

**Summary of
2010-2011 Supplemental
Budget Bill
LD 1671 as Amended**

**Prepared by the
Office of Fiscal & Program Review**

March 28, 2010

**Summary of
2010-2011 Supplemental Budget Bill
as Amended**

Table of Contents

	Page
General Fund Status - Fund Balance Summary	1
General Fund Adjustments - "Spending" Initiatives	2
General Fund Adjustments - "Savings" Initiatives	3
Summary of MaineCare and Other Health and Human Services Initiatives	4
Summary of Fund for a Healthy Maine Initiatives	5
Summary of Major Fiscal Policy Issues	6
Summary of Local Government Impacts	7
Summary of Position Changes	8
Appendices	
A General Fund Revenue and Expenditure History - Budget vs. Actual	9
B General Fund Revenue Compared with Major Funding for Local Government and Public Higher Education Institutions	10
C Summary of Highway Fund Supplemental Budget (LD 1728 as Amended)	11

124TH LEGISLATURE, 2ND REGULAR SESSION
Summary of General Fund "Shortfall" and Solutions
(\$ in millions)

	FY 10	FY 11	Biennium
Summary of General Fund "Shortfall" ¹			
GF Revenue Revision - December 2009 RFC Forecast	(\$209.4)	(\$174.2)	(\$383.6)
GF Revenue Revision - March 2010 RFC Forecast	\$29.8	\$21.2	\$51.0
Net Shortfall from Revenue Forecast	(\$179.6)	(\$153.0)	(\$332.6)
Beginning Balance - FY 09 Ending Actual Balance	\$26.2		\$26.2
Net Changes to Balances - Prior to December 2009 Forecast	(\$48.5)	(\$2.5)	(\$51.0)
Net Change to Balances - Other 2nd Regular Session Legislation	\$16.8	(\$19.5)	(\$2.7)
Net Changes from Revenue Forecast and Statewide Deappropriation	(\$179.6)	(\$153.0)	(\$332.6)
General Fund "Shortfall" Before 2010-2011 Supplemental Budget	(\$185.1)	(\$175.0)	(\$360.1)
2010-2011 Supplemental Budget Bill (LD 1671 as amended)	\$185.2	\$175.2	\$360.4
General Fund Ending Balance w/ Governor's Supplemental ²	\$0.12	\$0.25	\$0.25

Summary of Appropriations and Revenue/Transfers

Resources (Transfers/Adjustments to Balance and Revenue):			
- General Fund Transfers and Adjustments to Balance	\$31.4	\$5.8	\$37.2
- General Fund Interfund Borrowing from Other Special Revenue	\$68.2	(\$68.2)	\$0.0
- General Fund Revenue	\$14.0	\$31.0	\$45.0
Net Increase (Decrease) to Resources	\$113.6	(\$31.4)	\$82.2
General Fund Appropriations:			
- General Fund Appropriations	(\$71.6)	(\$206.5)	(\$278.2)
Net Increase (Decrease) of Appropriations	(\$71.6)	(\$206.5)	(\$278.2)
Net Increase (Decrease) to Balance - Gov's Supplemental	\$185.2	\$175.2	\$360.4

Summary of General Fund "Spending" and "Savings" ²

Total of Initiatives Decreasing Resources ("Spending")			
- See Pie Chart on Page 2	(\$4.8)	(\$114.0)	(\$118.8)
Total Items Increasing Resources ("Savings")			
- See Pie Chart on Page 3	\$190.0	\$289.2	\$479.1
Net Increase (Decrease) to General Fund Resources	\$185.2	\$175.2	\$360.4

Amounts may not add due to rounding

Notes:

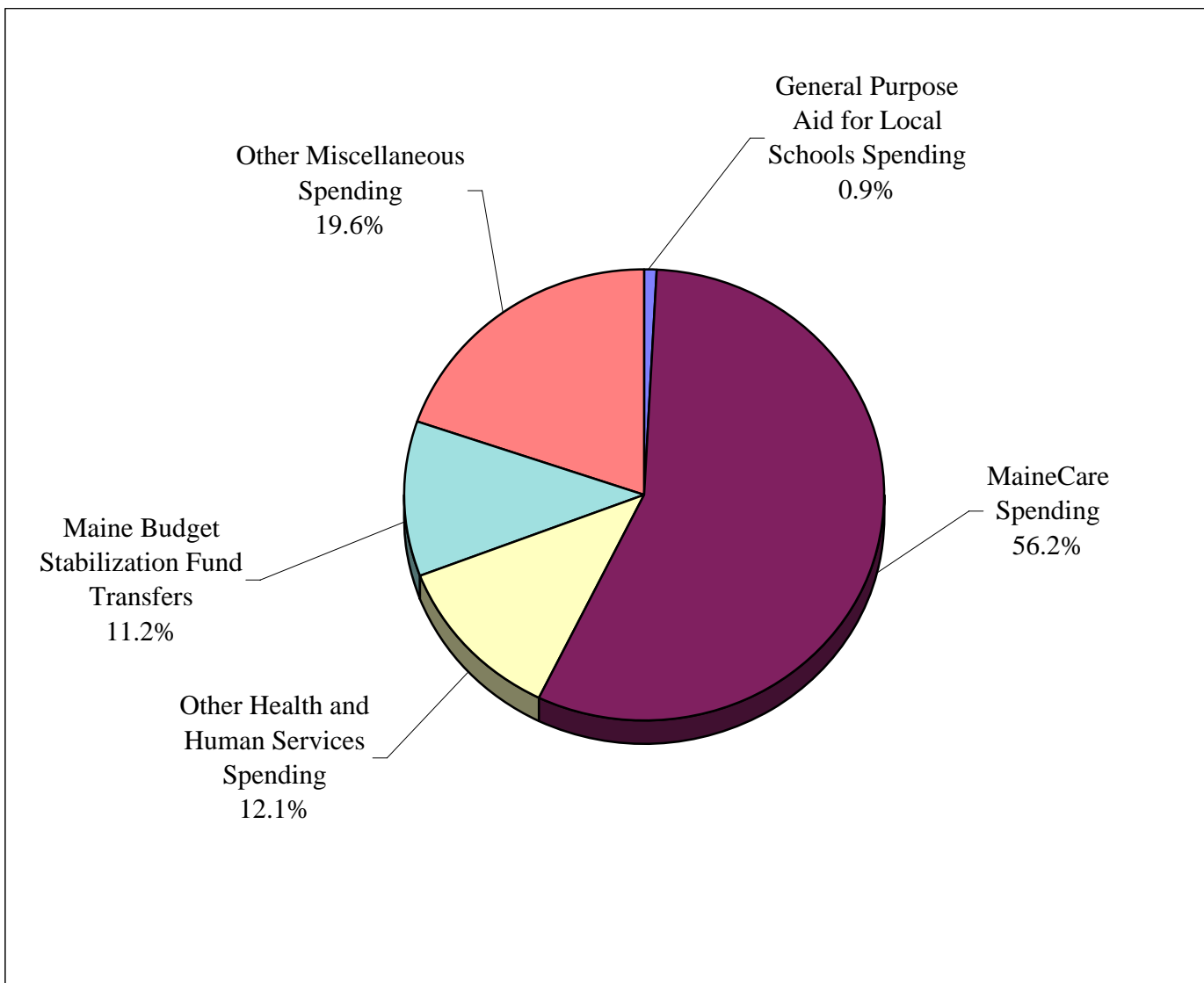
¹ The General Fund "Shortfall" results from the December 2009 downward revenue revision by the Revenue Forecasting Committee and the FY 09 year-end reduction to balance forward. These reductions of General Fund resources were partially offset by an upward revenue revision in the March 2010 revenue forecast. The amount of the shortfall does not reflect the statewide deappropriations of \$30.0 million (included in earlier presentations) that was offset by the Initiative to Streamline State Government, an interim study conducted by the Joint Standing Committee on Appropriations and Financial Affairs, and the resulting bill, LD 1668, PL 2009, c. 462.

² This analysis and the pie charts on the following pages present a different look at the revenue, transfers and appropriations. The purpose is to separate out those initiatives/proposals in the supplemental budget that represent "spending" of state resources from those that increase resources.

General Fund Adjustments - "Spending" Initiatives ¹

Initiatives Decreasing General Fund Balance

	FY 10	FY 11	Biennium	% of Total
General Purpose Aid for Local Schools Spending	\$0.0	\$1.1	\$1.1	0.9%
MaineCare Spending	\$51.4	\$15.4	\$66.8	56.2%
Other Health and Human Services Spending	\$7.0	\$7.3	\$14.3	12.1%
Maine Budget Stabilization Fund Transfers	\$6.1	\$7.1	\$13.2	11.2%
One-day Other Special Revenue Borrowing	(\$68.2)	\$68.2	\$0.0	0.0%
Other Miscellaneous Spending	\$8.4	\$14.9	\$23.3	19.6%
TOTAL ADJUSTMENTS DECREASING BALANCE	\$4.8	\$114.0	\$118.8	100.0%



Notes:

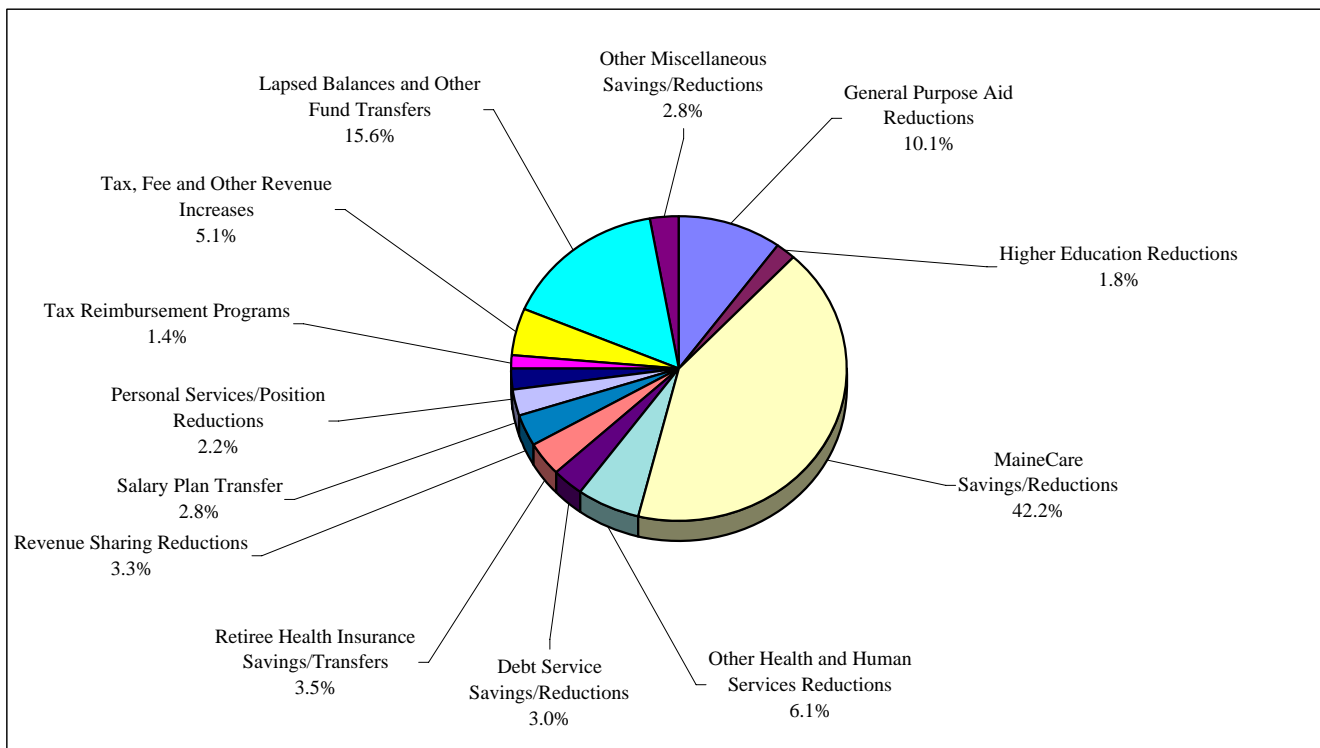
¹ "Spending" initiatives include all those items that decrease resources: appropriations; revenue decreases; transfers to other funds; and other negative adjustments to fund balance. Does not reflect transfers of appropriations between General Fund programs that net to \$0.

Amounts may not add due to rounding

General Fund Adjustments - "Savings" Initiatives ¹

Initiatives Increasing General Fund Balance

	FY 10	FY 11	Biennium	% of Total
General Purpose Aid Reductions	\$38.1	\$10.2	\$48.3	10.1%
Higher Education Reductions	\$7.9	\$0.5	\$8.4	1.8%
MaineCare Savings/Reductions	\$27.4	\$174.6	\$202.0	42.2%
Other Health and Human Services Reductions	\$14.9	\$14.4	\$29.3	6.1%
Debt Service Savings/Reductions	\$4.3	\$10.2	\$14.5	3.0%
Retiree Health Insurance Savings/Transfers	\$0.0	\$16.8	\$16.8	3.5%
Revenue Sharing Reductions	\$6.0	\$10.0	\$16.0	3.3%
Salary Plan Transfer	\$13.5	\$0.0	\$13.5	2.8%
Personal Services/Position Reductions	\$3.9	\$6.7	\$10.6	2.2%
Tax Reimbursement Programs	\$0.1	\$6.4	\$6.5	1.4%
Tax, Fee and Other Revenue Increases	\$8.1	\$16.5	\$24.6	5.1%
Lapsed Balances and Other Fund Transfers	\$60.5	\$14.5	\$75.0	15.6%
Other Miscellaneous Savings/Reductions	\$5.3	\$8.4	\$13.6	2.8%
TOTAL ADJUSTMENTS INCREASING BALANCE	\$190.0	\$289.2	\$479.1	100.0%



Notes:

¹ "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers from other funds; and other positive adjustments to balances. Does not reflect transfers of appropriations between General Fund programs that net to \$0.

Amounts may not add due to rounding

MaineCare and Other Health and Human Services Initiatives

General Fund Costs (Savings)
\$'s in Millions

	FY 10	FY 11	Biennium
MaineCare Savings/Reduction Initiatives			
ARRA Enhanced FMAP - 2 Quarter Extension	\$0.0	(\$84.9)	(\$84.9)
Retroactive Matching Rate Increase - ARRA FMAP	(\$7.5)	\$0.0	(\$7.5)
Enhanced FMAP Applied to Medicare Part D Clawback	(\$11.7)	(\$16.1)	(\$27.8)
Hospital Tax Rebasing	\$0.0	(\$11.4)	(\$11.4)
Hospital One-Time Assessment	\$0.0	(\$4.2)	(\$4.2)
Provider 10% Rate Reductions	\$0.0	(\$3.3)	(\$3.3)
Federal Disallowance of TCM claims from FY 02 and FY03	\$0.0	(\$29.7)	(\$29.7)
Elimination of NF Staff Enhancement Payments	\$0.0	(\$2.3)	(\$2.3)
Physician Reimbursement Reduction	\$0.0	(\$1.5)	(\$1.5)
Developmental Services Initiatives	(\$4.2)	(\$6.5)	(\$10.7)
Adult Mental Health Initiatives	\$0.0	(\$2.7)	(\$2.7)
Children's Services Initiatives	\$0.0	(\$1.8)	(\$1.8)
Other MaineCare Savings Initiatives	\$0.0	(\$6.2)	(\$6.2)
Distribution of Departmentwide	(\$4.0)	(\$4.0)	(\$8.0)
Subtotal - MaineCare Savings	(\$27.4)	(\$174.6)	(\$202.0)
MaineCare Cost/Spending Initiatives			
Additional FY10 MaineCare Costs (MAP and NF)	\$7.5	\$0.0	\$7.5
Provider 10% Rate Reductions - Rate Restorations	\$0.0	\$1.4	\$1.4
Hospital Payment Increase	\$0.0	\$2.3	\$2.3
Federal Disallowance of TCM claims from FY 02 and FY03	\$29.7	\$0.0	\$29.7
Developmental Services Initiatives	\$4.2	\$6.1	\$10.3
Long-Term Care Facility Increase	\$1.2	\$5.8	\$7.1
Medicare Part B Premiums Payments Increase	\$1.7	\$4.2	\$5.9
MECMS Claims Payments - Accelerated Claims Run-out	\$6.6	(\$6.6)	\$0.0
Other MaineCare Costs	\$0.4	\$2.3	\$2.7
Subtotal - MaineCare Costs/Spending	\$51.4	\$15.4	\$66.8
Other HHS Savings/Reduction Initiatives			
ARRA Enhanced Foster Care IV-E Payments	(\$2.9)	(\$1.7)	(\$4.5)
ARRA Enhanced FMAP - 2 Quarter Extension	\$0.0	(\$0.2)	(\$0.2)
Provider 10% Rate Reductions	\$0.0	(\$0.2)	(\$0.2)
Departmentwide - Personal Services Reductions	(\$3.0)	(\$1.3)	(\$4.3)
Residential Care Facility and Elder Services	(\$4.9)	(\$5.1)	(\$9.9)
Adult Mental Health Initiatives	(\$1.3)	(\$2.8)	(\$4.2)
Developmental Services Initiatives	(\$0.8)	(\$0.3)	(\$1.2)
Children Services Initiatives	(\$0.9)	(\$0.6)	(\$1.5)
Public Assistance Initiatives	(\$0.9)	(\$0.9)	(\$1.8)
Other DHHS Savings Initiatives	(\$0.2)	(\$1.4)	(\$1.6)
Total Other HHS Savings/Reductions	(\$14.9)	(\$14.4)	(\$29.3)
Other HHS Cost/Spending Initiatives			
Departmentwide Deappropriation Offset	\$4.0	\$4.0	\$8.0
General Assistance Shortfall	\$0.9	\$1.5	\$2.3
Public Health Program Funding	\$2.0	\$0.1	\$2.1
Adult Mental Health Initiatives	\$0.0	\$0.7	\$0.7
Elder Services Initiatives	\$0.0	\$1.0	\$1.0
Other DHHS Costs/Spending	\$0.1	\$0.1	\$0.2
Subtotal - Other HHS Costs/Spending	\$7.0	\$7.3	\$14.3
Total - MaineCare and Other HHS Costs (Savings)	\$16.2	(\$166.4)	(\$150.2)

Amounts may not add due to rounding

Fund for a Healthy Maine (FHM) Initiatives

	FHM Cost (Savings)		
	\$ in Millions		
	<u>FY 10</u>	<u>FY 11</u>	<u>Biennium</u>
FHM Savings/Reduction Initiatives			
Transfers 4 Community Care Worker positions and one Social Services Program Specialist II position from the FHM - Service Center program to the Division of Licensing and Regulatory Services program.	\$0.00	(\$0.41)	(\$0.41)
Reduces funding to reflect a fundwide reduction to the Fund for a Healthy Maine (see note below)	\$0.00	(\$1.33)	(\$1.33)
Adjusts funding available as the result of the extension of the enhanced Federal Medical Assistance Percentage for an additional 2 quarters.	\$0.00	(\$1.28)	(\$1.28)
Subtotal - MaineCare Savings	\$0.00	(\$3.02)	(\$3.02)
FHM Cost/Spending Initiatives			
Transfers Fund for a Healthy Maine balance to General Fund	\$3.93	\$1.46	\$5.38
Provides funding to the Fire Marshall for inspections of facilities licensed by the Department of Health and Human	\$1.14	\$0.00	\$1.14
Provides funding to offset the fundwide deallocation made in PL 2009, c. 213, Part UUUU.	\$0.54	\$0.00	\$0.54
Allocates funds for FHM - Bureau of Health Oral Health Program to partially restore cut in PL 2009, c. 213.	\$0.00	\$0.05	\$0.05
Subtotal - MaineCare Costs/Spending	\$5.60	\$1.50	\$7.10
Total - FHM Costs (Savings)	\$5.60	(\$1.52)	\$4.08
	<i>Amounts may not add due to rounding</i>		

Notes:

The net FHM cost of \$4.08 million in the 2010-2011 Supplemental Budget would result in a negative ending balance in FY 11 of \$0.48 million. Absent adverse revenue performance, lapsed balances are expected to provide sufficient increases to FHM balance to offset the negative FY 11 balance. Any excess would then be used to reduce the fundwide deallocation in Part TTT of LD 1671 as amended.

**2010-2011 SUPPLEMENTAL BUDGET
SUMMARY OF MAJOR FISCAL POLICY ISSUES**

<u>Description of Issue</u>	General Fund Cost (Savings) \$ in Millions		
	<u>FY 10</u>	<u>FY 11</u>	<u>Biennium</u>
Reductions to Local Government Funding			
Reduces General Purpose Aid for Local Schools, revenue sharing, General Assistance and other local government funding. (See pg. 7 for more detail)	(41.7)	(19.0)	(60.7)
Transfers Retiree Health Insurance Reserve Balances			
Transfers all available equity reserves and reduces rates for retiree health insurance.	(46.1)	(20.6)	(66.7)
Transfers from Salary Plan Reserve			
Transfers \$13.5 million from the General Fund Salary Plan account (designated for covering General Fund collective bargaining costs). The beginning FY 10 balance in the account was \$15.0 million.	(13.5)	0.0	(13.5)
Other Special Revenue Borrowing			
Includes a \$68.2 million borrowing from Other Special Revenue Funds to keep FY10 in balance. The enacted budget for FY10 already relies on \$16 million of borrowing between fiscal years. This \$84.2 million of additional General Fund spending in FY10 not supported by General Fund resources will deplete General Fund cash balances. The cash position should recover over the course of FY11.	(68.2)	68.2	0.0
Additional "Tax Amnesty" Initiatives			
Includes 2 new initiatives to reduce the amount of outstanding tax receivables, which are similar to the successful effort concluded this past November. This initiatives waive most of the penalties and interest associated with tax assessments that are past due.	0.0	(9.5)	(9.5)
Additional Federal Stimulus - Pending Federal Enactment			
Includes additional General Fund deappropriations in MaineCare of \$85.1 million assuming that the federal government will enact the extension of the enhanced Federal Medical Assistance Percentage (FMAP). If the federal enactment does not occur by July 1, 2010, the Governor is directed to begin the process of curtailing General Fund spending to take effect no later than October 1, 2010.	0.0	(85.1)	(85.1)
Other Federal Stimulus Savings			
Additional federal stimulus savings from regulatory changes to the enhanced FMAP under the American Recovery and Reinvestment Act of 2009 (ARRA) through federal rule changes, which included application of the enhanced FMAP to Medicare Part D payments and a retroactive increase for the last quarter of FY 09.	(22.0)	(17.8)	(39.8)
Restores Longevity Payments in FY 11			
Restores longevity payments for state employees in FY 11.	0.0	2.1	2.1

2010-2011 SUPPLEMENTAL BUDGET BILLS
SUMMARY OF MAJOR LOCAL GOVERNMENT IMPACTS

<u>Description of Issue</u>	Increase (Dec.) in Local Funding \$ in Millions		
	<u>FY 10</u>	<u>FY 11</u>	<u>Biennium</u>
School Subsidy Net Reductions			
Reduces General Purpose Aid to Local Schools in both fiscal years. The state share goal of funding 55% of Essential Programs and Services (EPS) would be delayed until FY12. The state share of K-12 spending as measured by EPS will be 47.9% this year and 45.0% in FY11. Provides \$1.1 million in FY11 for schools that voted to support the State's education reform law but whose partner districts rejected administrative consolidation.	(38.1)	(9.1)	(47.2)
Revenue Sharing Reductions			
Includes additional fixed reductions to revenue sharing of \$6 million in FY10 and \$10 million in FY11. In addition to these amounts, the December 2009 and March 2010 Revenue Forecasts projected additional declines for revenue sharing of \$10.0 million in FY10 and \$9.0 million in FY11.	(6.0)	(10.0)	(16.0)
Other Revenue Sharing Effects			
Includes net increase from changes to the tax base used to calculate revenue sharing transfers.	0.4	0.7	1.1
Homestead Property Tax Exemption Reimbursement			
Changes the timing of the reimbursements, pushing 25% of the reimbursement into the next fiscal year beginning in FY11.	0.0	(5.4)	(5.4)
Tree Growth Tax Reimbursement			
Reduces the FY11 distribution by an additional 10%.	0.0	(0.5)	(0.5)
Additional Funding for State Board of Corrections			
Includes a \$3.5 million appropriation to offset a projected shortfall in the county corrections funding, which was partially offset by a reduction in dedicated revenue due to revenue rejections.	0.0	3.4	3.4
General Assistance			
Includes additional appropriations to address a shortfall.	0.9	1.5	2.3
Local Transportation Funding			
Highway Fund supplemental budget bill includes additional funding based on a net increase in funding for the Department of Transportation, primarily maintenance paving.	1.1	0.4	1.5
Total Increase (Reductions) to Local Government Funding	(41.7)	(19.0)	(60.7)

Amounts may not add due to rounding

124TH LEGISLATURE, 2ND REGULAR SESSION
2010-2011 SUPPLEMENTAL BUDGET BILLS AS AMENDED
SUMMARY OF POSITION CHANGES ¹

<u>Fund</u>	<u>Total Authorized Positions - Prior to 124th Legislature, 2nd Regular</u>	<u>Streamlining Initiative ¹</u>	<u>Supplemental Budget Bills as amended ²</u>	<u>Total Authorized Positions - After Supplemental Budget Bills</u>
General Fund	5,969.551	(6.000)	(35.558)	5,927.993
Highway Fund ²	2,360.149	0.000	(33.230)	2,326.919
Federal Expenditures Fund	1,649.523	1.000	(46.250)	1,604.273
Federal Expenditures Fund - ARRA	0.000	0.000	0.000	0.000
Fund for a Healthy Maine	23.500	0.000	(5.000)	18.500
Other Special Revenue Fund	2,390.695	4.000	60.558	2,455.253
Federal Block Grant Fund	139.500	0.000	(15.000)	124.500
Federal Block Grant Fund - ARRA	0.000	0.000	0.000	0.000
Other Funds ²	1,297.454	(1.000)	(0.639)	1,295.815
Total Change of Authorized Positions	13,830.372	(2.000)	(75.119)	13,753.253

Notes:

¹ AFA Committee recommendations resulting from the Initiative to Streamline State Government, LD 1668, PL 2009, c. 462.

² These totals also reflect position changes in LD 1728, the Highway Fund Supplemental Budget Bill, as amended by unanimous committee report. Position changes total -33.230 positions in the Highway Fund, -2.000 in the Fleet Services Fund - DOT and +2.361 in the Island Ferry Services Fund.

APPENDIX A
GENERAL FUND REVENUE AND EXPENDITURE HISTORY
BUDGETS VS. ACTUALS: FY 1992- FY 2011

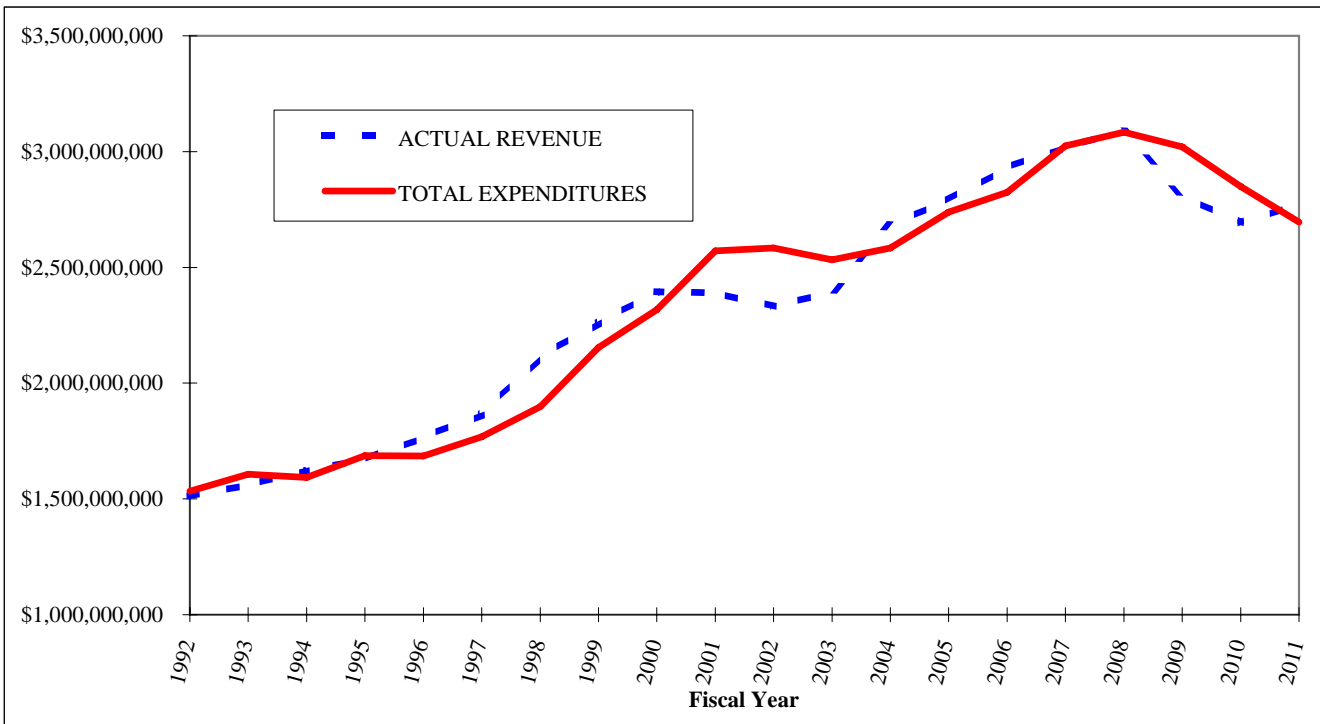
FISCAL YEAR	GENERAL FUND REVENUE				GENERAL FUND SPENDING			
	TOTAL BUDGETED REVENUE	% CHG.	ACTUAL REVENUE	% CHG.	TOTAL APPROPRIATIONS	% CHG.	TOTAL EXPENDITURES	% CHG.
1992	1,511,121,884	5.5%	1,512,463,098	6.2%	1,516,169,287	-0.3%	1,533,844,301	-1.1%
1993	1,552,884,155	2.8%	1,561,402,638	3.2%	1,577,593,982	4.1%	1,606,620,231	4.7%
1994	1,597,301,393	2.9%	1,623,888,486	4.0%	1,599,447,945	1.4%	1,592,804,301	-0.9%
1995	1,665,254,124	4.3%	1,671,736,430	2.9%	1,673,401,754	4.6%	1,686,997,648	5.9%
1996	1,735,173,575	4.2%	1,766,400,761	5.7%	1,733,842,806	3.6%	1,685,207,128	-0.1%
1997	1,803,517,546	3.9%	1,863,086,301	5.5%	1,815,498,708	4.7%	1,768,652,528	5.0%
1998	¹ 1,927,664,314	6.9%	2,111,860,005	13.4%	1,888,812,553	4.0%	1,898,373,018	7.3%
1999	² 2,181,100,948	13.1%	2,259,718,302	7.0%	2,201,734,442	16.6%	2,153,508,109	13.4%
2000	2,361,714,282	8.3%	2,395,216,806	6.0%	2,316,629,198	5.2%	2,317,138,580	7.6%
2001	2,358,010,018	-0.2%	2,390,628,351	-0.2%	2,645,121,992	14.2%	2,571,368,893	11.0%
2002	2,424,196,674	2.8%	2,331,660,562	-2.5%	2,565,345,849	-3.0%	2,583,684,236	0.5%
2003	2,372,305,554	-2.1%	2,394,690,190	2.7%	2,540,382,576	-1.0%	2,533,197,609	-2.0%
2004	2,620,476,211	10.5%	2,683,539,557	12.1%	2,642,999,485	4.0%	2,584,232,096	2.0%
2005	2,760,939,443	5.4%	2,790,845,053	4.0%	2,784,473,472	5.4%	2,738,123,135	6.0%
2006	2,857,738,104	3.5%	2,931,825,687	5.1%	2,871,878,613	3.1%	2,824,410,407	3.2%
2007	3,004,907,574	5.1%	3,019,595,389	3.0%	2,978,358,710	3.7%	3,024,363,451	7.1%
2008	3,040,740,422	1.2%	3,087,818,992	2.3%	3,129,325,355	5.1%	3,083,641,475	2.0%
2009	2,854,763,148	-6.1%	2,811,368,295	-9.0%	3,017,952,419	-3.6%	3,019,800,023	-2.1%
2010	³ 2,693,005,389	-5.7%	2,693,005,389	-4.2%	2,849,227,923	-5.6%	2,849,227,923	-5.6%
2011	³ 2,773,674,035	3.0%	2,773,674,035	3.0%	2,696,366,734	-5.4%	2,696,366,734	-5.4%

Sources: State of Maine Annual Financial Reports/OFPR Compendia of Fiscal Information & Appropriations Summaries

Notes: ¹ Actual FY 98 Revenue includes all "Tax Relief Fund for Maine Residents" and "Tobacco Tax Relief Fund" revenues

² Budgeted and Actual FY 99 Revenue includes \$22,595,032 transferred pursuant MRSA 36 §1811

³ Budgeted amounts based on all enacted law through March 22, 2010, the December 2009 and March 2010 Revenue Forecasts and LD 1671 as amended

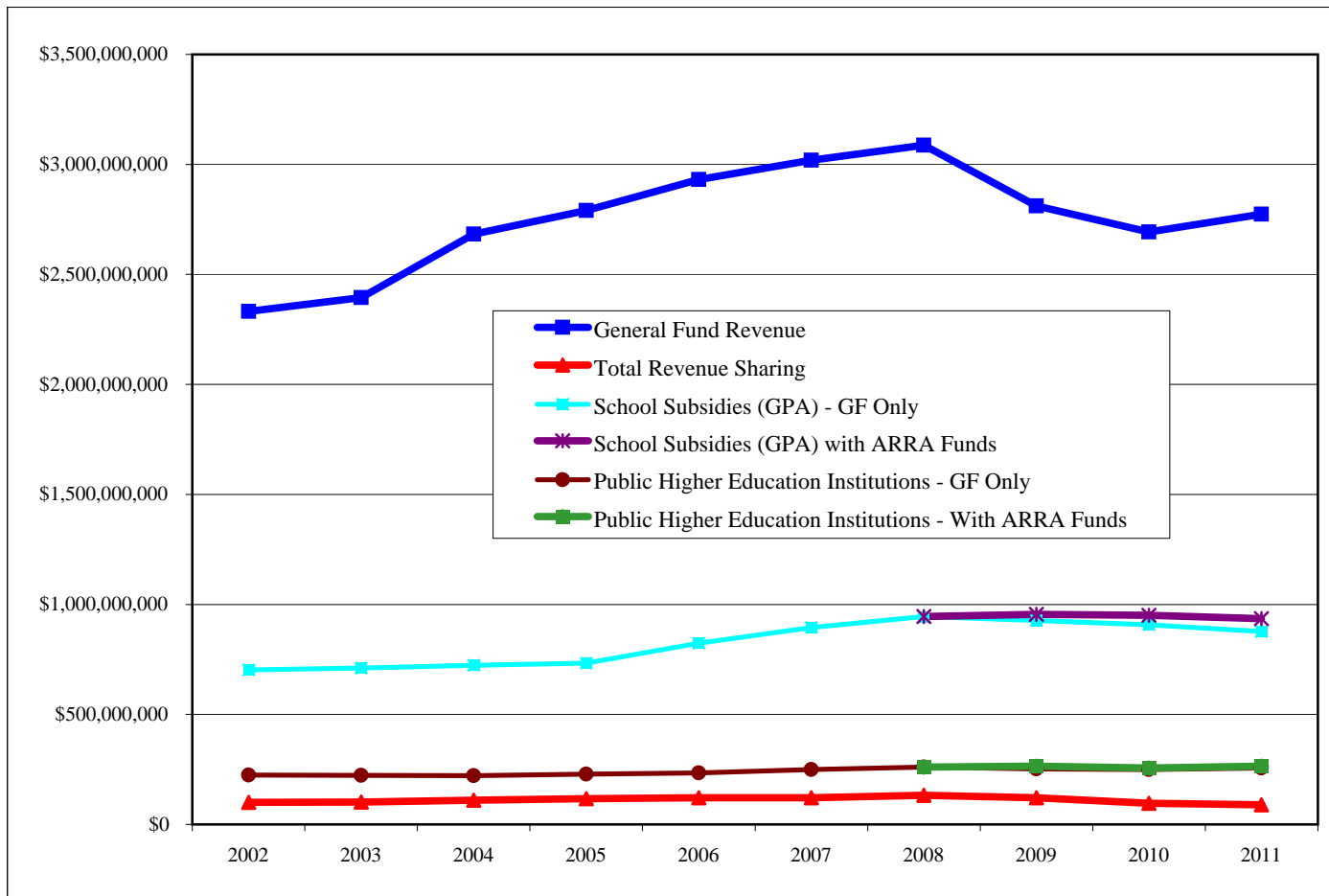


APPENDIX B

Major Funding for Local Governments and Public Higher Education Institutions

Provided below is a table and graph illustrating recent trends in General Fund revenue compared with the General Fund dollars distributed to local schools through school subsidies (GPA), to municipalities through revenue sharing and to the public higher education institutions. For GPA and the higher education institutions, additional trend lines are provided illustrating the trends when the federal stimulus funds (ARRA) are included. The amounts shaded in blue below are budgeted amounts reflecting changes in the 2010-2011 Supplement Budget, LD 1671 as amended.

Fiscal Year	General Fund Revenue	Total Revenue Sharing	School Subsidies (GPA) - GF Only	School Subsidies (GPA) with ARRA Funds	Public Higher Education Institutions - GF Only	Public Higher Education Institutions - With ARRA Funds
2002	2,331,660,562	100,610,139	702,469,605		224,355,873	
2003	2,394,690,190	102,303,028	711,165,537		222,568,219	
2004	2,683,539,557	110,657,900	722,981,043		220,930,473	
2005	2,790,845,053	116,589,500	732,537,776		228,900,753	
2006	2,931,825,687	121,375,655	823,420,313		233,988,700	
2007	3,019,595,389	121,220,421	895,010,700		248,945,157	
2008	3,087,818,992	133,007,280	945,412,260	945,412,260	260,248,526	260,248,526
2009	2,811,368,295	120,836,434	927,518,465	954,565,114	252,270,692	265,393,979
2010	2,693,005,389	95,899,642	907,467,531	950,463,647	248,877,699	257,040,282
2011	2,773,674,035	89,209,367	876,459,920	935,219,032	256,038,040	264,200,623



APPENDIX C
Summary of Highway Fund "Shortfall" and Solutions
(\$ in millions)

	FY 10	FY 11	Biennium
Summary of Highway Fund "Shortfall"			
Revenue Revision - December 2009 RFC Forecast	(\$7.3)	(\$7.1)	(\$14.3)
Revenue Revision - March 2010 RFC Forecast	\$4.0	\$5.4	\$9.4
Net Shortfall from Revenue Forecast	(\$3.2)	(\$1.6)	(\$4.9)
Beginning Balance - FY 09 Ending Actual Balance	\$1.5		\$1.5
Net Changes to Balances - Prior to December 2009 Forecast	\$0.5	(\$1.0)	(\$0.4)
Net Changes to Balances - Other 2nd Regular Session Legislation	\$0.01	\$0.03	\$0.04
Net Changes from Revenue Forecast and Statewide Deappropriation	(\$3.2)	(\$1.6)	(\$4.9)
Highway Fund "Shortfall" Before 2010-2011 Supplemental Budget	(\$1.2)	(\$2.6)	(\$3.8)
2010-2011 Supplemental Budget Bill (LD 1728 as Amended)	\$1.2	\$2.8	\$4.0
Highway Fund Ending Balance w/ LD 1728 as Amended	\$0.05	\$0.25	\$0.25

Summary of Highway Fund Allocations and Revenue/Transfers (LD 1728 as Amended)

Resources (Transfers/Adjustments to Balance and Revenue):			
- Highway Fund Transfers and Adjustments to Balance	\$11.2	\$0.0	\$11.2
- Highway Fund Revenue	\$0.0	\$0.0	\$0.0
Net Increase (Decrease) to Resources	\$11.2	\$0.0	\$11.2
Highway Fund Allocations:			
- Highway Fund Allocations	\$9.9	(\$2.8)	\$7.2
Net Increase (Decrease) of Allocations	\$9.9	(\$2.8)	\$7.2
Net Increase (Decrease) to Balance - LD 1728 as Amended	\$1.2	\$2.8	\$4.0

Summary of Major Initiatives (LD 1728 as Amended)

Major "Savings" Initiatives			
- Retiree Health Insurance Transfers and Deallocation	(\$11.1)	(\$5.5)	(\$16.6)
- Other Statewide Savings	(\$1.0)	(\$1.1)	(\$2.1)
- Department of Transportation Savings Initiatives	(\$5.0)	(\$2.8)	(\$7.7)
- Debt Service Savings	(\$5.5)	(\$4.8)	(\$10.3)
- Reductions to Capital Program - Transfer to Light Capital	(\$0.5)	(\$3.6)	(\$4.1)
- Other Miscellaneous Savings Initiatives	(\$0.3)	(\$0.4)	(\$0.8)
Major "Spending" Initiatives			
- Increase Allocations for Light Capital/Maintenance Paving	\$21.0	\$12.5	\$33.5
- Urban-Rural Initiative Program (Local Transportation Aid)	\$1.1	\$0.4	\$1.5
- Restore Longevity Payments in FY 11	\$0.0	\$0.5	\$0.5
- Other Miscellaneous Spending Initiatives	\$0.2	\$2.1	\$2.2
Net Increase (Decrease) to Balance - LD 1728 as Amended	(\$1.2)	(\$2.8)	(\$4.0)

Amounts may not add due to rounding

Notes:

This presentation of the Highway Fund shortfall and the solutions is similar to the presentation for the General Fund and summarizes the work of the Transportation Committee on LD 1728, the Highway Fund Supplemental Budget Bill. Other 2nd Regular Session affecting the Highway Fund reflects PL 2009, c. 462, the Streamlining Initiative.