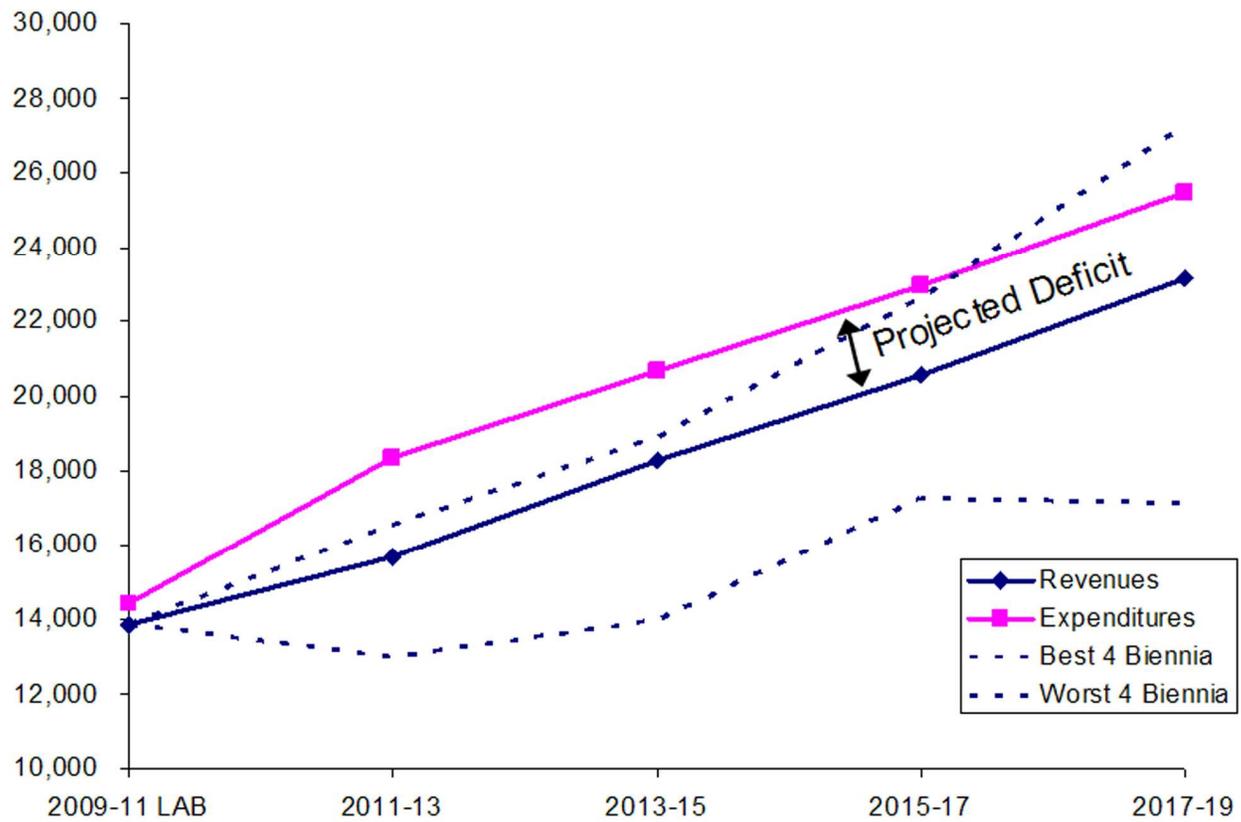


Governor's Reset Cabinet Report Overview and Next Steps

August 2010

Long Term Budget



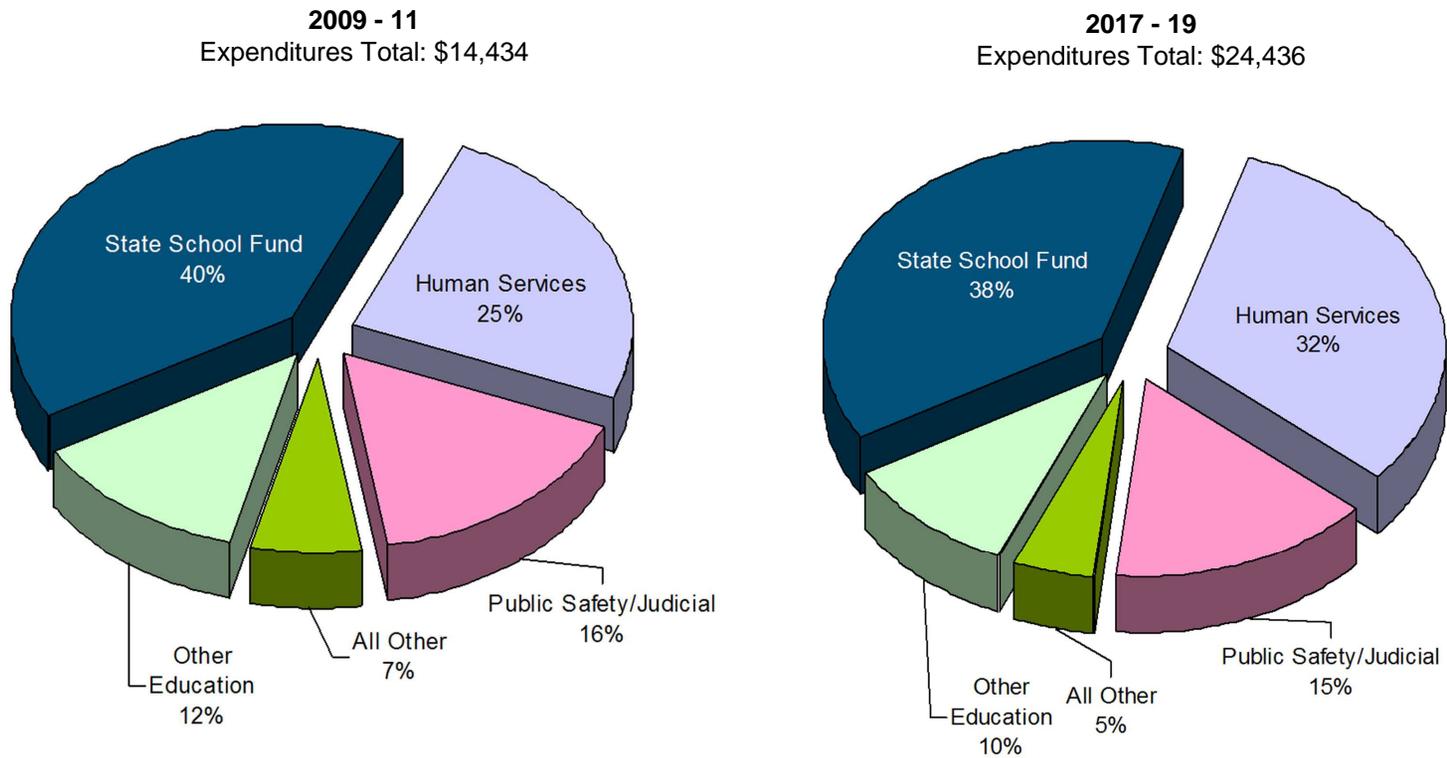
From a Decade of Surplus to a Decade of Deficits

(Millions of \$)

11/2007 Projections	2009 - 11	2011 - 13	2013 - 15	2015 - 17	2017 - 19
Revenue	17,000.4	19,001.9	21,547.0	24,644.7	28,592.0
Expense	16,989.2	18,822.7	20,925.1	23,037.9	25,352.0
Surplus (Deficit)	11.2	179.2	621.9	1,606.8	3,239.8
06/2010 Projections					
Revenue	13,841.3	15,667.0	18,262.4	20,570.1	23,160.5
Expense	14,433.5	18,337.7	20,680.8	22,967.4	25,461.1
Surplus (Deficit)	(592.3)	(2,670.8)	(2,418.4)	(2,397.3)	(2,300.7)

Budget Shares

Overall Expenditure



One-time Funds in the State's Current Budget

Federal Stimulus Funds	941.2
State Reserves (Rainy Day Fund & Education Stability Fund)	435.0
Provider Tax Revenues from 2007-09	116.0
Other Fund Sweeps	144.8
	1,637.0

Tentative 2011-13 Budget Projections

Including All 2010 Legislative Actions (June 2010 Forecast)

	Legislatively Approved 2009-11			One-Time \$	Adj. Totals	Tentative Budget - Current Service Level 2011-13			Percent Change	Adj % Change
	GF	LF	Total			GF	LF	Total		
Revenues										
Projected Beginning Balance	-	1.4	1.4			-	4.0	4.0		
Carryforward		52.0	52.0					-		
1% Appropriations to Rainy Day Fund/Beginning Balance			-					-		
Half Lottery 09-11 Ending Balance to K-12 Capital Acct			-				(2.0)	(2.0)		
Projected Revenues	12,733.3	1,078.1	13,811.4			14,750.8	1,161.2	15,912.1		
Less Dedications (ESF, County)		(223.5)	(223.5)				(247.1)	(247.1)		
One-time Resources										
Federal ARRA				1,053.0						
ESF/RDF: K-12	115.7	84.3		200.0						
Other				216.0						
Total Resources	12,849.0	992.3	13,841.3	1,469.0	15,310.3	14,750.8	916.2	15,667.0	13%	2%
Expenditures										
Education - State School Fund	5,258.2	494.1	5,752.3	229.8	5,982.1	6,304.6	409.8	6,714.5	17%	12%
Education - All Other	1,726.9	96.2	1,823.1	80.2	1,903.3	1,994.5	97.4	2,091.9	15%	10%
Human Services	3,523.7	10.9	3,534.6	995.9	4,530.5	5,288.3	11.3	5,299.6	50%	17%
Public Safety	1,855.0	7.2	1,862.2	110.4	1,972.6	2,212.6	7.7	2,220.3	19%	13%
Economic & Community Development	29.2	119.9	149.0	10.0	159.1	27.1	135.4	162.5	9%	2%
Natural Resources	146.9	182.0	328.9	-	328.9	160.0	189.6	349.6	6%	6%
Transportation	23.1	85.4	108.6	-	108.6	81.8	85.2	167.0	54%	54%
Consumer & Business Services	12.9	-	12.9	-	12.9	14.6	-	14.6	13%	13%
Administration	194.4	11.6	206.0	-	206.0	205.3	16.5	221.9	8%	8%
Legislative	75.2	-	75.2	-	75.2	90.5	-	90.5	20%	20%
Judicial	507.2	-	507.2	42.7	549.9	609.9	-	609.9	20%	11%
Program Subtotal	13,352.7	1,007.4	14,360.1	1,469.0	15,829.1	16,989.3	953.0	17,942.3	25%	13%
EFund	20.0	-	20.0	-	20.0	40.0	-	40.0		
Supplemental State Agency Funding	-	-	-	-	-	172.0	4.0	176.0		
Other Special Purpose Appropriations	53.5	-	53.5	-	53.5	-	-	-		
Total Expenditures	13,426.1	1,007.4	14,433.5	1,469.0	15,902.5	17,201.3	957.0	18,158.3	26%	14%
Ending Balance	(577.1)	(15.1)	(592.3)	-	(592.3)	169.9	9.5	179.4		
Net Fiscal Position						(2,620.3)	(50.4)	(2,670.8)		

Notes: Both revenues and expenditures include anticipated K-12 trigger of \$200 million in 2009-11.
 Lottery Funds negative ending balance results from a reduction in dedicated BM 66 revenues.
 Supplemental State Agency Funding for costs associated with salaries, benefits, and other unanticipated and unknown expenses.
 Millions of Dollars.

Long-term Budget Projections

June 2010 Forecast

	Legislatively Approved 2009-11		Tentative Budget 2011-13			Tentative Budget 2013-15			Tentative Budget 2015-17			Tentative Budget 2017-19		
	GF	LF	GF	LF		GF	LF		GF	LF		GF	LF	
Revenues														
Projected Beginning Balance	-	53.4	-	4.0		-	-		-	-		-	-	
1% Appropriations to Rainy Day Fund				(2.0)										
Projected Revenues	12,849.0	1,162.4	14,750.8	1,161.2	14%	17,266.2	1,261.0	16%	19,478.1	1,382.3	13%	21,930.9	1,556.3	13%
Less Dedications (ESF, County)		(223.5)		(247.1)			(264.8)			(290.3)			(326.8)	
Total Resources	12,849.0	992.3	14,750.8	916.2		17,266.2	996.2		19,478.1	1,092.0		21,930.9	1,229.5	
Expenditures														
Administration	194.4	11.6	205.3	16.5	8%	226.0	17.1	10%	249.2	17.5	10%	275.2	17.2	10%
Consumer & Business Services	12.9	-	14.6	-	13%	16.2	-	11%	18.0	-	11%	20.0	-	11%
Economic Development	29.2	119.9	27.1	135.4	9%	28.5	109.0	-15%	30.1	93.4	-10%	31.8	82.0	-8%
Education - State School Fund	5,258.2	494.1	6,304.6	409.8	17%	7,029.5	456.8	11%	7,835.9	509.3	11%	8,734.8	567.7	11%
Education - All Other	1,726.9	96.2	1,994.5	97.4	15%	2,133.8	108.8	7%	2,292.3	83.0	6%	2,465.9	53.9	6%
Human Services	3,523.7	10.9	5,288.3	11.3	50%	6,185.5	12.0	17%	6,874.7	12.4	11%	7,690.7	12.9	12%
Judicial	507.2	-	609.9	-	20%	673.8	0.0	10%	718.5	0.0	7%	777.1	0.0	8%
Legislative Branch	75.2	-	90.5	-	20%	93.0	-	3%	101.5	-	9%	111.8	-	10%
Natural Resources	146.9	182.0	160.0	189.6	6%	167.6	199.5	5%	182.9	210.2	7%	199.5	221.9	7%
Public Safety	1,855.0	7.2	2,212.6	7.7	19%	2,476.9	8.5	12%	2,741.7	9.4	11%	2,999.3	10.4	9%
Transportation	23.1	85.4	81.8	85.2	54%	81.8	107.4	13%	79.7	111.4	1%	52.5	111.1	-14%
Total Expenditures	13,352.6	1,007.4	16,989.3	953.0	25%	19,112.5	1,019.1	12%	21,124.4	1,046.5	10%	23,358.6	1,077.2	10%
Add'l Debt Service - to Capacity						72.0	37.0		201.0	109.0		346.0	141.0	
EFund	73.5		40.0	-		40.0	-		40.0	-		40.0	-	
Salary Adjustment			172.0	4.0		194.4	4.5		219.6	5.1		248.2	5.8	
Ending Balance	(577.1)	(15.1)	169.9	9.5		191.1	10.2		211.2	10.5		233.6	10.8	
Net Fiscal Position			(2,620.3)	(50.4)		(2,343.8)	(74.7)		(2,318.2)	(79.1)		(2,295.4)	(5.3)	
			(2,670.8)			(2,418.4)			(2,397.3)			(2,300.7)		
Total Expenditures	14,434		18,158			20,480			22,746			25,217		
Percent Increase			26%			13%			11%			11%		
Dollar Increase			3,725			2,321			2,266			2,471		