

# 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
<b>RESOURCES</b>				
<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
<b>TOTAL RESOURCES</b>	<b>33,140</b>	<b>34,131</b>	<b>34,975</b>	<b>33,461</b>
<b>EXPENDITURES</b>				
<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)
<b>Total Operating Budget</b>	<b>24,352</b>	<b>24,182</b>	<b>24,182</b>	<b>24,182</b>
<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
<b>Total Additional Expenditures</b>	<b>8,670</b>	<b>9,523</b>	<b>9,994</b>	<b>10,097</b>
<b>TOTAL EXPENDITURES</b>	<b>33,022</b>	<b>33,705</b>	<b>34,176</b>	<b>34,279</b>
Repay Interfund Borrowing & Budget Stabilization Fund	626	140	-	-
<b>Surplus/Deficit</b>	<b>(507)</b>	<b>286</b>	<b>799</b>	<b>(818)</b>
<u>Additional Cash Uses</u>				
Pay Bill Backlog	-	200	800	-
<b>Net Surplus/Deficit after Bill Backlog Payment</b>	<b>(507)</b>	<b>86</b>	<b>(1)</b>	<b>(818)</b>

### 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