

Summary of Governor's Emergency FY 13 Budget Proposals

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**Prepared by the
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Governor's Emergency FY13 Budget Recommendations

Overview - General Fund Balance

\$'s in millions

Changes to General Fund Balance - Additional Resources Less Appropriations	
FY13 Budgeted Ending General Fund Balance - Prior to December RFC	\$0.383 ¹
- December 2012 RFC Revenue Revision	(\$35.452)
FY13 Budgeted Ending General Fund Balance - Prior to Governor's Proposals	(\$35.069) ¹
Net Changes to Resources	
- Net Changes to Transfers/Adjustments to Balance - Governor's Proposals	\$81.977
- Net Changes to Revenue (FY13 Only) - Governor's Proposals	(\$13.000)
FY13 Balance with additional General Fund Resources in Governor's Proposals	\$33.908
Net Changes to Appropriations - Governor's Proposals	\$33.369
FY13 Budgeted Ending Balance after EFY13 Budget Bill	\$0.540

Changes to General Fund Balance - "Savings" Initiatives Less "Spending" Initiatives ²	
FY13 Budgeted Ending General Fund Balance - Prior to Governor's Proposals	(\$35.069) ¹
"FY13 Savings" (General Fund Resources Added) by Governor's Proposals	\$153.214
Subtotal - Available FY13 General Fund Resources with Governor's Proposals	\$118.145
"FY13 Spending" (General Fund Resources Decreased) by Governor's Proposals	\$117.606
FY13 Budgeted Ending Balance after EFY13 Budget Bill (Governor's Proposals)	\$0.540

Narrative Summary

The Governor's EFY13 Supplemental Budget proposals provide various funding adjustments to offset the \$35.5 million FY13 downward revision to General Fund revenue estimates in the December 2012 revenue forecast. Those offsets were initially implemented by the Governor's temporary curtailment of allotments. The Governor also needed to fund significant shortfalls in the Department of Health and Human Services, primarily in the MaineCare program.

The Governor's proposals generate more than \$153 million of General Fund resources from various savings initiatives (including the initiatives in the temporary curtailment), revenue enhancements and transfers from other funds. Approximately 70% of the total amount of savings initiatives relate to various items affecting General Purpose Aid for Local Schools and transfers from General Fund reserve accounts. The pie charts and tables on pages 2 and 3 provide more information on these proposals.

Notes:

¹ Reflects budgeted ending balance at the close of FY13 including all actions of the 125th Legislature and FY12 closing transfers and adjustments. The effect of the December 2012 Revenue Forecast is listed separately.

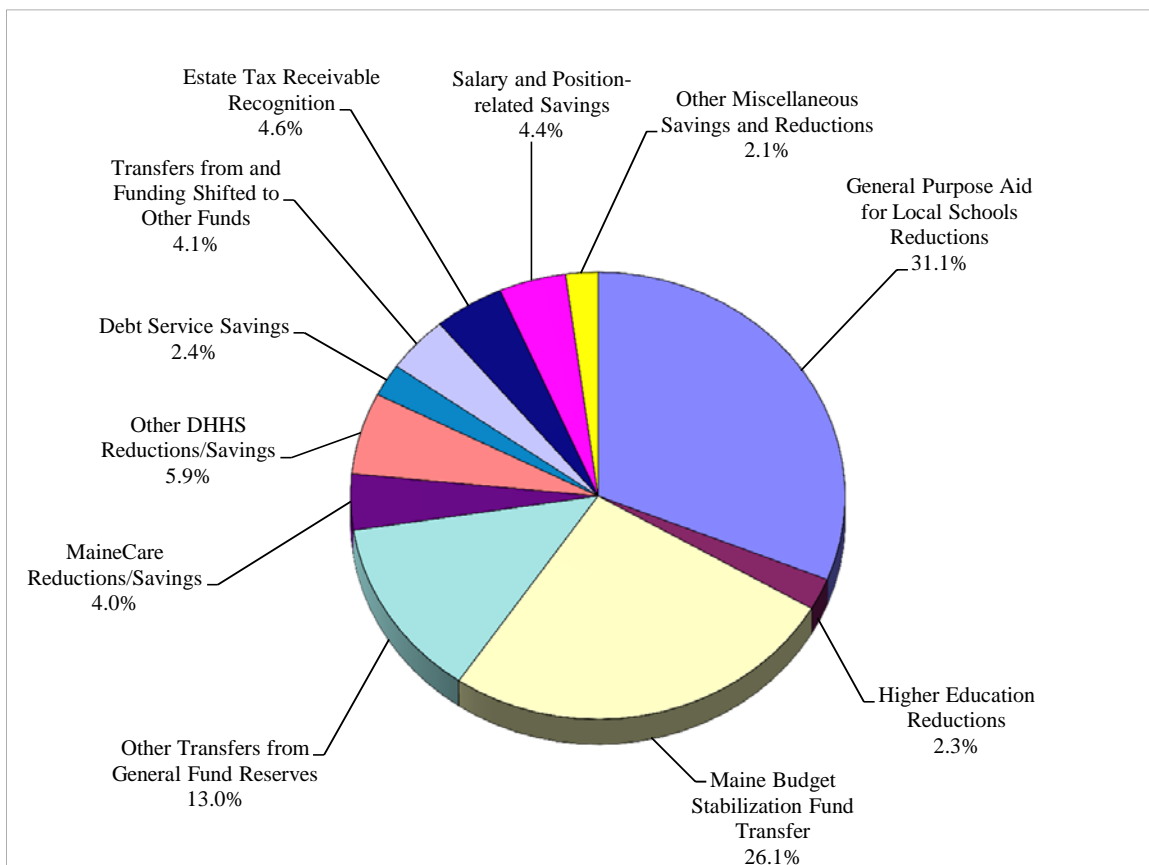
² This presentation presents a different look at the budget proposals from the traditional presentation of Budgeted Resources (net revenue changes and net transfers) less Appropriations. "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers 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 FY13 Budget Recommendations

General Fund Adjustments - "Savings" Initiatives¹ Initiatives Increasing General Fund FY13 Balance

	\$ in Millions	% of Total
General Purpose Aid for Local Schools Reductions	\$47.7	31.1% ²
Higher Education Reductions	\$3.5	2.3%
Maine Budget Stabilization Fund Transfer	\$40.0	26.1%
Other Transfers from General Fund Reserves	\$20.0	13.0%
MaineCare Reductions/Savings	\$6.2	4.0%
Other DHHS Reductions/Savings	\$9.0	5.9%
Debt Service Savings	\$3.6	2.4%
Transfers from and Funding Shifted to Other Funds	\$6.3	4.1%
Estate Tax Receivable Recognition	\$7.0	4.6%
Salary and Position-related Savings	\$6.7	4.4%
Other Miscellaneous Savings and Reductions	\$3.2	2.1%
TOTAL ADJUSTMENTS INCREASING FY13 BALANCE	\$153.2	100.0%



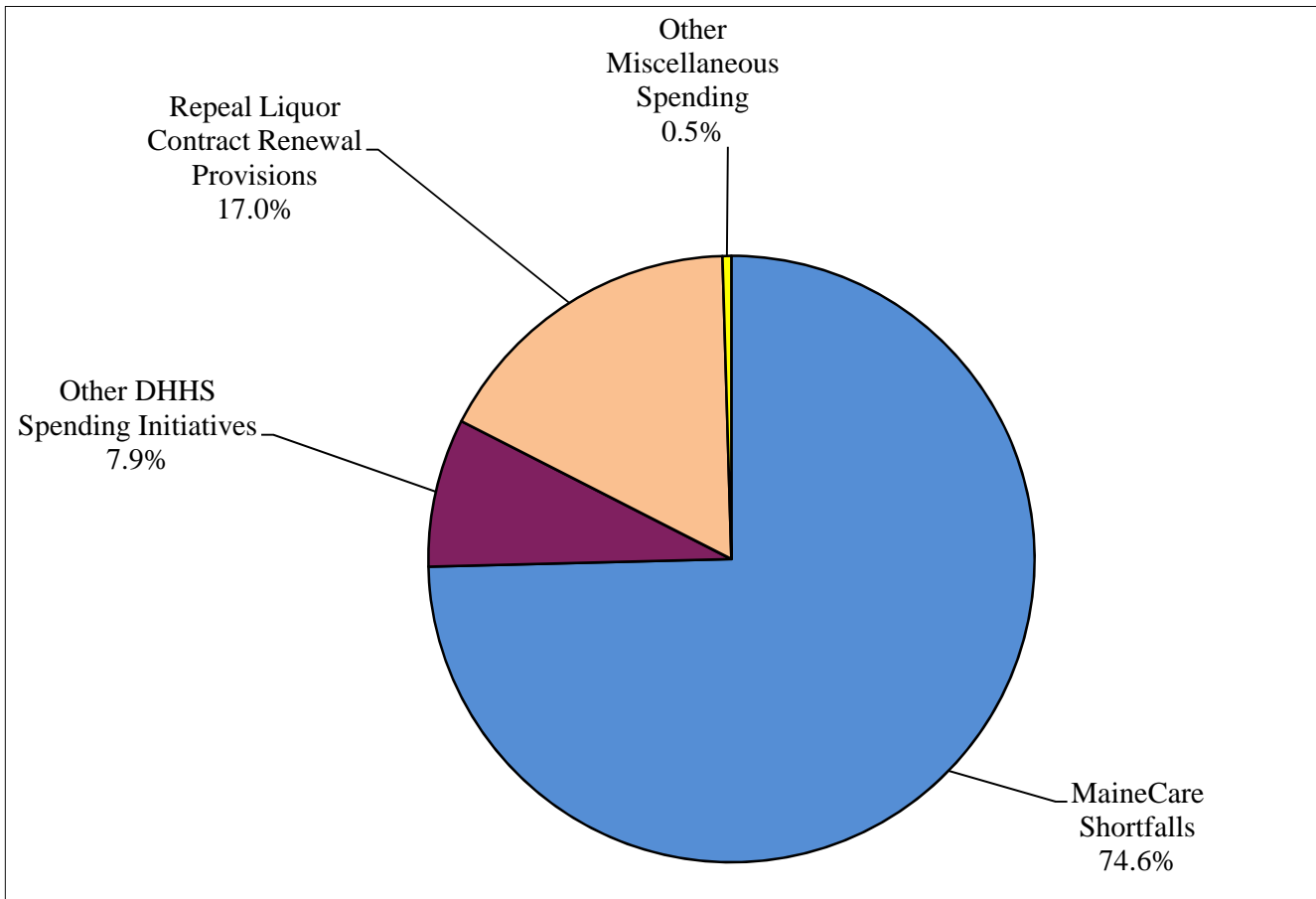
Notes:

- ¹ "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers from other funds; and other positive adjustments to balances.
- ² Includes a reduction of state subsidy to local school administrative units of \$12.6 million, a deferral of \$18.5 million of the June 2013 payment to July 2013, a transfer of \$2.0 million of funds set aside for the Fund for the Efficient Delivery of Educational Services in FY13, a transfer of \$14.1 million in dedicated funds from the Oxford Casino to supplement school subsidies, a line category transfer to fund a position in another program in Education and a reduction of \$0.4 million for bus refurbishing.

Amounts may not add due to rounding

Governor's Emergency FY13 Budget Recommendations
General Fund Adjustments - "Spending" Initiatives¹
Initiatives Decreasing General Fund FY13 Balance

	\$ in Millions	% of Total
MaineCare Shortfalls	\$87.7	74.6%
Other DHHS Spending Initiatives	\$9.3	7.9%
Repeal Liquor Contract Renewal Provisions	\$20.0	17.0%
Other Miscellaneous Spending	\$0.6	0.5%
TOTAL ADJUSTMENTS DECREASING FY13 BALANCE	\$117.6	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.

Amounts may not add due to rounding

Governor's Emergency FY13 Budget Recommendations

Overview - Highway Fund Proposals

\$'s in millions

Changes to Highway Fund Balance	
FY13 Budgeted Ending Highway Fund Balance - Prior to December RFC	\$0.177¹
- December 2012 RFC Revenue Revision	\$2.186
FY13 Budgeted Ending Highway Fund Balance - Prior to EFY13 Proposals	\$2.363
Adjustments to Highway Fund Resources:	
Transfers/Adjustments to Balance	\$0.000
Revenue Changes	\$0.000
Adjustments to Highway Fund Allocations:	
Highway Fund Allocations	\$0.024
FY13 Budgeted Ending Balance after EFY13 Budget Bill	\$2.339

Adjustments to Highway Fund Allocations:	
> Funding for arbitration decisions that result in the reclassification of several positions in the Department of Public Safety, State Police program.	\$0.024
Net Changes to Highway Fund Allocations	<u>\$0.024</u>

Notes:

¹ Reflects budgeted ending balance for FY13 including FY12 closing transactions, all legislative changes through the 125th Legislature. The effect of the December 2012 Revenue Forecast is listed separately.

Amounts may not add due to rounding

Governor's Emergency FY13 Budget Recommendations
Overview - Fund for a Healthy Maine (FHM)
\$'s in millions

Changes to Fund for a Healthy Maine Balance	
FY13 Budgeted Ending Fund for a Healthy Maine Balance	\$1.301¹
> December 2012 RFC Revenue Revision	\$0.001
FY13 Budgeted Ending FHM Balance - Prior to Governor's Proposals	<u>\$1.302</u>
 FHM Adjustments to Allocations in Governor's Proposals:	
> Increases funding for FHM - Medical Care program to increase the FHM share of the state seed for the MaineCare program.	\$2.000
> Reduces funding in the FHM - Drugs for the Elderly and Disabled program as a result of the elimination of the elderly low-cost drug program.	(\$0.766)
> Provides funding to the FHM - Attorney General Program for health insurance premiums due to a change in incumbent.	\$0.007
Net Changes to FHM Allocations - EFY13 Budget Bill	<u>\$1.241</u>
FY13 Budgeted Ending Balance after EFY13 Budget Bill	<u>\$0.062</u>

Notes:

¹ Reflects budgeted ending balance for FY13 including FY12 closing transactions, all legislative changes through the 125th Legislature. The effect of the December 2012 Revenue Forecast is listed separately.

Amounts may not add due to rounding

Governor's Emergency FY13 Budget Recommendations
Summary of Position Count Changes
All Funds

<u>Fund</u>	<u>Total Authorized Positions - Through 125th Legislature</u>	<u>Position Changes in Governor's EFY13 Budget Proposals ¹</u>	<u>Total Authorized FY13 Positions - With Governor's EFY13 Proposals</u>
General Fund	5,821.401	-1.000	5,820.401
Highway Fund	2,272.073	0.000	2,272.073
Fund for a Healthy Maine	9.000	0.000	9.000
Other Special Revenue Fund	2,351.728	0.000	2,351.728
Federal Expenditures Fund	1,493.921	0.000	1,493.921
Federal Block Grant	118.500	0.000	118.500
Other Funds	1,257.820	2.000	1,259.820
Total Change of Authorized Positions	13,324.443	1.000	13,325.443

Notes:

¹ Reflects position count changes in the Governor's emergency supplemental budget proposals. No position count changes were proposed by the Governor in the Highway Fund EFY13 Supplemental Budget Bill.