Debt Service Savings	\$6.2	14.8%
MaineCare Taxes Reprojection Savings	\$2.8	6.6%
Other MaineCare Reductions/Savings	\$1.9	4.5%
Other DHHS Reductions/Savings	\$5.8	13.8%
Transfers from and Funding Shifted to Other Funds	\$2.9	6.8%
Managing Vacancies and Other Personal Services Savings	\$3.6	8.6%
Increase Fixed Dollar Reduction to Municipal Revenue Sharing	\$2.9	6.8%
Other Miscellaneous Savings and Reductions	\$1.7	4.0%
TOTAL ADJUSTMENTS INCREASING FY11 BALANCE	\$42.0	100.0%



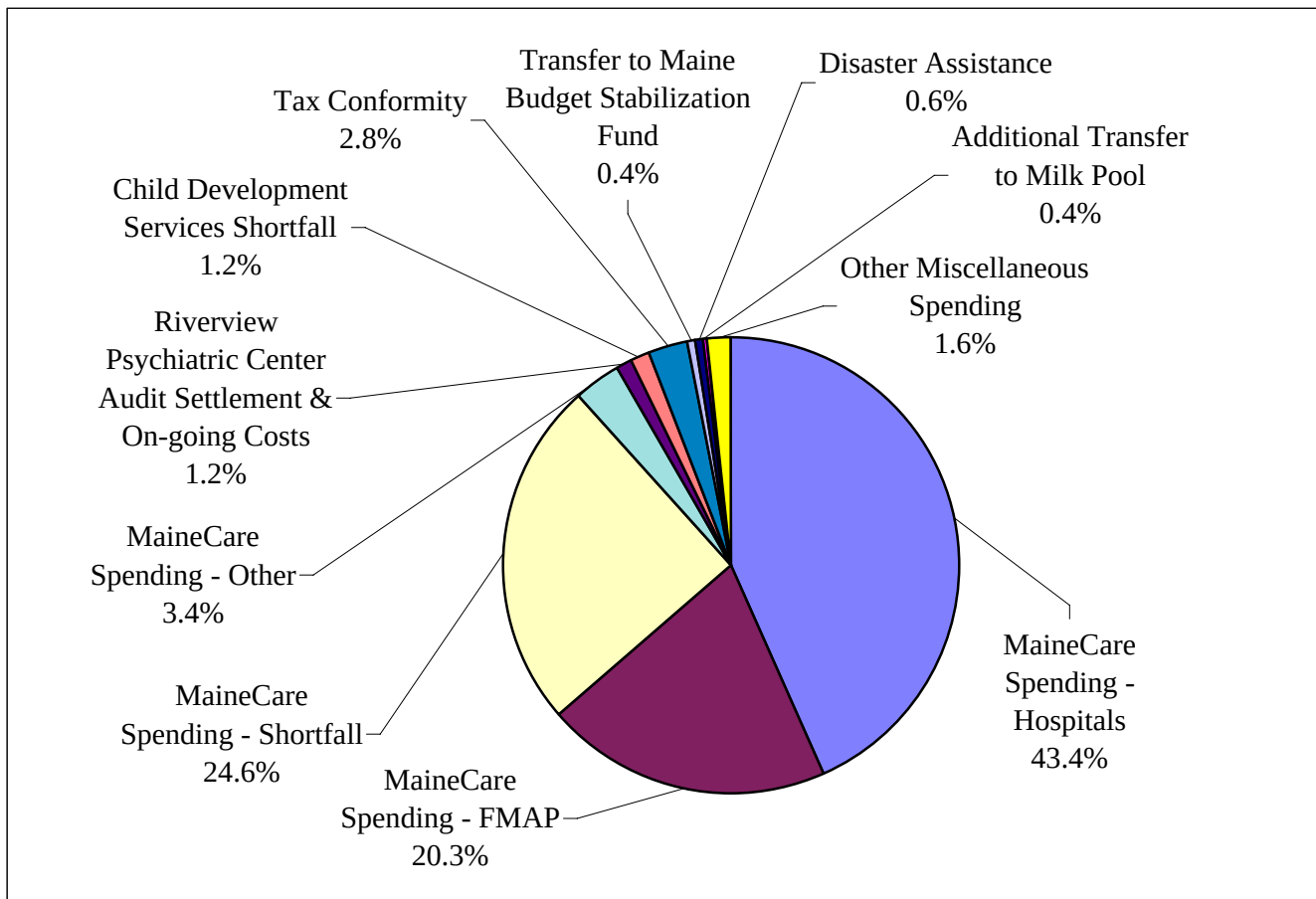
Notes:

- 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

Emergency FY11 Budget - LD 100 as Amended
General Fund Adjustments - "Spending" Initiatives¹
Initiatives Decreasing General Fund FY11 Balance

	\$ in Millions	% of Total
MaineCare Spending - Hospitals	\$69.5	43.4%
MaineCare Spending - FMAP	\$32.4	20.3%
MaineCare Spending - Shortfall	\$39.4	24.6%
MaineCare Spending - Other	\$5.5	3.4%
Riverview Psychiatric Center Audit Settlement & On-going Costs	\$1.9	1.2%
Child Development Services Shortfall	\$2.0	1.2% ²
Tax Conformity	\$4.5	2.8%
Transfer to Maine Budget Stabilization Fund	\$0.7	0.4%
Disaster Assistance	\$0.9	0.6%
Additional Transfer to Milk Pool	\$0.6	0.4%
Other Miscellaneous Spending	\$2.6	1.6%
TOTAL ADJUSTMENTS DECREASING FY11 BALANCE	\$160.1	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

Emergency FY11 Budget - LD 100 as Amended

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	(\$2.103)
 FHM Adjustments to Allocations in LD 100:	
- Eliminate Fund-wide Deallocation	\$1.381
Net Changes to FHM Allocations - EFY11 Budget Bill	\$1.381
FY11 Budgeted Ending Balance after EFY11 Budget Bill	(\$3.484)

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 addresses the estimated FY11 shortfall in the Fund for a Healthy Maine by giving the State Controller authority to transfer up to \$3,500,000 in FY11 from Other Special Revenue Funds to the Fund for a Healthy Maine to help meet obligations of the Fund for a Healthy Maine for FY11, and requires the State Controller to transfer the funds advanced to the Fund for a Healthy Maine back to Other Special Revenue Funds as repayment with interest on July 1, 2011. Part G also requires the Commissioner of the Department of Administrative and Financial Services to provide a report on the amount advanced and Fund for a Healthy programs affected by this Part by June 30, 2011.

Amounts may not add due to rounding

Emergency FY11 Budget - LD 100 as Amended
Summary of Position Count Changes
All Funds

<u>Fund</u>	<u>Total Authorized Positions - Through 124th Legislature</u>	<u>Position Changes in EFY11 Budget as Amended ¹</u>	<u>Total Authorized FY11 Positions - With Governor's EFY11 Proposals</u>
General Fund	5,915.493	7.000	5,922.493
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	-8.113	14,080.685

Notes:

¹ Reflects position count changes in LD 100 as amended. No position count changes were proposed in the Highway Fund EFY11 Budget Bill. AFA Committee Amendment adds 2 General Fund positions to the Governor's original proposals for the Gambling Control Board related to the Oxford County casino.

Emergency FY11 Budget - LD 100 as Amended

Major Changes from Governor's Original Proposals

	Cost (Savings) \$'s in Millions
Policy Committee	
Agriculture, Conservation and Forestry	
> Adds additional funding for the Milk Pool Tier Support program.	\$0.600
> Adds a provision that would repeal a requirement that the Forest Protection Service sell one of its helicopters if the amount of the proceeds previously budgeted can be transferred from the Division of Forest Protection, General Fund account.	\$0.000
> Transfers balances from the Pesticide Control Board and the Agricultural Marketing Loan Fund (FAME).	(\$0.650)
Education and Cultural Affairs	
> Removes language that would have eliminated the provision that allows certain children to continue to receive the services of the Child Development Services System for an additional year rather than be enrolled in kindergarten.	N/A
> Appropriates funds for a shortfall in the School Breakfast Program.	\$0.050
> Adds language requiring that the cuts made to the Doctors For Maine's Future Scholarship Fund be restored no later than fiscal year 2012-13.	N/A
Environment and Natural Resources	
> Keeps a portion of the transfer from the Solid Waste Management Fund that was proposed to be eliminated.	(\$0.100)
Health and Human Services	
> Restores funding that had been reduced in the Governor's curtailment order for contracted non-MaineCare involuntary hospitalization services.	\$0.191
> Removes language that would have changed the determination cutoff period for aid to needy persons from 45 days to 90 days.	N/A
> Includes a provision for making a cash advance to FHM in the event of a shortfall in the current fiscal year. This avoids having to choose between recovering funds already spent and penalizing programs that spend more of their allotment in the latter half of the fiscal year. The advance would be repaid on the first day of the next fiscal year with proportional reductions in all of the Fund for a Healthy Maine Programs.	N/A
Inland Fisheries and Wildlife	
> Eliminates all funding reductions to the Department of Inland Fisheries and Wildlife.	\$0.004
Judiciary	
> Rejects cut to Maine Commission on Indigent Legal Services and instead increases its funding.	\$0.300
> Removes language that would have allowed the judicial branch to transfer up to a specified amount of fee revenue to support the branch's capital expenses only after it has collected and deposited all of the fee revenue budgeted for the General Fund.	N/A
State and Local Government	
> Recognizes additional debt service savings.	(\$1.110)
> Reduces the amount to be transferred to the Maine Budget Stabilization Fund	(\$0.400)
> Adds back some funding to Treasurer's Office to offset unrealized savings from electronic transactions that the Department of Health and Human Services was unable to implement.	\$0.017
> Appropriates funds for Regional Planning Grant Program.	\$0.100
Taxation	
> Reduces the amount of the additional reduction to revenue sharing and eliminated the language setting a maximum transfer to revenue sharing.	\$1.000
Veterans and Legal Affairs	
> Provides funding for the expenses necessary to review the application for the Oxford County casino, the cost of which is offset by additional revenue and savings within the Gambling Control Board.	\$0.000