

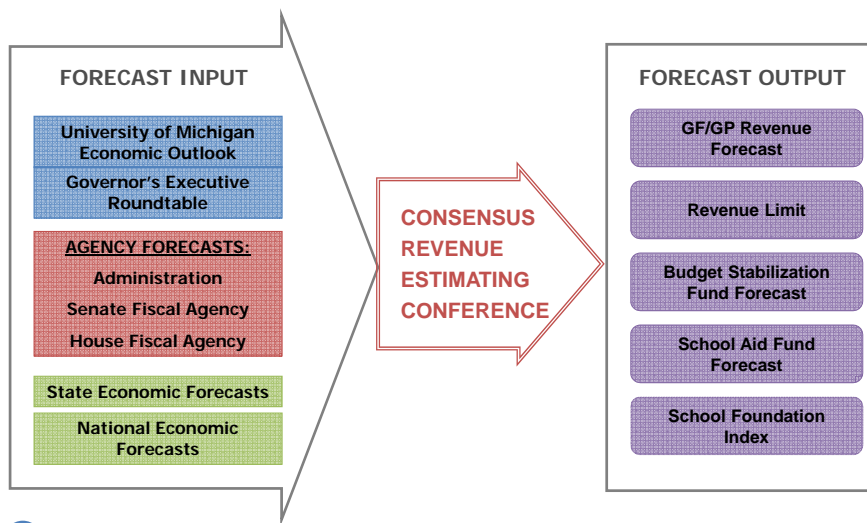
Consensus Revenue Estimating Conference Overview

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House Appropriations Committee
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Consensus Revenue Estimating Conference



January 2013 Consensus Revenue Estimates

(Dollars in Millions)

	FY 2012-13			Change from May 2012 Consensus
	January 2013 Consensus	Change From FY 2011-12		
General Fund/General Purpose (GF/GP)	\$8,792.3	(\$472.9)	-5.1%	(\$177.7)
School Aid Fund (SAF)	\$11,127.7	\$248.9	2.3%	(\$41.7)
Total Revenue	\$19,920.0	(\$224.0)	-1.1%	(\$219.4)

	FY 2013-14			Change from May 2012 Consensus
	FY 2013-14	Change From FY 2012-13		
General Fund/General Purpose (GF/GP)	\$9,264.4	\$472.1	5.4%	\$5.4
School Aid Fund (SAF)	\$11,432.5	\$304.8	2.7%	(\$39.0)
Total Revenue	\$20,696.9	\$776.9	3.9%	(\$33.6)

Composition of Revenue Estimate Change Since May

(Dollars in Millions)

	GF/GP	SAF	Total
FY 2012-13 Revenue Estimate Change	(\$177.7)	(\$41.7)	(\$219.4)
Components of Change:			
Policy Changes (Included in Budget)			
Individual Income Tax Rate Change	(\$47.0)	\$0.0	(\$47.0)
Individual Income Tax Personal Exemption Increase	(\$44.0)	(\$12.0)	(\$56.0)
Sales Tax Earmark to Transportation	(\$110.0)	\$0.0	(\$110.0)
Other Tax Changes	<u>(\$11.6)</u>	<u>(\$4.1)</u>	<u>(\$15.7)</u>
Subtotal	(\$212.6)	(\$16.1)	(\$228.7)
Policy Changes "Lame Duck"	<u>(\$4.7)</u>	<u>\$0.2</u>	<u>(\$4.5)</u>
Total Policy Changes	(\$217.3)	(\$15.9)	(\$233.2)
Economic and Other Changes:	\$39.6	(\$25.8)	\$13.8

Numbers may not calculate due to rounding.

Composition of Revenue Estimate Change Since May

(Dollars in Millions)

	GF/GP	SAF	Total
FY 2013-14 Revenue Estimate Change	\$5.4	(\$39.0)	(\$33.6)
Components of Change:			
Policy Changes (Included in Budget)			
Individual Income Tax Rate Change	\$0.0	\$0.0	\$0.0
Individual Income Tax Personal Exemption Increase	(\$27.0)	(\$9.0)	(\$36.0)
Sales Tax Earmark to Transportation	\$0.0	\$0.0	\$0.0
Other Tax Changes	(\$7.8)	(\$2.5)	(\$10.3)
Subtotal	(\$34.8)	(\$11.5)	(\$46.3)
Policy Changes "Lame Duck"	(\$0.6)	(\$8.7)	(\$9.3)
Total Policy Changes	(\$35.4)	(\$20.2)	(\$55.6)
Economic and Other Changes:	\$40.8	(\$18.7)	\$22.1

Numbers may not calculate due to rounding.

General Fund Balance Sheet: FYs 12, 13, and 14

(Dollars in Millions)

	YTD FY 2011-12	YTD FY 2012-13	Baseline FY 2013-14
REVENUE			
Beginning Balance	\$553.7	\$987.4	\$21.0
General Fund/General Purpose (GF/GP)	9,265.2	8,792.2	9,264.4
Other Adjustments	117.5	1.2	3.6
<u>EVIP / Revenue Sharing</u>	<u>(340.0)</u>	<u>(370.6)</u>	<u>(360.1)</u>
TOTAL REVENUE	\$9,596.4	\$9,410.2	\$8,928.9
EXPENDITURES			
FY 12 and 13 YTD and FY 14 baseline	\$8,169.7	\$8,656.4	\$8,630.6
One-Time Funding (Non-School Aid)	534.2	324.4	13.6
One-Time Funding (School Aid)	0.0	181.4	0.0
Projected HICA Shortfall	0.0	145.0	145.0
DCH: Federal Disallowance	0.0	195.0	0.0
<u>Other Adjustments</u>	<u>(94.9)</u>	<u>(113.0)</u>	<u>32.9</u>
TOTAL EXPENDITURES	\$8,609.0	\$9,389.2	\$8,822.1
ESTIMATED ENDING BALANCE	\$987.4	\$21.0	\$106.8

School Aid Balance Sheet: FYs 12, 13, and 14

(Dollars in Millions)

	YTD FY 2011-12	YTD FY 2012-13	Baseline FY 2013-14
REVENUE			
Beginning Balance	\$724.7	\$254.0	\$38.3
School Aid Fund (SAF) Revenue	10,944.1	11,127.7	11,432.5
General Fund/General Purpose (GF/GP)	78.6	282.4	101.0
Federal Funds	1,658.0	1,701.0	1,701.0
<u>MPSERS Reserve Fund</u>	<u>0.0</u>	<u>0.0</u>	<u>174.0</u>
TOTAL REVENUE	\$13,405.4	\$13,365.1	\$13,446.8
EXPENDITURES			
K-12: FY 12 and 13 YTD and FY 14 baseline	\$12,691.8	\$12,885.7	\$12,796.8
<u>MPSERS Cost Adjustments</u>	<u>0.0</u>	<u>43.0</u>	<u>306.0</u>
Subtotal K-12 Expenditures	\$12,691.8	\$12,928.7	\$13,102.8
Subtotal Postsecondary Expenditures	<u>\$459.6</u>	<u>\$398.1</u>	<u>\$398.1</u>
TOTAL EXPENDITURES	\$13,151.4	\$13,326.8	\$13,500.9
ESTIMATED ENDING BALANCE	\$254.0	\$38.3	(\$54.1)
<i>MPSERS Reserve Balance</i>		\$174.0	\$0.0
<i>MPSERS 3% Health Care Contribution Escrow Fund Balance</i>		\$508.0	\$508.0

Upcoming Budget Issues

- Estimated shortfall of \$130-\$145 million in both FY 2013 and FY 2014 in Health Insurance Claims Assessment (HICA) revenue
- Potential federal disallowance of \$195 million for payments made to State psychiatric hospitals (FY 2013)
- Medicaid expansion – the Affordable Care Act allows states to expand Medicaid coverage to families at or below 133% of the Federal Poverty Level
 - 100% of the additional coverage to be paid by the federal government for the first 3 years
 - Estimated FY 2014 savings of \$158 million from replacing existing state funds with federal Medicaid dollars for mental health costs, etc.
- Transportation funding
 - Estimated shortfall of \$95-\$115 million starting in FY 2014 to meet the federal match requirement
 - Additional \$1.4 billion for roads to maintain statewide (state and local) pavement preservation goals



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