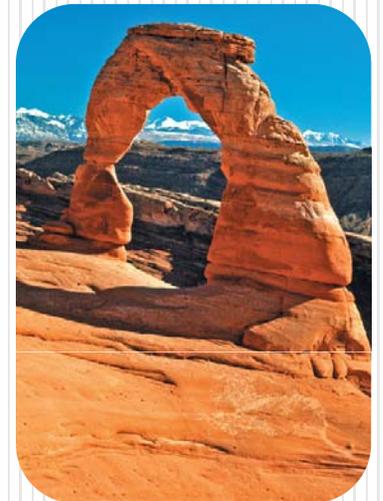


# Budgeting for FY 2012 and Beyond

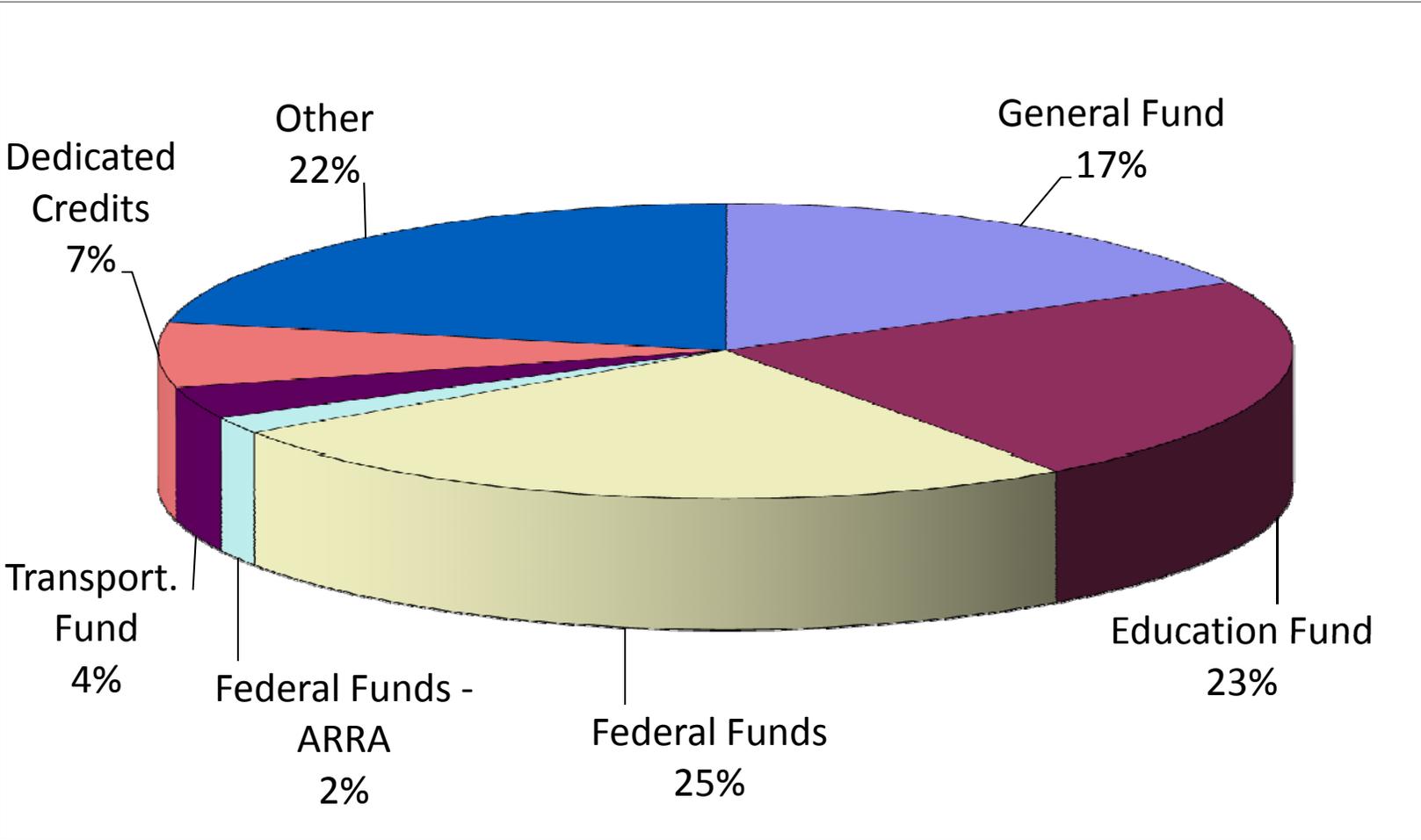
January 11, 2011

Appropriations Subcommittee Meetings



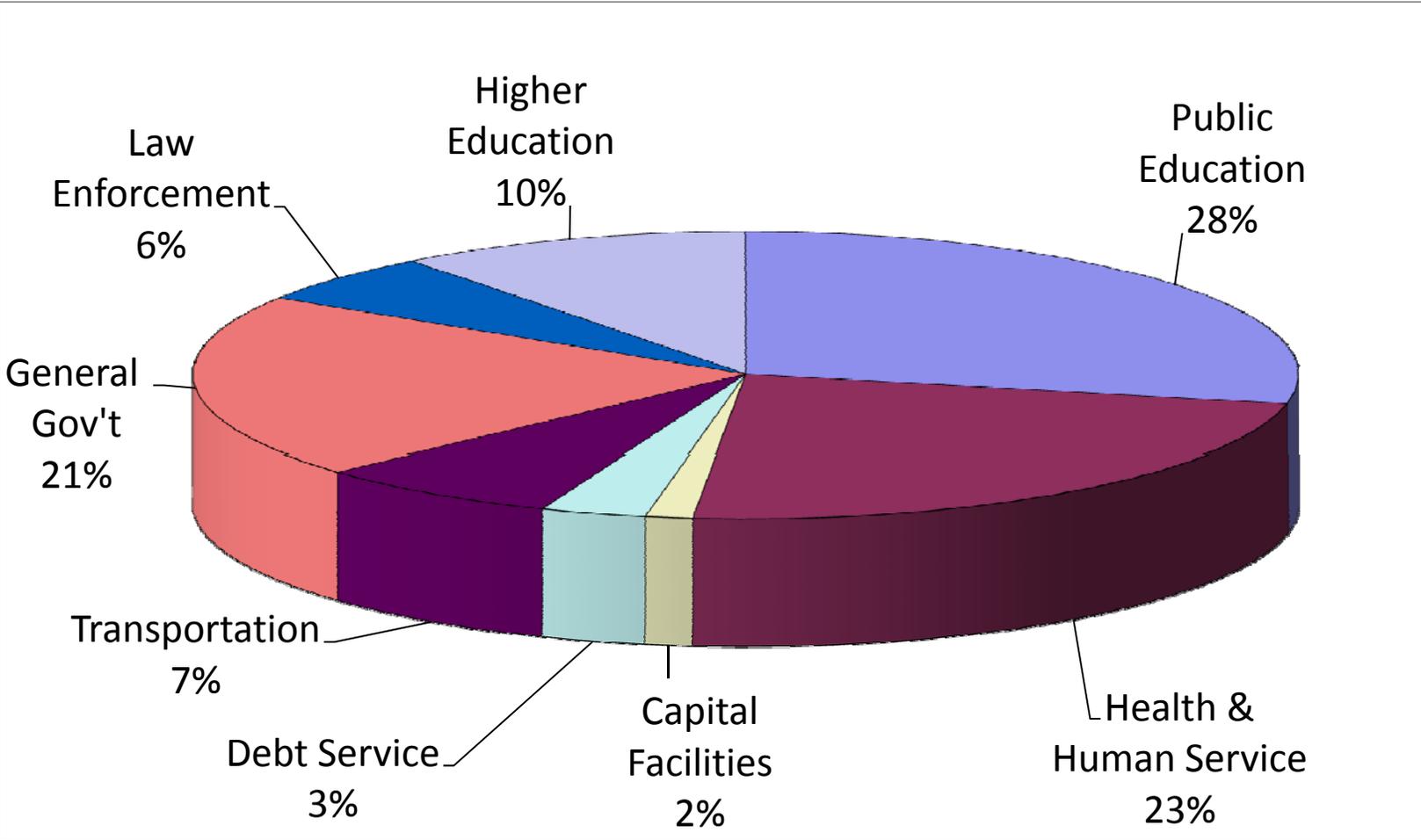
# State Budget Background

## Sources of FY 2011 Revenue



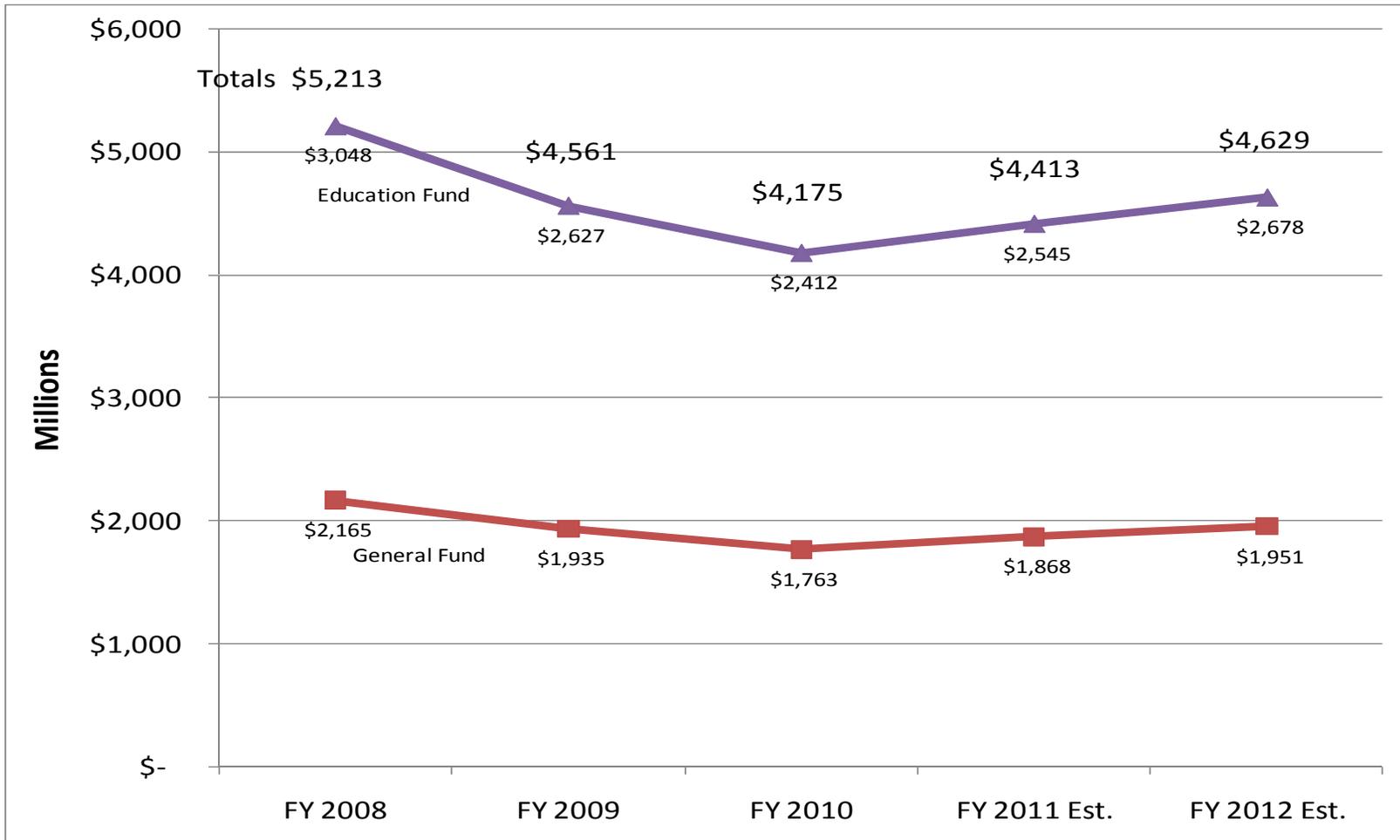
# State Budget Background

## Categories of FY 2011 Expenditure



# Challenges

## Revenue History



# Challenges

## Current Commitments

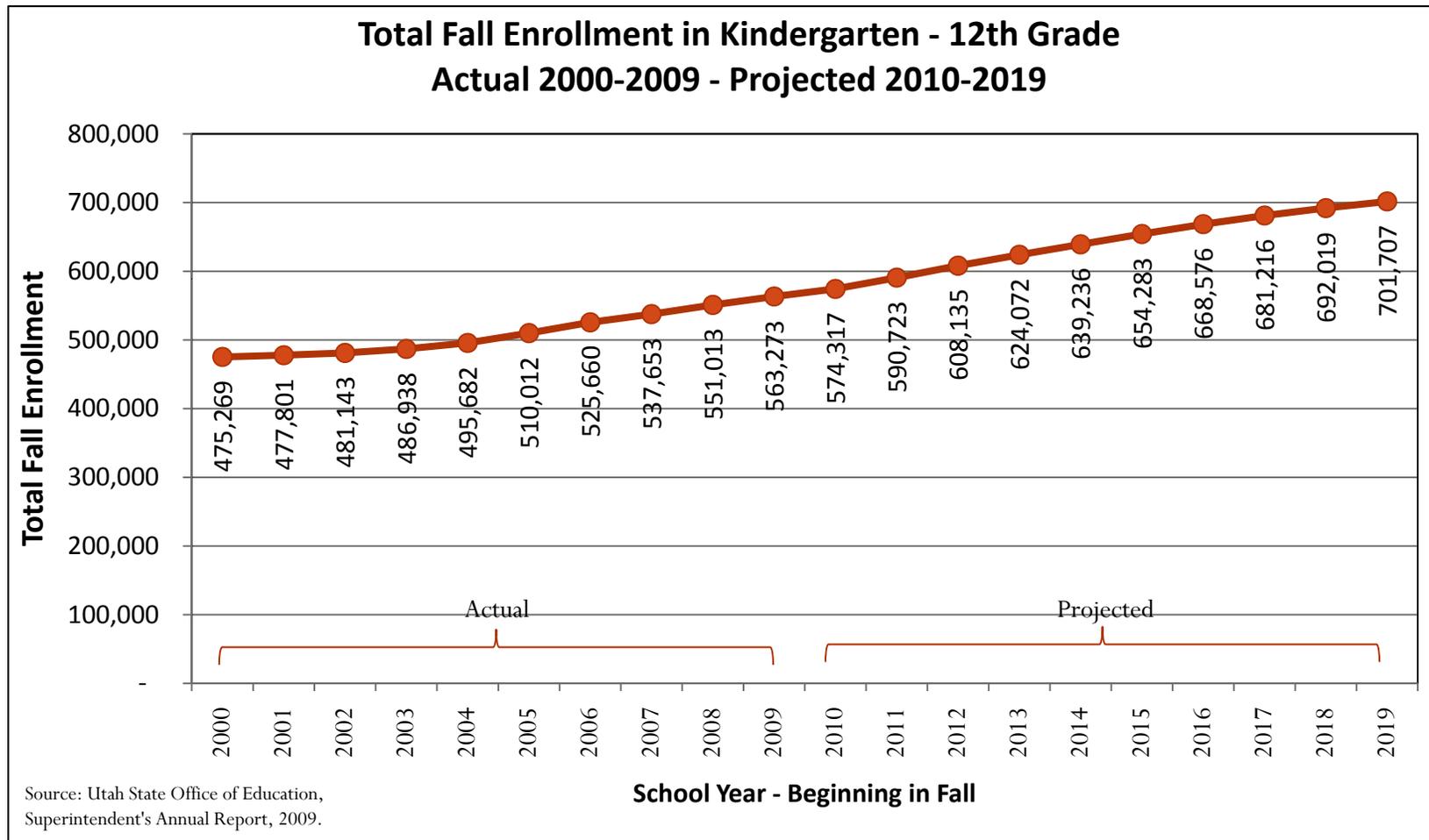
### Structural Deficit:

Ongoing commitments exceed ongoing revenue (like making a car payment out of a savings account).

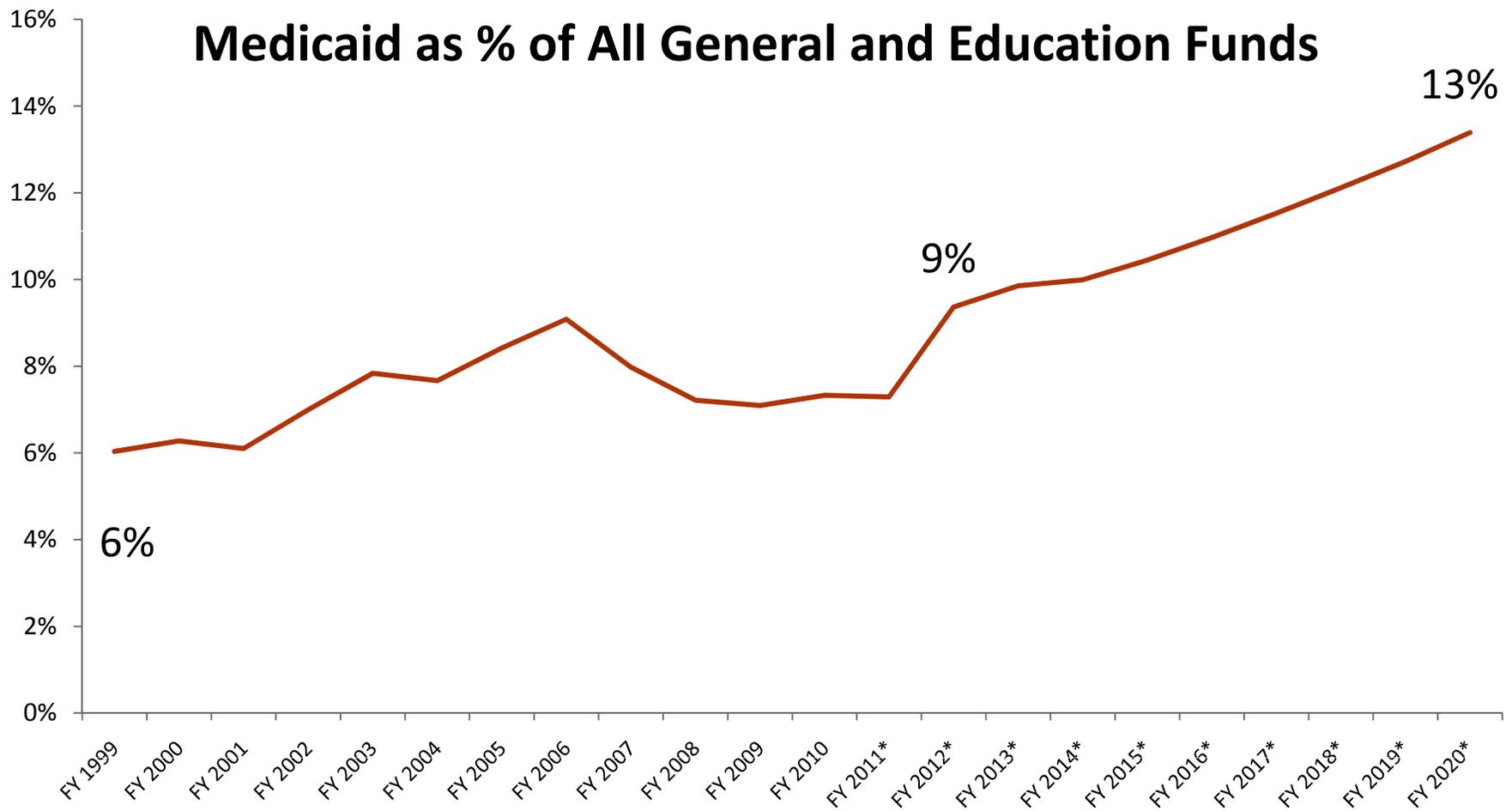
We need \$313 million to maintain CURRENT commitments starting July 1 (FY 2012).



# Funding Pressure Education

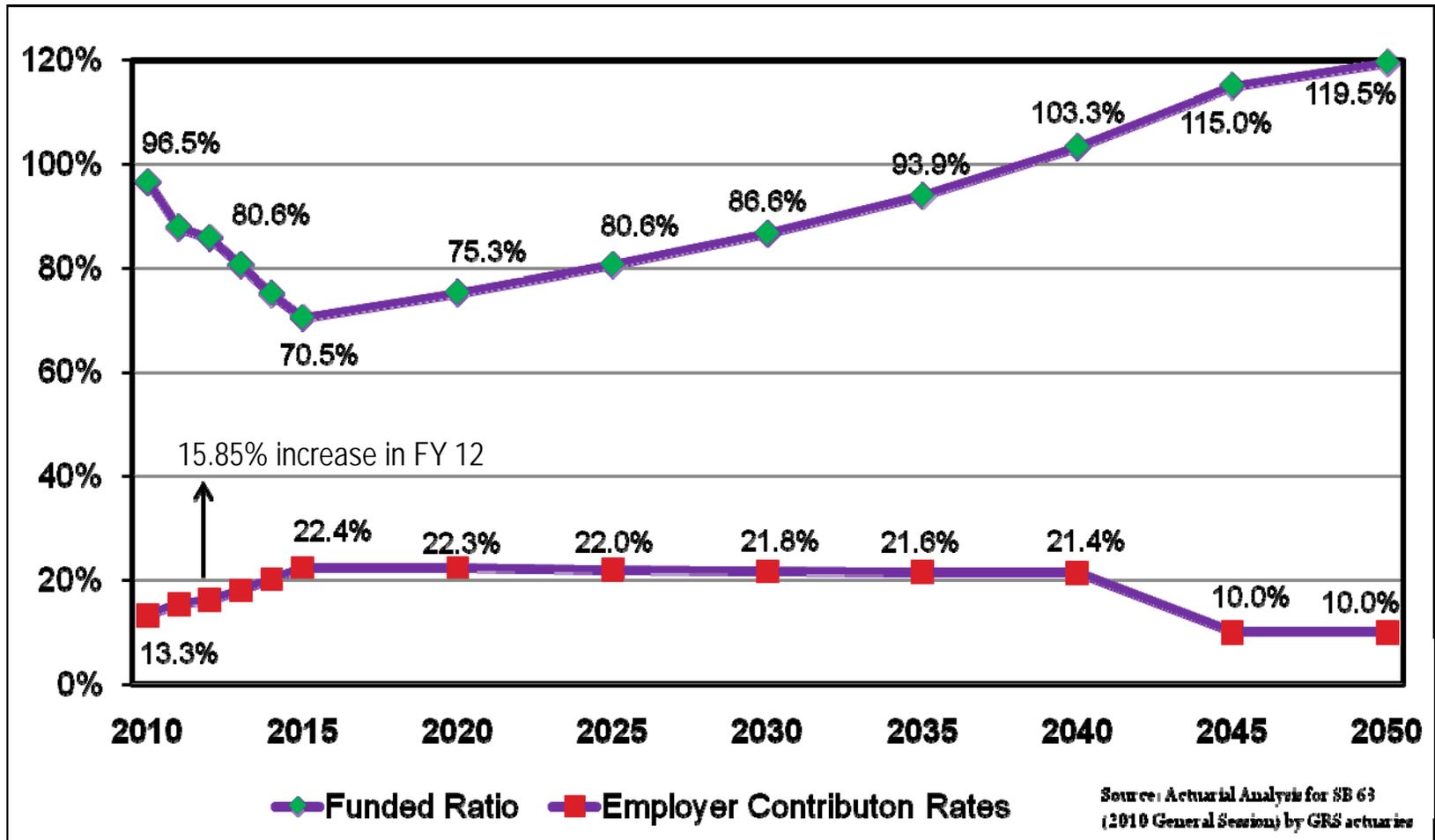


# Funding Pressure - Current Projections (Without Federal Health Care Reform)



1/11/2011

# Funding Pressure Retirement



# The Hole Defined in Millions

## Spending

- Structural Deficit = \$313
- 2012 School Kids = \$80
- 2011 School Kids = \$70
- Medicaid/CHIP = \$91
- Retirement = \$41
- Health Insurance = \$38
- Bond Coverage = \$15
- Settlements = \$5
- TOTAL = \$653**

## Revenue

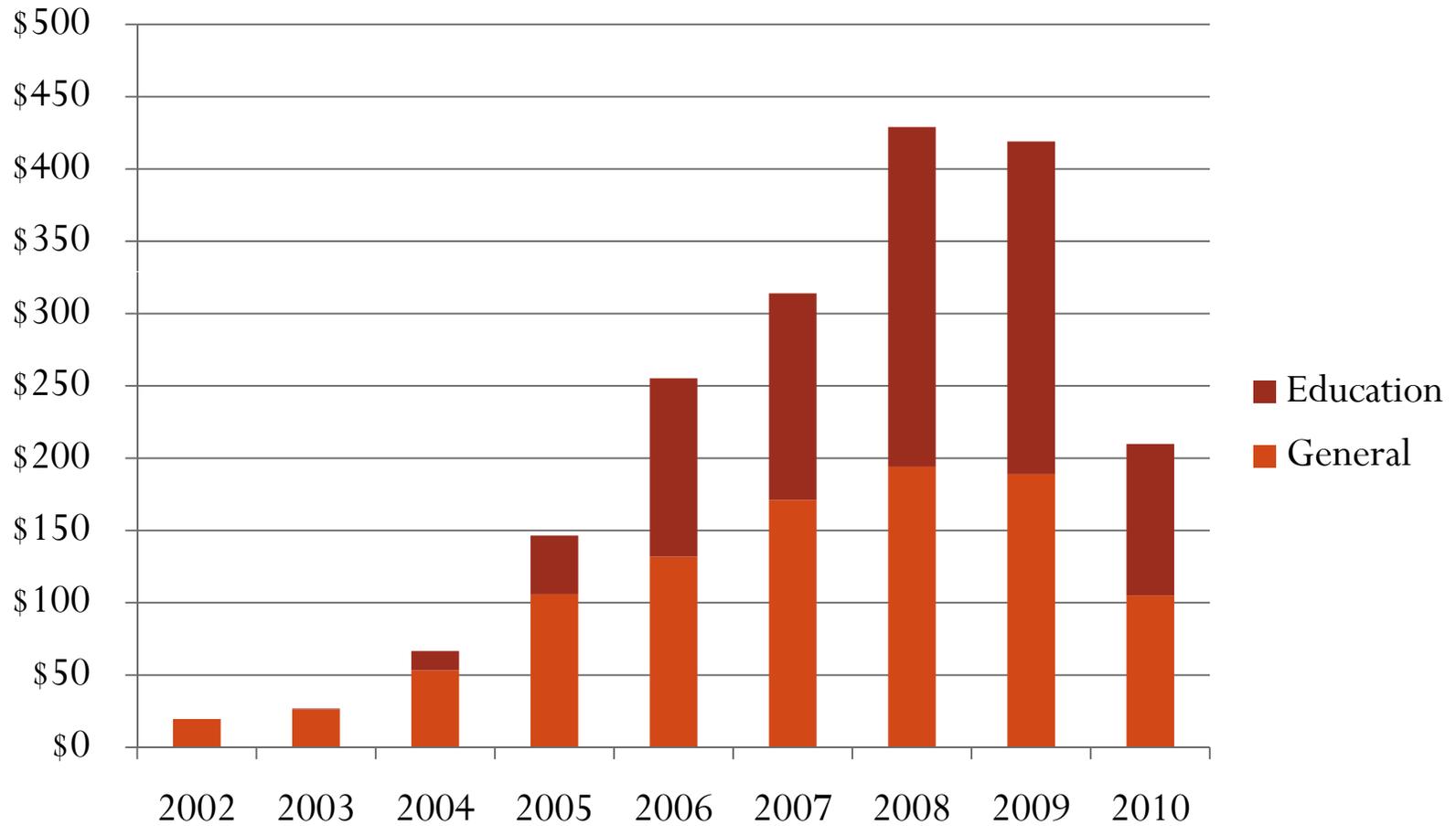
- FY 2012 = \$216

## Difference

\$437 m left to fill.

# Reserves Not Enough

## Rainy Day Fund Balances



# Where do we go from here?

EAC motion, 12/14/10:

“Prepare and number a base budget bill equal to ongoing state funds in the current year, adjusted to a level that eliminates the structural deficit.”

\$313M structural deficit = 7%

# Where do we go from here?

## Timeline

JR4-5-201:

Each legislator shall receive a copy of each base budget bill for the next fiscal year by calendared floor time on the first day of the annual general session.

Action:

As directed by EAC, staff will prepare a base budget bill (or bills) with 7% across-the-board reductions, ready by the first day of session. It will change.

# Where do we go from here?

## Timeline

JR4-5-201:

By noon on the tenth day, but not before the third day, the Legislature shall either pass or defeat each base budget bill.

Action:

Subcommittees discuss specific changes on Jan. 19, and 2 or 3 more meetings during session. Bill substituted with surgical changes by the tenth day.