



## Highlights

### **\$399 Million Surplus in FY 2010-11, \$6.2 Billion Shortfall in FY 2012-13**

A general fund balance of \$399 million is now projected for the close of the 2010-11 biennium. This improvement in the state's short-term financial outlook comes entirely from expenditure savings, including the six-month extension of a higher federal matching rate for Medical Assistance. The revenue outlook has deteriorated slightly. FY 2010-11 revenues are now projected to be \$44 million less than end-of-session estimates.

FY 2012-13 revenues are now forecast to total \$32.004 billion and biennial spending is projected to be \$38.591 billion. The gap in forecast revenues and expenditures is reduced by the \$399 million balance now expected at the close of FY 2011, leaving a projected budget shortfall for the 2012-13 biennium of \$6.188 billion - \$593 million worse than previous estimates.

### **Revenue-Expenditure Gap Drives Longer Term Budget Outlook**

The FY 2012-13 budget picture remains similar to that at the end-of-session. While revenues for FY 2012-13 are forecast to grow by \$1.510 billion (5.0 percent) over FY 2010-11, expenditures are projected to grow by \$8.324 billion (27.5 percent). The unusually high expenditure growth rate stems primarily from actions that yielded one-time savings in FY 2010-11, such as federal stimulus aid and K-12 school payment shifts. These short-term federal subsidies and one-time actions allowed the state to balance its 2010-11 budget without significantly reducing overall spending commitments for 2012-13 and beyond. This causes 2012-13 spending to increase dramatically over the current biennium. Absent significant changes, the current level of spending, matched against revenue growth permanently lost during the recession, will likely create significant budget gaps well beyond FY 2012-13.

### **Slow Growth Economic Recovery Expected to Continue**

The economy's recovery from the Great Recession has been slower than expected and forecasts for economic growth in 2011 and 2012 have been scaled back. Back-to-back recessions are not anticipated, but an extended period of sub-par growth continues to be very likely. Global Insight's November baseline calls for real GDP growth of 2.5 percent in FY 2011, and 2.7 percent over the 2012-13 biennium. In February, growth rates of 2.8 percent and 3.5 percent were anticipated.

## BUDGET SUMMARY

### **\$399 Million Surplus Projected for FY 2010-11, \$6.188 Billion Budget Shortfall Now Forecast for FY 2012-13**

This forecast improves the state's budget outlook for the current biennium. But, the short-term good news quickly gives way to increased shortfalls in the longer term outlook. The balance for FY 2010-11 has increased from the \$6 million projected in May to \$399 million. By October, federal action had provided an estimated \$231 million for a six-month extension of a higher federal matching rate for Medical Assistance (the state's Medicaid program) while the October legislative session authorized \$38 million for disaster relief. Forecast changes now contribute an additional \$202 million, with FY 2010-11 projected spending \$255 million lower, offset by a \$44 million reduction in revenues.

While the short-term outlook has improved slightly, the outlook for the 2012-13 biennium has worsened. Expected revenues are less than previously projected, and that revenue decline is only partially offset by lower forecast spending.

### Budget Forecast, FY 2010-13

(\$ in Millions)

	<u>FY 2010-11</u>	<u>FY 2012-13</u>
<b>Beginning Balance</b>	\$447	\$674
Revenues	30,493	32,004
Spending	30,266	38,591
Budget Reserve	9	9
Cash Flow Account	266	266
<b>Budget Balance</b>	<b>\$399</b>	<b>(\$6,188)</b>
<b>Structural Gap (excluding FY 2010-11 Balance)</b>	<b>- - -</b>	<b>(\$6,587)</b>

Normally any forecast balance would be allocated by statutory requirements to restore the general fund cash flow account and the budget reserve. However, this provision was suspended the October special legislative session because federal law prohibits any state savings resulting from the higher Medicaid matching rate from contributing directly or indirectly to state reserves. Separately, \$8.6 million from the workers' compensation assigned risk plan was deposited in the budget reserve, a surplus directed to the reserve by current statutes.

The \$399 million FY 2010-11 balance will carry forward into FY 2012-13 and partially offset a \$6.587 billion revenue-expenditure gap now projected for next biennium, leaving a \$6.188 billion prospective budgetary shortfall.

**Little Change in Projected Revenues, Significant Savings in Spending for FY 2010-11**

General fund revenues for the 2010-11 biennium are now forecast to total \$30.493 billion, \$44 million (0.1 percent) less than end-of-session estimates. The forecast for total taxes falls by only \$9 million or less than 0.1 percent. There were larger changes in particular sources of revenue. Individual income tax receipts are now forecast to fall short of earlier projections by \$314 million (2.2 percent). Much of that decline comes from lower than expected tax year 2009 final liability. The drop in expected income tax revenue was largely offset by a \$199 million improvement in the corporate income tax forecast and a \$55 million increase in expected net receipts from the sales tax.

**FY 2010-11 Forecast Changes**

(\$ in millions)

	<u>End of Session</u>	<u>November Forecast</u>	<u>\$ Difference</u>
<b>Revenues</b>			
Income tax	14,080	13,766	(314)
Corporate	1,432	1,631	199
Sales Tax	8,654	8,709	55
Other Taxes	3,860	3,911	51
Non-Tax Revenues	1,597	1,570	(27)
Transfers & Other	<u>914</u>	<u>906</u>	<u>(8)</u>
<b>Total Revenues</b>	<b>\$30,537</b>	<b>\$30,493</b>	<b>(\$44)</b>
<b>Spending</b>			
K-12 Education	11,390	11,438	48
Health & Human Services	8,852	8,669	(183)
Debt Service	955	832	(123)
All Other	<u>9,324</u>	<u>9,327</u>	<u>3</u>
<b>Total Spending</b>	<b>\$30,521</b>	<b>\$30,266</b>	<b>(\$255)</b>

Projected spending in FY 2010-11 is \$255 million below end-of-session estimates. A \$183 million decrease in health and human services spending is due to lower than expected Medical Assistance costs – as well as revised estimates of the closeout of the General Assistance Medical Care program and the contingent early expansion of MA to single adults. A \$123 million reduction in FY 2011 debt services costs results from one-time savings from bond refinancing in September 2010 and savings from this past summer's bond sale.

The forecast for K-12 education spending increased \$48 million. The increase results primarily from a \$58 million reduction in savings for the property tax recognition shift. Small increases occur in the general education formula, but are more than offset by reductions in the forecast for Q-Comp and other aid programs resulting in a net \$10 million reduction in expected aid payments without the impact of shifts.

**Revenue-Expenditure Gap Drives Longer Term Budget Outlook**

General fund revenues for FY 2012-13 are now forecast to be \$32.004 billion, a \$1.510 billion (5.0 percent) increase from expected revenue collections in the current biennium. Projected current law spending is expected to reach \$38.591 billion, an increase of \$8.324 billion (27.5 percent) over the spending forecast for the current biennium.

**FY 2012-13 Budget Forecast**

(\$ in millions)

	<u>FY 2010-11</u>	<u>FY 2012-13</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
<b>Beginning Balance</b>	\$447	\$674	\$227	
<b>Revenues</b>				
Taxes	28,017	29,993	1,976	7.1
Non-Tax Revenues	1,570	1,475	(95)	(6.1)
Transfers, Other Resources	906	536	(370)	(40.8)
<b>Total Revenues</b>	<b>30,493</b>	<b>32,004</b>	<b>1,510</b>	<b>5.0%</b>
<b>Expenditures</b>				
K-12 Education	13,327	14,346	1,019	7.6
Payment Shifts	(1,889)	1,302	3,191	nm
Higher Education	2,814	2,917	102	3.6
Local Aids & Credits	3,018	3,469	450	14.9
Health & Human Services	8,669	11,907	3,238	37.3
Debt Service	832	1,141	309	37.2
All Other	3,495	3,509	14	0.4
<b>Total Spending</b>	<b>30,266</b>	<b>38,591</b>	<b>8,324</b>	<b>27.5%</b>
Budget Reserve	9	9	--	--
Cash Flow Account	266	266	--	--
<b>Budget Balance</b>	<b>\$399</b>	<b>(\$6,188)</b>		

Tax revenues for the FY 2012-13 biennium are forecast to be \$1.976 billion above amounts expected in the current biennium. General fund receipts from non-tax revenues and transfers from other funds however, are expected to be well below amounts received in the 2010-11 biennium mainly due one-time resources transferred to the general fund as part of actions taken to balance the budget.

Projected current law spending for the biennium is \$8.324 billion above forecast amounts for FY 2010-11. If significant one-time impacts are excluded, approximately \$2.0 billion of the growth represents forecast program growth. Growth in human services programs accounts for about 70 percent of underlying forecast growth, reflecting increasing health care costs, growth in enrollments, and program changes like the contingent early expansion of medical assistance. Growth in K-12 spending accounts for a significant portion of the remainder, due primarily to slightly higher pupil unit growth and changing demographics of student populations.

## Understanding the Projected FY 2012-13 Budget Shortfall

### Factors Contributing to \$8.3 Billion Spending Growth in FY 2012-13

By any standard, the projected 27.5 percent growth in current law spending is unusually large. Three-quarters, about \$6.3 billion, of the \$8.3 billion of the growth shown in projected FY 2012-13 spending is from one-time federal stimulus resources, education payment shifts, and one-time budget actions that created general fund savings in FY 2010-11 that do not continue into the next biennium.

Major components include:

- \$2.3 billion in federal stimulus funding used to reduce general fund spending in FY 2010-11; including \$1.456 billion from a higher federal matching rate for Medical Assistance (FMAP) and \$816 million state fiscal stabilization funding.
- \$1.9 billion of K-12 education payment shifts that reduced FY 2010-11 spending
- \$1.4 billion increase in FY 2012 spending for K-12 payment shift buyback required in current law
- \$660 million in one-time reductions made in FY 2010-11. These occur primarily in higher education, local aids and credits, and human services' programs.

Approximately \$2 billion of the remaining biennial growth represents forecast program growth. That growth is driven by increases in K-12 education, health and human services, local aids and credits and debt service due to expected changes in eligibility, enrollments, and projected changes in some costs affecting these major areas. If the significant one-time events are excluded, biennial spending growth would be about 6.6 percent, rather than 27.5 percent.

### Factors Affecting Revenue Growth

Revenue growth is distorted in a similar, but less significant manner. FY 2010-11 budget actions delayed \$236 million in sales and corporate refunds in FY 2011 until FY 2012, effectively reducing tax revenue growth shown for the biennium. Legislative action also resulted in \$340 million of transfers from other state funds to the general fund in FY 2010-11. These transfers do not recur in FY 2012-13, also effectively reducing the total revenue growth shown for the biennium.

**FY 2012-13 Revenues Down \$904 million from End-of-Session Planning Estimates**

Minnesota general fund revenues for the 2012-13 biennium are forecast to total \$32.004 billion, \$904 million (2.8 percent) less than prior revenue planning estimates. A slightly weaker outlook for economic growth through the entire forecast horizon is the primary reason for the decline in the revenues outlook from the end-of-session planning estimates to this forecast. This is the first official forecast of revenues for the 2012-13 biennium. Previous revenue estimates for FY 2012-13 have been based on trend growth rates for the U.S. economy and have not incorporated Minnesota specific data into the tax models.

**FY 2012-13 General Fund Revenue Forecast  
Change from End of Session Revenue Planning Estimates**  
(\$ in millions)

	<b>November Forecast</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Income Tax	15,676	(471)	(2.9)
Sales Tax	9,031	(119)	(1.3)
Corporate Tax	1,541	(185)	(10.7)
Statewide Levy	<u>1,560</u>	<u>(3)</u>	<u>(0.2)</u>
Subtotal	27,808	(778)	(2.7)
Other	<u>4,196</u>	<u>(126)</u>	<u>(2.9)</u>
<b>Total Revenue</b>	32,004	(904)	(2.8)

Individual income tax receipts showed the largest dollar decline from the planning estimates, down \$471 million or 2.9 percent. Corporate income taxes had the largest percentage decline, off 10.7 percent or \$185 million. Sales tax receipts are now forecast to fall short of prior planning estimates by \$119 million or 1.3 percent.

**Forecast for FY 2012-13 Expenditures Down \$108 Million from End-of-session Estimates**

Projected spending in FY 2012-13 is \$108 million (0.2 percent) below end-of-special session estimates. A \$111 million decrease in estimated health and human services spending is the primary source of the savings. Small overall adjustments to enrollment growth and average cost for Medical Assistance programs account for the decrease from prior forecasts.

The forecast for K-12 education spending increases \$26 million from previous estimates. The increase results primarily from a \$41 million reduction in savings from the property tax recognition shift, due to a downward revision in expected property tax levies. Small increases occur in the general education formula payments, but this is more than offset by reductions in Q-Comp and other aids, resulting in a net \$15 million reduction in forecast aid payments exclusive of the impact of shifts.

Other forecast savings include a small, \$12 million reduction in debt service estimates. Lower interest rates on new bond issues, offset by slightly higher assumptions on the size of capital budgets and bond sales, result in the savings.

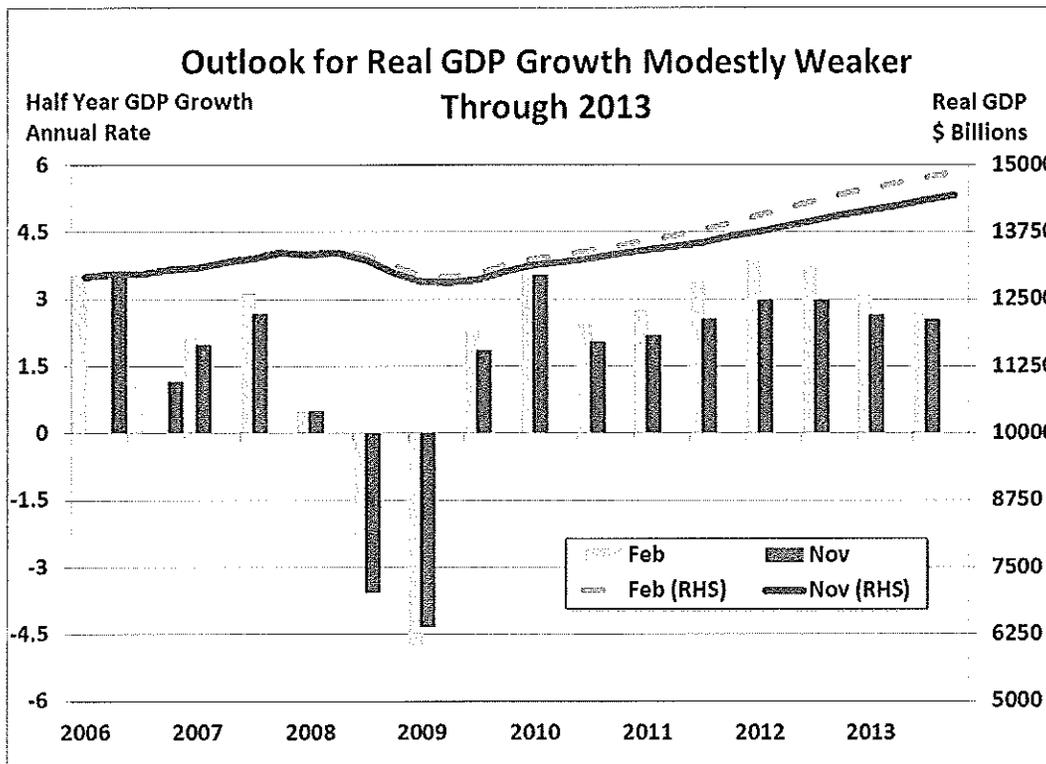
**FY 2012-13 Expenditures - Forecast Changes**  
(\$ in millions)

	<b><u>End of</u></b> <b><u>Session</u></b>	<b><u>November</u></b> <b><u>Forecast</u></b>	<b><u>\$</u></b> <b><u>Difference</u></b>
K-12 Education	\$15,622	\$15,648	\$26
Higher Education	2,917	2,917	0
Health & Human Services	12,018	11,907	(111)
Debt Service	1,153	1,141	(12)
All Other	<u>6,989</u>	<u>6,978</u>	<u>(11)</u>
<b>Total Spending</b>	<b>\$38,699</b>	<b>\$38,591</b>	<b>(\$108)</b>

**This Economic Recovery Has Been Even Slower than Previously Forecast**

The 2007-09 recession is over. In September the National Bureau of Economic Research made it official declaring that the economy turned up again in June, 2009. But, real GDP growth over the past 16 months has been unusually slow for quarters immediately following a recession, and U.S. employment growth has been very disappointing. Forecasters who in February expected a robust, V-shaped recovery have been proven overly optimistic, but even those who were more pessimistic have been surprised by how slowly the economy has moved to right itself. February’s consensus forecast of a long slow recovery has been replaced with one calling for an even slower, and even more extended recovery.

February’s baseline forecast from Global Insight Inc. (GII), Minnesota’s national macro-economic consultant, had real GDP reaching its pre-recession high in the late spring of 2010 but U.S. payroll employment was expected to remain below its earlier high for almost until early 2013. At that time the unemployment rate would still be at the uncomfortably high 8 percent level. GII’s November baseline is slightly more pessimistic, with quarterly growth rates for every quarter from the start of fiscal 2011 through the end of fiscal 2013 below February’s estimates. Reductions on the forecast are not large when viewed on an individual basis, but their cumulative impact is significant. February’s baseline showed real GDP growth of 10 percent between the end of the 2010 fiscal year and the end of fiscal 2013. In GII’s November baseline real GDP growth over those three fiscal years is only 8.0 percent. Real GDP is now not expected to reach its pre-recession high until early 2011.



Global Insight does expects slightly slower real GDP growth over the 2011 – 2013 forecast horizon than the Blue Chip Consensus. November’s baseline is assigned a probability of 65 percent. A more optimistic scenario with a considerably more rapid recovery is assigned a probability of 15 percent, while GII assigns a scenario with a recession beginning in early 2011 a probability of 20 percent.

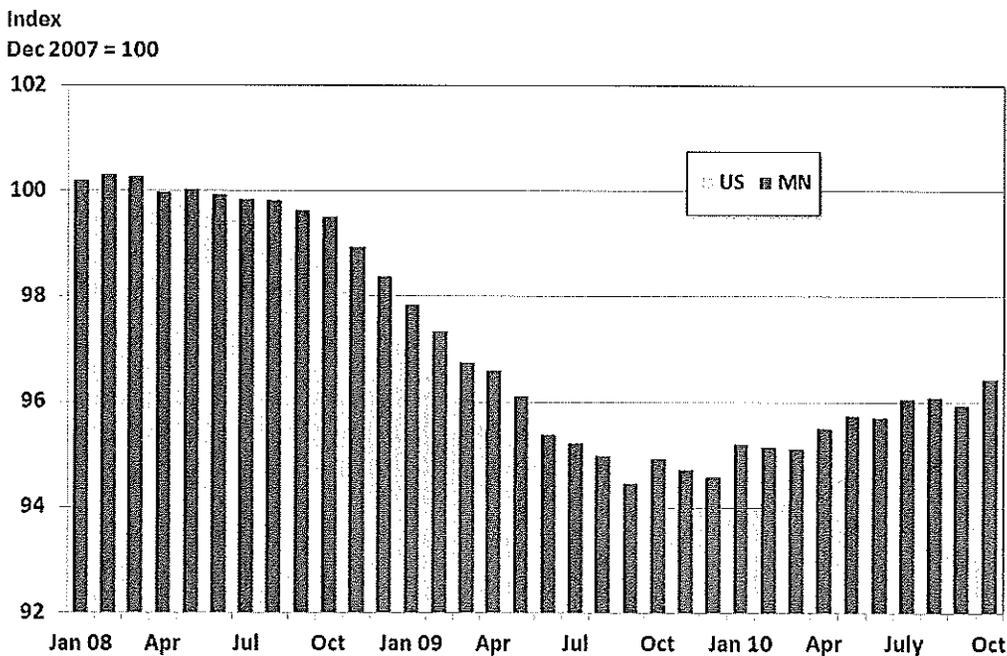
**Minnesota’s Recovery Appears to be Stronger Than the U.S. Average**

The Great Recession had a devastating impact on employment. Nationally almost 8.4 million jobs were lost between December of 2007 and December 2009, and the unemployment rate climbed to as high as 10.1 percent. There has been job growth in 2010, but the numbers have has been disappointing and the unemployment rate appears to have settled in at 9.6 percent. Global Insight now believes that U.S. employment will not reach its pre-recession high until late 2013 and that the unemployment rate will exceed 8 percent until 2014.

Minnesota’s job market also has suffered through a very difficult three years. But, it has not weakened by as much as the national averages. Minnesota lost 157,000 jobs between the start of the recession in December 2007 and September, 2009 when employment in the state reached its low. Since then the recovery appears to be progressing faster here than nationally. We have added 44,000 jobs in the last year and nearly 55,000 since September’s low.

Employment in Minnesota’s leisure and hospitality sector grew the most, up nearly 13,000 jobs from year earlier levels. Professional and business services (which includes temporary employment services), health services, and manufacturing sectors also showed significant growth with employment levels in each of those sectors at least 8,800 above their October 2009 levels. Construction employment, down more than 6,000 and local government employment, down 4,000 continued to decline. Minnesota’s current unemployment rate is 7.1 percent, 2.5 percent less than the national average.

**Minnesota Employment Is Recovering Faster than the U.S.**



### Planning Estimates Outlook

Most states continue to face sizeable budget problems and many national observers suggest that states are unlikely to see improvements in their fiscal positions in the near future. Historically, state revenues and fiscal stability lag economic recovery. For this reason, a longer term outlook is a useful measure when formulating state budget plans. In Minnesota, the gap between revenue growth and increased spending will continue until significant, ongoing budget changes are enacted.

This report provides the first revenue and expenditure planning estimates for the 2014-15 biennium. The planning estimates provide a necessary framework against which the potential impact of FY 2012-13 budget decisions can be judged. Projected revenues for FY 2014-15 are based on long-term trends of economic growth and personal income growth not a specific short-term forecast.

Expenditure planning estimates do not include spending changes beyond those in current law. Current law projections have been adjusted only to reflect enrollment and caseload growth in entitlement programs and areas where specific statutory formulae exist. Expenditure estimates are also not adjusted for general inflation so there may be spending pressures beyond those reflected.

### FY 2014-15 Long Term Planning Estimates (\$ in millions)

	<u>FY 2010-11</u>	<u>FY 2012-13</u>	<u>FY 2014-15</u>
Revenues	\$30,493	\$32,004	\$34,595
Spending	<u>30,266</u>	<u>38,591</u>	<u>39,678</u>
<b>Difference</b>	<b>\$227</b>	<b>(\$6,587)</b>	<b>(\$5,083)</b>
<i>Inflation (CPI)</i>		<i>\$1,039</i>	<i>\$2,813</i>

The planning estimates shown above display projected revenues compared to projected spending. The differences highlight the “structural” gap – how much more is being spent than collected. Changes in the economic outlook, as well as changes to the budget, will materially affect the planning estimates for the 2014-15 biennium.

Spending projections for FY 2012-13 and FY 2014-15 do not include estimated inflation. Inflation, based on the CPI, is forecast to be 1.7 and 2.0 percent for FY 2012 and FY 2013 respectively. At these levels, the cost of inflation would be \$1.039 billion in the next biennium.

For FY 2014-15 inflation is expected to average slightly over 2.1 percent per year. Applying forecast inflation to the total of current law projected spending base over the four-year horizon would add about \$2.8 billion to FY 2014-15 spending.

A complete version of this forecast can be found at the Minnesota Management & Budget’s World Wide Web site at <http://www.mmb.state.mn.us/>. This document is available in alternate format.

**FY 2010-11 General Fund Budget - Current Biennium Comparison**  
**November 2010 Forecast vs. End of Special Session 2**  
(\$ in thousands)

	10-10 SS2 FY 2010-11	11-10 Fcst FY 2010-11	Difference
<b><u>Actual &amp; Estimated Resources</u></b>			
Balance Forward From Prior Year	446,921	446,921	0
Current Resources:			
Tax Revenues	28,026,432	28,017,148	(9,284)
Non-Tax Revenues	1,596,876	1,570,421	(26,455)
Subtotal - Non-Dedicated Revenue	29,623,308	29,587,569	(35,739)
Dedicated Revenue	60,225	17,983	(42,242)
Transfers In	779,517	822,302	42,785
Prior Year Adjustments	73,866	65,376	(8,490)
Subtotal - Other Revenue	913,608	905,661	(7,947)
Subtotal-Current Resources	30,536,916	30,493,230	(43,686)
<b>Total Resources Available</b>	<b>30,983,837</b>	<b>30,940,151</b>	<b>(43,686)</b>
<b><u>Actual &amp; Estimated Spending</u></b>			
K-12 Education	13,336,990	13,327,079	(9,911)
K-12 Ptx Rec Shift/Aid Payment Shift	(1,947,339)	(1,888,922)	58,417
Subtotal K-12 Education	11,389,651	11,438,157	48,506
Higher Education	2,811,555	2,814,217	2,662
Property Tax Aids & Credits	2,976,002	3,018,425	42,423
Health & Human Services	8,851,876	8,669,427	(182,449)
Public Safety	1,815,517	1,820,125	4,608
Transportation	167,908	167,036	(872)
Environment, Energy & Natural Resources	354,559	314,452	(40,107)
Agriculture & Veterans	250,113	247,966	(2,147)
Economic Development	279,534	283,269	3,735
State Government	633,046	631,479	(1,567)
Debt Service	955,283	832,167	(123,116)
Capital Projects	27,400	22,898	(4,502)
All Other	0	9,163	9,163
Estimated Cancellations	(22,493)	(15,000)	7,493
<b>Subtotal Expenditures &amp; Transfers</b>	<b>30,489,951</b>	<b>30,253,781</b>	<b>(236,170)</b>
Dedicated Expenditures	30,624	12,703	(17,921)
<b>Total Expenditures &amp; Transfers</b>	<b>30,520,575</b>	<b>30,266,484</b>	<b>(254,091)</b>
<b>Balance Before Reserves</b>	<b>463,262</b>	<b>673,667</b>	<b>210,405</b>
Cash Flow Account	266,000	266,000	0
Budget Reserve	0	8,665	8,665
<b>Budgetary Balance</b>	<b>197,262</b>	<b>399,002</b>	<b>201,740</b>

**FY 2012-13 Biennial Comparison - General Fund**  
**November 2010 Forecast vs. End of Special Session 2**  
(\$ in thousands)

	10-10 SS2 Ping Est FY 2012-13	11-10 Fcst FY 2012-13	Difference
<b><u>Actual &amp; Estimated Resources</u></b>			
Balance Forward From Prior Year	463,262	673,667	210,405
Current Resources:			
Tax Revenues	30,816,807	29,992,641	(824,166)
Non-Tax Revenues	1,514,109	1,475,480	(38,629)
Subtotal - Non-Dedicated Revenue	32,330,916	31,468,121	(862,795)
Dedicated Revenue	51,372	3,200	(48,172)
Transfers In	474,999	482,247	7,248
Prior Year Adjustments	50,000	50,000	0
Subtotal - Other Revenue	576,371	535,447	(40,924)
Subtotal-Current Resources	32,907,287	32,003,568	(903,719)
<b>Total Resources Available</b>	<b>33,370,549</b>	<b>32,677,235</b>	<b>(693,314)</b>
<b><u>Actual &amp; Estimated Spending</u></b>			
K-12 Education	14,361,041	14,345,827	(15,214)
K-12 Ptx Rec Shift/Aid Payment Shift	1,260,534	1,301,760	41,226
Subtotal K-12 Education	15,621,575	15,647,587	26,012
Higher Education	2,916,584	2,916,580	(4)
Property Tax Aids & Credits	3,454,938	3,468,946	14,008
Health & Human Services	12,017,975	11,906,878	(111,097)
Public Safety	1,796,009	1,782,650	(13,359)
Transportation	180,172	181,742	1,570
Environment, Energy & Natural Resources	345,561	349,128	3,567
Agriculture & Veterans	245,223	244,550	(673)
Economic Development	252,712	262,778	10,066
State Government	670,828	660,201	(10,627)
Debt Service	1,152,853	1,141,473	(11,380)
Capital Projects	45,219	45,219	0
Estimated Cancellations	(22,711)	(20,000)	2,711
<b>Subtotal Expenditures &amp; Transfers</b>	<b>38,676,938</b>	<b>38,587,732</b>	<b>(89,206)</b>
Dedicated Expenditures	22,336	3,200	(19,136)
<b>Total Expenditures &amp; Transfers</b>	<b>38,699,274</b>	<b>38,590,932</b>	<b>(108,342)</b>
<b>Balance Before Reserves</b>	<b>(5,328,725)</b>	<b>(5,913,697)</b>	<b>(584,972)</b>
Cash Flow Account	266,000	266,000	0
Budget Reserve	0	8,665	8,665
<b>Budgetary Balance</b>	<b>(5,594,725)</b>	<b>(6,188,362)</b>	<b>(593,637)</b>

**FY 2012-13 General Fund Forecast**  
**Biennial Comparison**  
**FY 2012-13 vs. FY 2010-11**  
(\$ in thousands)

	11-10 Fcst FY 2010-11	11-10 Fcst FY 2012-13	\$ Difference	% Change
<b><u>Actual &amp; Estimated Resources</u></b>				
Balance Forward From Prior Year	446,921	673,667	226,746	50.7%
Current Resources:				
Tax Revenues	28,017,148	29,992,641	1,975,493	7.1%
Non-Tax Revenues	1,570,421	1,475,480	(94,941)	-6.0%
Subtotal - Non-Dedicated Revenue	29,587,569	31,468,121	1,880,552	6.4%
Dedicated Revenue	17,983	3,200	(14,783)	-82.2%
Transfers In	822,302	482,247	(340,055)	-41.4%
Prior Year Adjustments	65,376	50,000	(15,376)	-23.5%
Subtotal - Other Revenue	905,661	535,447	(370,214)	-40.9%
Subtotal-Current Resources	30,493,230	32,003,568	1,510,338	5.0%
<b>Total Resources Available</b>	<b>30,940,151</b>	<b>32,677,235</b>	<b>1,737,084</b>	<b>5.6%</b>
<b><u>Actual &amp; Estimated Spending</u></b>				
K-12 Education	13,327,079	14,345,827	1,018,748	7.6%
K-12 Ptx Rec Shift/Aid Payment Shift	(1,888,922)	1,301,760	3,190,682	-168.9%
Subtotal K-12 Education	11,438,157	15,647,587	4,209,430	36.8%
Higher Education	2,814,217	2,916,580	102,363	3.6%
Property Tax Aids & Credits	3,018,425	3,468,946	450,521	14.9%
Health & Human Services	8,669,427	11,906,878	3,237,451	37.3%
Public Safety	1,820,125	1,782,650	(37,475)	-2.1%
Transportation	167,036	181,742	14,706	8.8%
Environment, Energy & Natural Resources	314,452	349,128	34,676	11.0%
Agriculture & Veterans	247,966	244,550	(3,416)	-1.4%
Economic Development	283,269	262,778	(20,491)	-7.2%
State Government	631,479	660,201	28,722	4.5%
Debt Service	832,167	1,141,473	309,306	37.2%
Capital Projects	22,898	45,219	22,321	97.5%
All Other	9,163	0	(9,163)	-100.0%
Estimated Cancellations	(15,000)	(20,000)	(5,000)	33.3%
<b>Subtotal Expenditures &amp; Transfers</b>	<b>30,253,781</b>	<b>38,587,732</b>	<b>8,333,951</b>	<b>27.5%</b>
Dedicated Expenditures	12,703	3,200	(9,503)	-74.8%
<b>Total Expenditures &amp; Transfers</b>	<b>30,266,484</b>	<b>38,590,932</b>	<b>8,324,448</b>	<b>27.5%</b>
<b>Balance Before Reserves</b>	<b>673,667</b>	<b>(5,913,697)</b>	<b>(6,587,364)</b>	
Cash Flow Account	266,000	266,000	0	
Budget Reserve	8,665	8,665	0	
<b>Budgetary Balance</b>	<b>399,002</b>	<b>(6,188,362)</b>	<b>(6,587,364)</b>	

