

**Summary of  
Governor's Proposed  
2008-2009 Supplemental  
Budget Bill (LD 2173)  
with  
March 5, 2008  
Change Package**

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

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**Summary of Governor's Proposed  
2008-2009 Supplemental Budget  
with Governor's Change Package  
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# 2008-2009 Supplemental Budget with Governor's Change Package

## Summary of General Fund "Shortfall" and Solutions

(\$ in millions)

	FY08	FY09	Biennium
<b>Summary of General Fund "Shortfall" <sup>1</sup></b>			
GF Revenue Revision - December 2007 RFC Forecast	(\$37.8)	(\$57.4)	(\$95.2)
GF Revenue Revision - March 2008 RFC Forecast	(\$26.9)	(\$67.9)	(\$94.8)
Statewide Deappropriation - "Initiative" to Streamline State Government	\$0.0	(\$10.1)	(\$10.1)
<b>Shortfall from Revenue Forecast and Statewide Deappropriation</b>	<b>(\$64.6)</b>	<b>(\$135.4)</b>	<b>(\$200.0)</b>
Beginning Balance - FY 07 Ending Actual Balance	\$17.6		\$17.6
Net Changes to Balances - Prior to December 2007 Forecast	(\$16.8)	(\$0.5)	(\$17.3)
Net Changes from Revenue Forecast and Statewide Deappropriation	(\$64.6)	(\$135.4)	(\$200.0)
<b>General Fund "Shortfall" Before Governor's Supplemental</b>	<b>(\$63.8)</b>	<b>(\$135.9)</b>	<b>(\$199.7)</b>
<b>Supplemental Budget - Increase (Decrease) to Balance <sup>2</sup></b>	<b>\$64.1</b>	<b>\$135.8</b>	<b>\$199.9</b>
<b>General Fund Ending Balance w/ Governor's Supplemental <sup>2</sup></b>	<b>\$0.3</b>	<b>(\$0.1)</b>	<b>\$0.2</b>

### Summary of Appropriations and Revenue/Transfers - Governor's Proposals <sup>2</sup>

<b>Resources (Transfers/Adjustments to Balance and Revenue):</b>			
- General Fund Transfers and Adjustments to Balance	\$41.7	(\$7.0)	\$34.7
- General Fund Revenue	\$0.3	\$4.6	\$4.9
<b>Net Increase (Decrease) to Resources</b>	<b>\$42.0</b>	<b>(\$2.4)</b>	<b>\$39.6</b>
<b>General Fund Appropriations:</b>			
- General Fund Appropriations	(\$22.2)	(\$128.1)	(\$150.2)
- Adjustment for Statewide Deappropriation Offset	\$0.0	(\$10.1)	(\$10.1)
<b>Net Increase (Decrease) of Appropriations</b>	<b>(\$22.2)</b>	<b>(\$138.2)</b>	<b>(\$160.3)</b>
<b>Net Increase (Decrease) to Balance - Gov's Supplemental</b>	<b>\$64.1</b>	<b>\$135.8</b>	<b>\$199.9</b>

### Summary of LD 1968 General Fund "Spending" and "Savings" <sup>3</sup>

<b>Total of Initiatives Decreasing Resources ("Spending")</b>			
- See Pie Chart on Page 2	(\$8.1)	(\$42.1)	(\$50.1)
<b>Total Items Increasing Resources ("Savings")</b>			
- See Pie Chart on Page 3	\$72.2	\$177.9	\$250.1
<b>Net Increase (Decrease) to General Fund Resources</b>	<b>\$64.1</b>	<b>\$135.8</b>	<b>\$199.9</b>

*Amounts may not add due to rounding*

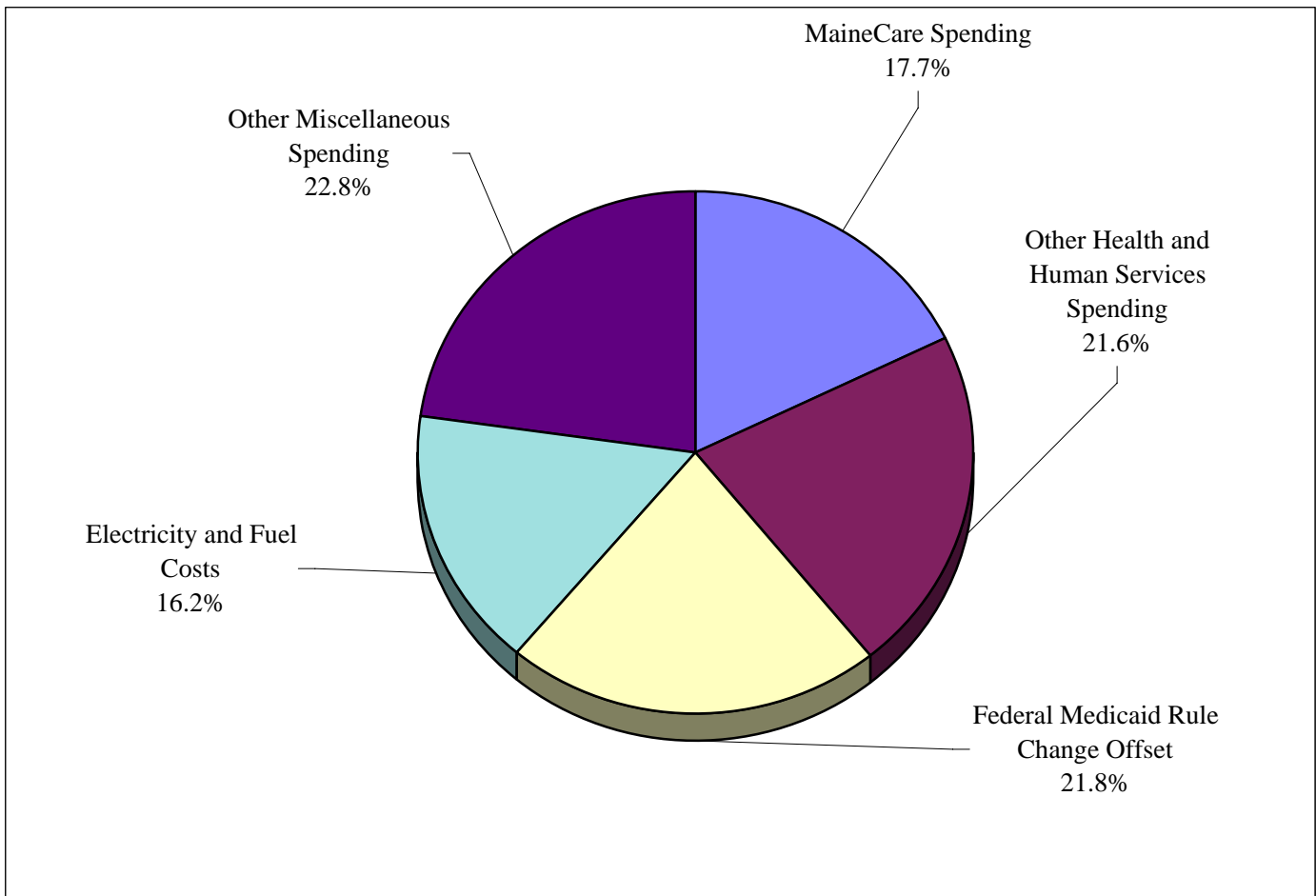
Notes:

- <sup>1</sup> The General Fund "Shortfall" depicted in this presentation results from the December 2007 and March 2008 downward revenue revisions by the Revenue Forecasting Committee and an existing Statewide Deappropriations of \$10.1 million that was to be offset by "The Initiative" to Streamline State Government, a interim study conducted by the Joint Standing Committee on Appropriations and Financial Affairs.
- <sup>2</sup> The net change to balance from the Governor's proposals is based on the Governor's draft proposals and estimates provided in the materials presented by the Governor. Estimates of revenue may change based on additional review and analysis by the Office of Fiscal and Program Review.
- <sup>3</sup> This analysis and the pie charts on the following pages present a different look at the revenue, transfers and appropriations. The purpose is to separate out those initiatives/proposals in the supplemental budget that represent "spending" of state resources from those that increase resources. Additional detail regarding this analysis is presented on pages 2 and 3.

# General Fund Adjustments - "Spending" Initiatives <sup>1</sup>

## Initiatives Decreasing General Fund Balance

	FY 08	FY 09	Biennium	% of Total
MaineCare Spending	\$3.4	\$5.4	\$8.9	17.7%
Other Health and Human Services Spending	\$5.2	\$5.6	\$10.8	21.6%
Federal Medicaid Rule Change Offset	\$0.7	\$10.2	\$10.9	21.8%
Electricity and Fuel Costs	\$5.7	\$2.5	\$8.1	16.2%
Other Miscellaneous Spending	(\$7.0)	\$18.4	\$11.4	22.8%
<b>TOTAL ADJUSTMENTS DECREASING BALANCE</b>	<b>\$8.1</b>	<b>\$42.1</b>	<b>\$50.1</b>	<b>100.0%</b>



**Notes:**

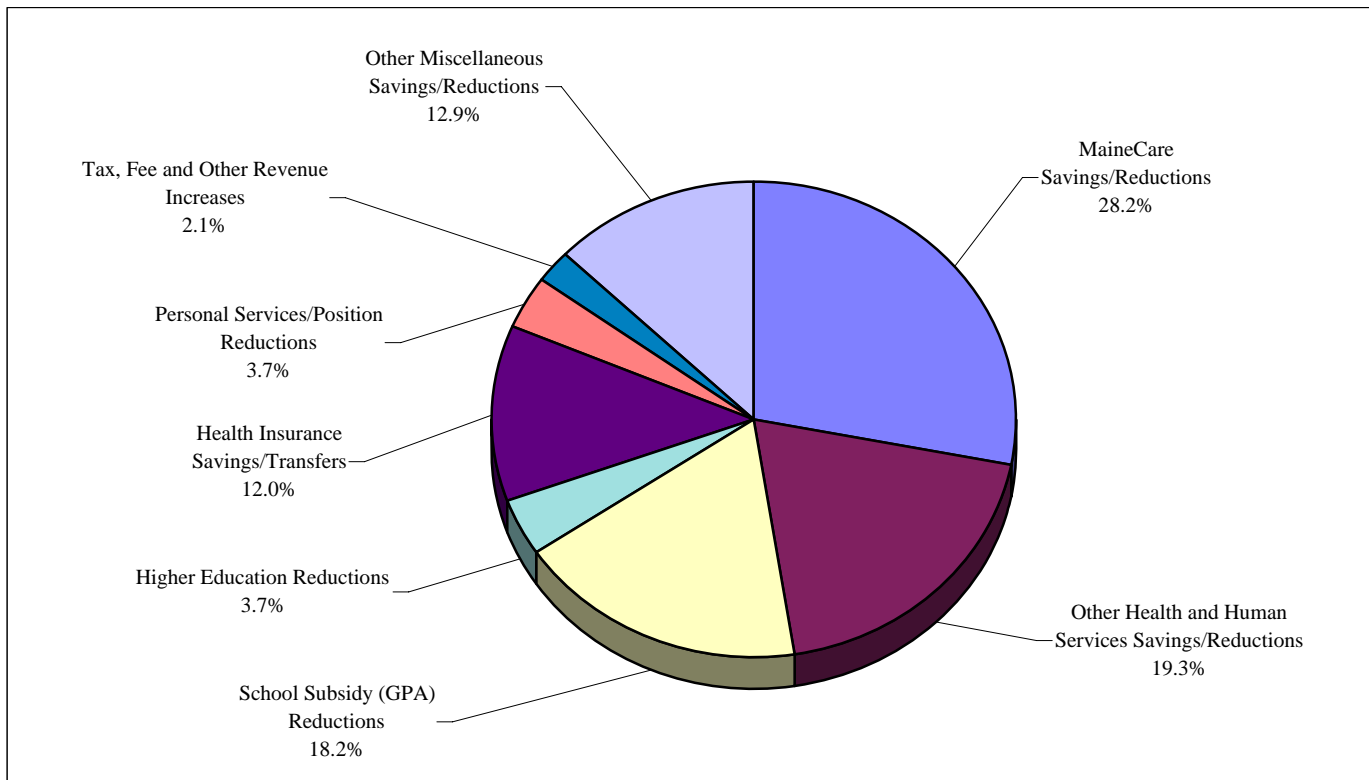
<sup>1</sup> "Spending" initiatives include all those items that decrease resources: appropriations; revenue decreases; transfers to other funds; and other negative adjustments to fund balance. Does not reflect transfers of appropriations between General Fund programs that net to \$0.

*Amounts may not add due to rounding*

# General Fund Adjustments - "Savings" Initiatives <sup>1</sup>

## Initiatives Increasing General Fund Balance

	FY 08	FY 09	Biennium	% of Total
MaineCare Savings/Reductions	\$10.6	\$59.9	\$70.5	28.2%
Other Health and Human Services Savings/Reductions	\$15.9	\$32.2	\$48.1	19.3%
School Subsidy (GPA) Reductions	\$6.0	\$39.4	\$45.4	18.2%
Higher Education Reductions	\$0.0	\$9.4	\$9.4	3.7%
Health Insurance Savings/Transfers	\$27.8	\$2.2	\$29.9	12.0%
Personal Services/Position Reductions	\$1.5	\$7.8	\$9.3	3.7%
Tax, Fee and Other Revenue Increases	\$0.3	\$4.9	\$5.2	2.1%
Other Miscellaneous Savings/Reductions	\$10.1	\$22.2	\$32.2	12.9%
<b>TOTAL ADJUSTMENTS INCREASING BALANCE</b>	<b>\$72.2</b>	<b>\$177.9</b>	<b>\$250.1</b>	<b>100.0%</b>



**Notes:**

<sup>1</sup> "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers from other funds; and other positive adjustments to balances. Does not reflect transfers of appropriations between General Fund programs that net to \$0.

*Amounts may not add due to rounding*

**2008-2009 SUPPLEMENTAL BUDGET  
WITH GOVERNOR'S CHANGE PACKAGE**

**SUMMARY OF POSITION CHANGES**

<u>Fund</u>	<u>Total Authorized Positions - Prior to 123rd Legislature, 2nd Regular</u>	<u>Position Adjustments in Part A<sup>1</sup></u>	<u>Position Adjustments - Streamlining Initiative in (Part D)<sup>1</sup></u>	<u>Net Position Changes in LD 2173 with Change Package</u>	<u>Total Authorized Positions - Governor's Proposals</u>
General Fund	6,175.664	(114.097)	(9.904)	(124.001)	6,051.663
Highway Fund <sup>2</sup>	2,490.832	(3.000)	0.000	(3.000)	2,487.832
Federal Expenditures Fund	1,601.626	71.000	(3.000)	68.000	1,669.626
Fund for a Healthy Maine	22.500	0.000	0.000	0.000	22.500
Other Special Revenue Fund	2,382.019	36.935	1.000	37.935	2,419.954
Federal Block Grant	136.500	1.000	0.000	1.000	137.500
Other Funds <sup>2</sup>	1,288.793	14.323	(3.000)	11.323	1,300.116
<b>Total Change of Authorized Positions</b>	<b>14,097.934</b>	<b>6.161</b>	<b>(14.904)</b>	<b>(8.743)</b>	<b>14,089.191</b>

**Notes:**

<sup>1</sup> Position adjustments in Part D reflect the recommendations of "The Initiative" to Streamline State Government, a interim study of the Joint Standing Committee on Appropriations and Financial Affairs. Part A changes reflect other position adjustments recommended by the Governor.

<sup>2</sup> Includes position count adjustments in LD 2196, the Highway Fund Supplemental Budget Bill, that total -3.000 positions in the Highway Fund and -1.177 in the Island Ferry Service Fund.