

Four-Year Planning Outlook

General Fund - State Only

Dollars in Millions

	2007-09		2009-11	
	2008	2009	2010	2011
Beginning Balance	786	952	774	119
Revenues				
Baseline (November 2007)	14,662	15,225	15,986	16,786
Budget Driven Revenue/Transfers/Other Adjustments	17	22		
Server Farm Tax Exemption			(13)	(18)
Governor's 2008 Supplemental Revenue Changes	-	(35)	(1)	(1)
Budget Stabilization Account Transfers		(136)	(143)	(150)
	14,679	15,075	15,829	16,616
		29,755		32,445
Expenditures				
Baseline Expenditures	14,482	15,141	15,736	16,329
Pension Cost Increases			74	89
Pension Funding Stabilization Account moves back to GF-S			166	282
Health Services Account Backfill			174	189
Student Achievement /Education Legacy Fund Backfill			186	272
2008 Supplemental Budget	32	112	148	196
	14,514	15,253	16,484	17,357
		29,767		33,841
Projected GF-S Ending Balance	952	774	119	(621)
GF-S/Rainy Day Fund Combined Balance				
GF-S Budget Surplus/(Deficit)	952	774	119	(621)
Emergency Reserve/Budget Stabilization Account Balance	293	430	573	723
	1,245	1,204	692	102

Revenue Growth: Baseline		
2008	2.3%	
2009	3.8%	
2010	5.0%	
2011	5.0%	
Expenditure Growth		
	Baseline	Total
2008	2.4%	2.6%
2009	4.5%	5.1%
2010	3.9%	8.1%
2011	3.8%	5.3%

Baseline Revenue and Expenditure Assumptions

Revenues are adjusted to the November 2007 revenue forecast, then 5% annual growth after 2009

2007-09 baseline expenditures reflect the 2007-09 budget as of May 2007.

Baseline expenditure projections for 2009-11 include the following assumptions:

Salary increases: for K-12, I-732 factors: 2.5%, 2.5% plus staff growth; for all other state employees, IPD: 1.9%, 1.8%; plus staff growth

Employee Health Benefits: 5.0% per year per cap growth, plus staff growth

Medical Assistance payments: 5.0% per year per cap growth, plus caseload/population growth

"Near Health Care" provider payment growth (MH, DD, LTC, ASA): annual 3.25% per cap growth, plus caseload/population growth

Other Provider Payments: IPD inflation: 1.9%, 1.8% per year, plus one half of annual growth in associated caseloads/population

Pension costs: no growth in baseline. (increases shown on a separate line)

All other objects: IPD inflation: 1.9%, 1.8% per year, plus one half of annual growth in associated caseload/population

Debt Service: 6% per year

Other Assumptions

Pension increases reflect growth in rates, salaries, and employment (based on State Actuary's November 2007 calculations)

Budget Stabilization Account balance includes a \$295m transfer from the Emergency Reserve Fund