

**Summary of
Emergency FY13
Supplemental Budget
LD 250 as Amended**

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

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Emergency FY13 Supplemental Budget
LD 250 as Amended
Overview - General Fund Balance
\$'s in millions

Changes to General Fund Balance - Additional Resources Less Appropriations	
FY13 Budgeted Ending General Fund Balance - Prior to December RFC	\$0.383 ¹
- December 2012 RFC Revenue Revision	(\$35.452)
FY13 Budgeted Ending General Fund Balance - Prior to Governor's Proposals	(\$35.069) ¹
Net Changes to Resources	
- Net Changes to Transfers/Adjustments to Balance - LD 250 as Amended	\$81.965
- Net Changes to Revenue (FY13 Only) - LD 250 as Amended	(\$13.000)
FY13 Balance with additional General Fund Resources in Governor's Proposals	\$33.897
Net Changes to Appropriations - LD 250 as Amended	\$33.368
FY13 Budgeted Ending Balance after EFY13 Budget Bill	\$0.529

Changes to General Fund Balance - "Savings" Initiatives Less "Spending" Initiatives ²	
FY13 Budgeted Ending General Fund Balance - LD 250 as Amended	(\$35.069) ¹
"FY13 Savings" (General Fund Resources Added) by LD 250 as Amended	\$148.714
Subtotal - Available FY13 General Fund Resources with Governor's Proposals	\$113.645
"FY13 Spending" (General Fund Resources Decreased) by LD 250 as Amended	\$113.117
FY13 Budgeted Ending Balance after EFY13 Budget Bill (LD 250 as Amended)	\$0.529

Narrative Summary

The EFY13 Supplemental Budget (LD 250) as amended provides various funding adjustments to offset the \$35.5 million FY13 downward revision to General Fund revenue estimates in the December 2012 revenue forecast. Those offsets were initially implemented by the Governor's temporary curtailment of allotments. The Supplemental Budget also funds significant shortfalls in the Department of Health and Human Services, primarily in the MaineCare program.

The Committee's proposals generate \$148.7 million of General Fund resources from various savings initiatives (including the initiatives in the temporary curtailment), revenue enhancements and transfers from other funds. Approximately 70% of the total amount of savings initiatives relate to various items affecting General Purpose Aid for Local Schools and transfers from General Fund reserve accounts. The pie charts and tables on pages 2 and 3 provide more information on these proposals.

Notes:

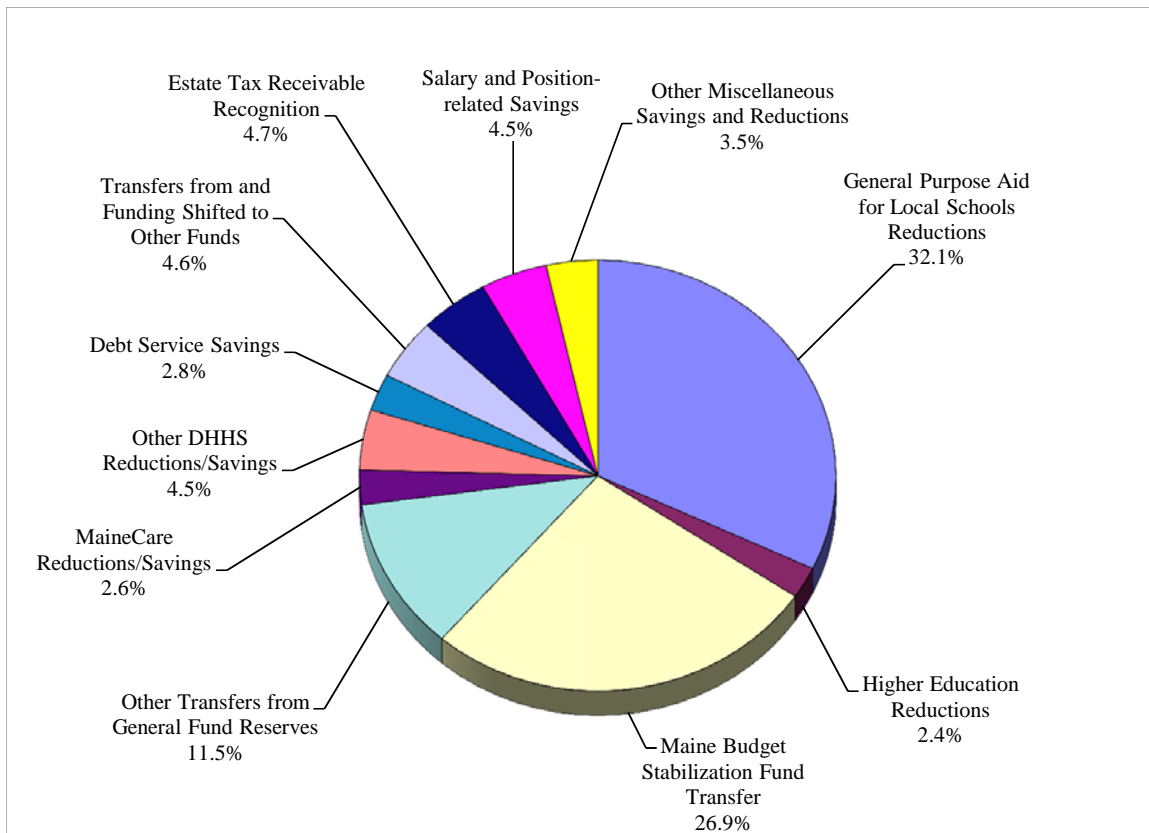
¹ Reflects budgeted ending balance at the close of FY13 including all actions of the 125th Legislature and FY12 closing transfers and adjustments. The effect of the December 2012 Revenue Forecast is listed separately.

² This presentation presents a different look at the budget proposals from the traditional presentation of Budgeted Resources (net revenue changes and net transfers) less Appropriations. "Savings" initiatives include those items that increase resources: deappropriations; revenue increases; transfers from other funds; and other positive adjustments to balances. "Spending" initiatives include all those items that decrease resources: appropriations; revenue decreases; transfers to other funds; and other negative adjustments to fund balance.

Amounts may not add due to rounding

Emergency FY13 Supplemental Budget
LD 250 as Amended
General Fund Adjustments - "Savings" Initiatives¹
Initiatives Increasing General Fund FY13 Balance

	\$ in Millions	% of Total
General Purpose Aid for Local Schools Reductions	\$47.7	32.1% ²
Higher Education Reductions	\$3.5	2.4%
Maine Budget Stabilization Fund Transfer	\$40.0	26.9%
Other Transfers from General Fund Reserves	\$17.1	11.5%
MaineCare Reductions/Savings	\$3.8	2.6%
Other DHHS Reductions/Savings	\$6.7	4.5%
Debt Service Savings	\$4.1	2.8%
Transfers from and Funding Shifted to Other Funds	\$6.8	4.6%
Estate Tax Receivable Recognition	\$7.0	4.7%
Salary and Position-related Savings	\$6.7	4.5%
Other Miscellaneous Savings and Reductions	\$5.2	3.5%
TOTAL ADJUSTMENTS INCREASING FY13 BALANCE	\$148.7	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.
- ² Includes a reduction of state subsidy to local school administrative units of \$12.6 million, a deferral of \$18.5 million of the June 2013 payment to July 2013, a transfer of \$2.0 million of funds set aside for the Fund for the Efficient Delivery of Educational Services in FY13, a transfer of \$14.1 million in dedicated funds from the Oxford Casino to supplement school subsidies, a line category transfer to fund a position in another program in Education and a reduction of \$0.4 million for bus refurbishing.

Amounts may not add due to rounding

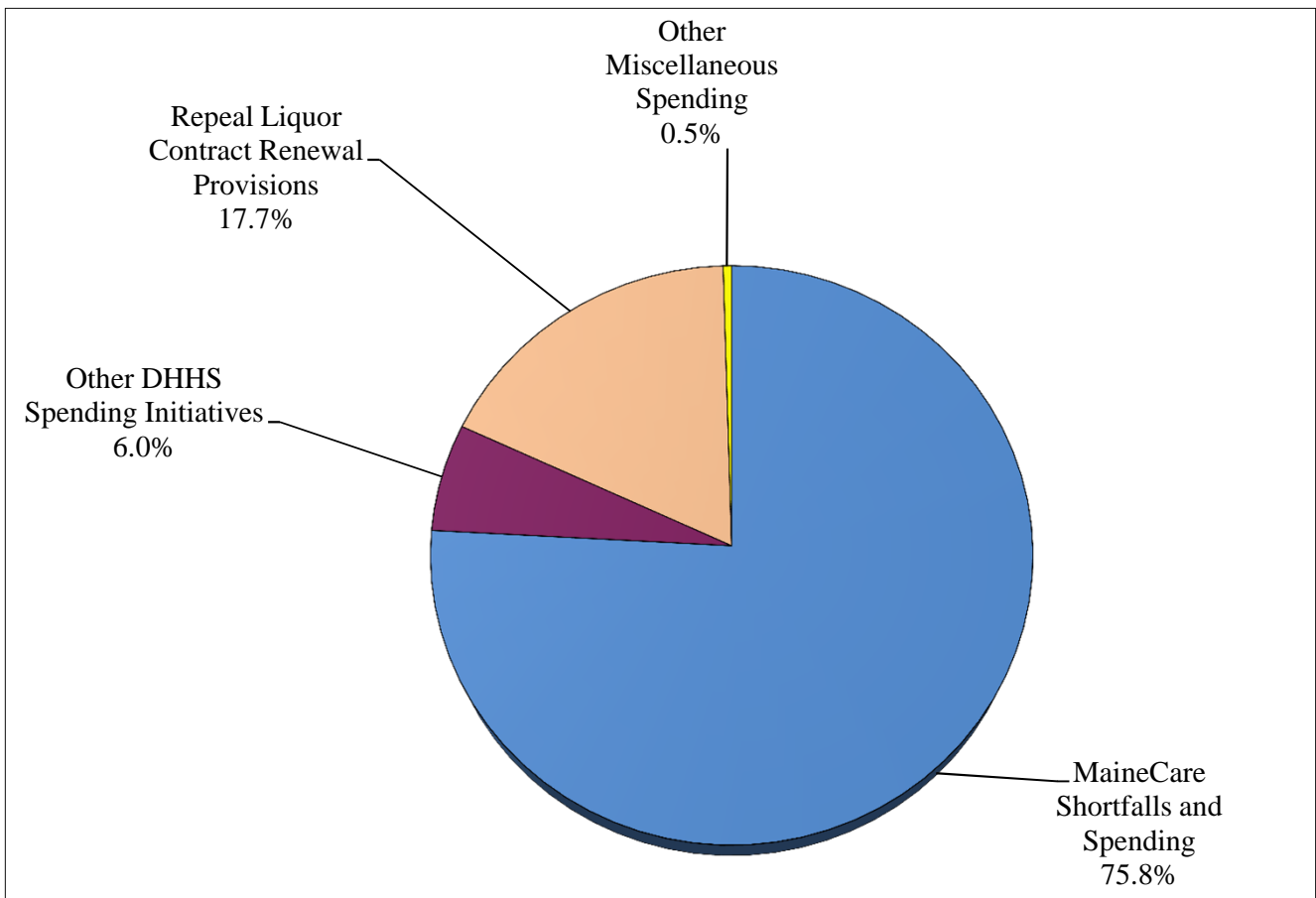
Emergency FY13 Supplemental Budget

LD 250 as Amended

General Fund Adjustments - "Spending" Initiatives ¹

Initiatives Decreasing General Fund FY13 Balance

	\$ in Millions	% of Total
MaineCare Shortfalls and Spending	\$85.8	75.8%
Other DHHS Spending Initiatives	\$6.8	6.0%
Repeal Liquor Contract Renewal Provisions	\$20.0	17.7%
Other Miscellaneous Spending	\$0.5	0.5%
TOTAL ADJUSTMENTS DECREASING FY13 BALANCE	\$113.1	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.

Amounts may not add due to rounding

Emergency FY13 Highway Fund Supplemental Budget
LD 324 as Proposed by Governor
Overview - Highway Fund Proposals
\$'s in millions

Changes to Highway Fund Balance	
FY13 Budgeted Ending Highway Fund Balance - Prior to December RFC	\$0.177 ¹
- December 2012 RFC Revenue Revision	\$2.186
FY13 Budgeted Ending Highway Fund Balance - Prior to EFY13 Proposals	\$2.363
Adjustments to Highway Fund Resources:	
Transfers/Adjustments to Balance	\$0.000
Revenue Changes	\$0.000
Adjustments to Highway Fund Allocations:	
Highway Fund Allocations	\$0.024
FY13 Budgeted Ending Balance after EFY13 Budget Bill	\$2.339

Adjustments to Highway Fund Allocations:	
> Funding for arbitration decisions that result in the reclassification of several positions in the Department of Public Safety, State Police program.	\$0.024
Net Changes to Highway Fund Allocations	\$0.024

Notes:

¹ Reflects budgeted ending balance for FY13 including FY12 closing transactions, all legislative changes through the 125th Legislature. The effect of the December 2012 Revenue Forecast is listed separately.

Amounts may not add due to rounding

Emergency FY13 Supplemental Budget
LD 250 as Amended
Overview - Fund for a Healthy Maine (FHM)
\$'s in millions

Changes to Fund for a Healthy Maine Balance	
FY13 Budgeted Ending Fund for a Healthy Maine Balance	\$1.301 ¹
> December 2012 RFC Revenue Revision	\$0.001
FY13 Budgeted Ending FHM Balance - LD 250	\$1.302
FHM Adjustments to Allocations in Governor's Proposals:	
> Increases funding for FHM - Medical Care program to increase the FHM share of the state seed for the MaineCare program.	\$1.424
> Reduces funding as a result of phasing in payments in the Medicare Part D "donut hole."	(\$0.080)
> Reduces funding as a result of the inclusion of new drugs in the elderly low-cost drugs program wraparound services for dual MaineCare and Medicare eligibles.	(\$0.110)
> Provides funding to the FHM - Attorney General Program for health insurance premiums due to a change in incumbent.	\$0.007
Net Changes to FHM Allocations - LD 250 as Amended	\$1.241
FY13 Budgeted Ending Balance after LD 250 as Amended	\$0.062

Notes:

¹ Reflects budgeted ending balance for FY13 including FY12 closing transactions, all legislative changes through the 125th Legislature. The effect of the December 2012 Revenue Forecast is listed separately.

Amounts may not add due to rounding

Emergency FY13 Supplemental Budget
LD 250 as Amended
Summary of Position Count Changes
All Funds

<u>Fund</u>	<u>Total Authorized Positions - Through 125th Legislature</u>	<u>Position Changes in Governor's EFY13 Budget Proposals ¹</u>	<u>Total Authorized FY13 Positions - With Governor's EFY13 Proposals</u>
General Fund	5,821.401	-1.000	5,820.401
Highway Fund	2,272.073	0.000	2,272.073
Fund for a Healthy Maine	9.000	0.000	9.000
Other Special Revenue Fund	2,351.728	0.000	2,351.728
Federal Expenditures Fund	1,493.921	-1.000	1,492.921
Federal Block Grant	118.500	0.000	118.500
Other Funds	1,257.820	2.000	1,259.820
Total Change of Authorized Positions	13,324.443	0.000	13,324.443

Notes:

¹ Reflects position count changes in the Governor's emergency supplemental budget proposals. No position count changes were proposed by the Governor in the Highway Fund EFY13 Supplemental Budget Bill.

Emergency FY13 Supplemental Budget

LD 250 as Amended

Overview Committee Changes

Increase (Decrease) of Budgeted General Fund Costs - \$'s in millions

FY 13

Changes to Spending Initiatives:

- > Reduces the total MaineCare appropriations, but gives DHHS additional authority to transfer available balances in the department to fully fund MaineCare cycles (\$1.802)
- > Increases the MaineCare rate for inpatient substance abuse services beginning April 1, 2013. \$0.149
- > Reduces additional appropriations for DHHS Foster Care/Adoption Assistance (\$0.600)
- > Reduces funding for DHHS Information System initiatives (\$1.900)
- > Authorizes the transfer of up to \$2.0 million from available funds to Maine Commission on Indigent Legal Services. \$0.000
- > Eliminates the All Other portion of appropriation for a position in Education. (\$0.038)

Changes to Savings Initiatives:

- > Retains the balances in the Reserve for Retirement Costs and lowers FY13 share of the year-end "Cascade" transfer for this reserve to \$4.1 million. \$2.871
- > Increases the amount of lapsed balances from Legislative accounts to \$1.4 million. (\$1.000)
- > Transfers to General Fund unappropriated surplus the first \$1,000,000 of unexpended Personal Services appropriations that would otherwise lapse to the Salary Plan. (\$1.000)
- > Transfers \$500,000 from the Uncontrolled Sites Fund in the Department of Environmental Protection to the General Fund. (\$0.500)
- > Increases the amount of debt service savings in Treasury from lowered assumptions of cash flow borrowing needs. (\$0.500)
- > Removes the cap on the State's share of General Assistance. \$0.000
- > Partially restores Mental Health Services - Community contracts primarily crisis services. \$1.084
- > Modifies other specific contracted services curtailment reductions within DHHS. \$1.227
- > Restores low-cost drugs for the elderly and disabled (including GF impact of FHM DEL proposed reductions). \$1.562
- > Eliminates reductions in payments to critical access hospitals and outpatient hospital rates. \$1.837
- > Delays final FY13 cycle payment to hospitals if necessary. (\$1.986)
- > Eliminates initiative limiting reimbursement for services provided to dually eligible members to LCSWs. \$0.825
- > Adds a 5% rate reduction for MaineCare services by licensed clinical professional counselors and licensed marriage and family therapists (\$0.195)
- > Eliminates the initiative eliminating state-funded medical coverage for individuals who reside in private nonmedical institutions. \$0.232
- > Modifies therapeutic leave initiative to allow for 4 hospital and one therapeutic leave days per year. \$0.082
- > Restores to Department of Labor Rehabilitation Services Maine Center on Deafness contract. \$0.020
- > Other net changes to savings initiatives. (\$0.058)