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# **Section II**

## **Statewide Overview**

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## Summary

	FY 2012 Enacted	FY 2012 Final	FY 2013 Recommended	FY 2013 Enacted
<b>Expenditures by Function*</b>				
General Government	\$ 1,417.9	\$ 1,787.8	\$ 1,404.1	\$ 1,523.7
Human Services	3,112.8	3,071.1	3,179.6	3,186.7
Education	2,167.2	2,217.8	2,265.8	2,266.7
Public Safety	474.5	488.6	496.7	507.2
Natural Resources	102.8	111.9	104.9	103.9
Transportation	427.0	441.8	492.3	511.6
<b>Total</b>	<b>\$ 7,702.2</b>	<b>\$ 8,119.0</b>	<b>\$ 7,943.4</b>	<b>\$ 8,099.9</b>
<b>Expenditures by Category*</b>				
Salaries and Benefits	\$ 1,475.9	1,510.9	\$ 1,530.8	\$ 1,540.9
Contracted Services	235.5	268.4	254.1	274.2
<b>Subtotal</b>	<b>\$ 1,711.4</b>	<b>\$ 1,779.3</b>	<b>\$ 1,784.9</b>	<b>\$ 1,815.1</b>
Other State Operations	669.8	688.8	716.9	700.1
Aid to Local Units of Government	1,076.2	1,084.6	1,125.9	1,129.9
Assistance, Grants, and Benefits	3,605.2	3,847.5	3,540.8	3,665.1
Capital	255.8	298.1	356.6	370.5
Capital Debt Service	242.0	261.1	275.2	274.4
Operating Transfers	141.7	159.6	143.3	144.7
<b>Total</b>	<b>\$ 7,702.2</b>	<b>\$ 8,119.0</b>	<b>\$ 7,943.4</b>	<b>\$ 8,099.9</b>
<b>Sources of Funds*</b>				
General Revenue	\$ 3,142.5	\$ 3,139.3	\$ 3,269.2	\$ 3,295.8
Federal Aid	2,606.5	2,837.6	2,594.2	2,676.4
Restricted Receipts	189.6	229.4	224.1	232.5
Other	1,763.6	1,912.8	1,855.9	1,895.2
<b>Total</b>	<b>\$ 7,702.2</b>	<b>\$ 8,119.0</b>	<b>\$ 7,943.4</b>	<b>\$ 8,099.9</b>
<b>FTE Authorization</b>	<b>14,942.2</b>	<b>14,935.0</b>	<b>14,837.7</b>	<b>15,026.3</b>

*\*Data in millions*

## Summary

The House Finance Committee recommended passage of 2012-H 7323, Substitute A on May 31. The House passed it on June 8. The Senate followed suit on June 8 and June 11. The Governor signed it on June 15.

The Governor's budget recommendations for FY 2013, along with his revisions to the FY 2012 enacted budget, are contained in 2012-H 7323, introduced on February 1, 2012. The General Assembly extended the deadline for his budget submittal by 12 days from January 19 to January 31.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February.

The Governor recommended a total FY 2013 budget of \$7,943.4 million. Total expenditures increase \$241.2 million from the FY 2012 budget enacted by the 2011 Assembly, or 3.1 percent. His FY 2012 revised budget totals \$8,170.1 million; FY 2011 expenditures were \$7,718.5 million.

The recommended budget includes \$3,269.2 million of expenditures funded from general revenues, \$126.7 million, or 4.0 percent more than the enacted general revenue funded budget. They are also \$96.4 million more than his revised recommendation.

The Assembly adopted a budget with total expenditures of \$8,099.9 million, which is \$156.4 million more than the Governor recommended. It contains \$3,295.8 million from general revenues, which is \$26.7 million more than the Governor recommended.

<b>FY 2013</b>	<b>General</b>					<b>All Funds</b>
	<b>Revenue</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>		
FY 2012 Enacted	\$ 3,142.5	\$ 2,606.5	\$ 189.6	\$ 1,763.6	\$ 7,702.2	
Governor	3,269.2	2,594.2	224.1	1,855.9	7,943.4	
Change to Enacted	\$ 126.7	\$ (12.3)	\$ 34.5	\$ 92.4	\$ 241.2	
Percent Change	4.0%	-0.5%	18.2%	5.2%	3.1%	
<b>Assembly</b>	<b>\$ 3,295.8</b>	<b>\$ 2,676.4</b>	<b>\$ 232.5</b>	<b>\$ 1,895.2</b>	<b>\$ 8,099.9</b>	
Change to Enacted	153.3	69.9	42.9	131.6	397.6	
Percent Change	4.9%	2.7%	22.6%	7.5%	5.2%	
Change to Governor	\$ 26.7	\$ 82.1	\$ 8.4	\$ 39.2	\$ 156.4	
Assembly Change to FY 2012	\$ 156.6	\$ (161.2)	\$ 3.1	\$ (17.7)	\$ (19.2)	
Percent Change to FY 2012	5.0%	-5.7%	1.4%	-0.9%	-0.2%	

<b>FY 2012 Revised</b>	<b>General</b>					<b>All Funds</b>
	<b>Revenue</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>		
FY 2012 Enacted	\$ 3,142.5	\$ 2,606.5	\$ 189.6	\$ 1,763.6	\$ 7,702.2	
Governor's FY 2012 Revised	3,172.8	2,865.9	227.1	1,904.3	8,170.1	
Governor's Change to Enacted	\$ 30.3	\$ 259.5	\$ 37.4	\$ 140.7	\$ 467.9	
Percent Change	1.0%	10.0%	19.7%	8.0%	6.1%	
<b>Assembly</b>	<b>\$ 3,139.3</b>	<b>\$ 2,837.6</b>	<b>\$ 229.4</b>	<b>\$ 1,912.8</b>	<b>\$ 8,119.0</b>	
Change to Enacted	(3.2)	231.1	39.7	149.2	416.8	
Percent Change	-0.1%	8.9%	21.0%	8.5%	5.4%	
Change to Governor	\$ (33.5)	\$ (28.4)	\$ 2.3	\$ 8.5	\$ (51.1)	

### General Revenue Surplus Statement

The Governor recommended an ending FY 2013 surplus of \$1.4 million, and an operating deficit of \$4.6 million. The Assembly adopted an FY 2013 budget with an ending surplus of \$0.1 million, and has an operating deficit of \$77.4 million reflecting use of the FY 2012 surplus. The FY 2013 surplus

is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and expenditures.

The budget reserve and cash stabilization account, the “rainy day fund” would have an FY 2013 balance of \$170.7 million. The account received 2.6 percent of general revenues plus free surplus in FY 2011, 2.8 percent in FY 2012, and will receive 3.0 percent in FY 2013.

	FY 2011	FY 2012	FY 2013
<b>Opening Surplus</b>			
Free Surplus	\$ 17,889,522	\$ 64,229,426	\$ 93,870,509
Reappropriated Surplus	3,364,847	4,532,242	-
<b>Subtotal</b>	<b>\$ 21,254,369</b>	<b>\$ 68,761,668</b>	<b>\$ 93,870,509</b>
<b>Revenues</b>			
Enacted/Actual/Estimated	3,090,983,107	3,175,996,362	3,129,025,000
Governor	-	25,418,638	236,658,071
Assembly	-	55,985,000	(44,794,328)
Closing	(6,664,912)	-	-
<b>Revenues</b>	<b>3,084,318,195</b>	<b>3,257,400,000</b>	<b>3,320,888,743</b>
Cash Stabilization Fund	(80,657,401)	(93,005,624)	(102,442,778)
<b>Total Available Resources</b>	<b>\$ 3,024,915,163</b>	<b>\$ 3,233,156,044</b>	<b>\$ 3,312,316,475</b>
<b>Expenditures</b>			
Enacted/Actual/Estimated	2,956,153,495	3,142,501,188	3,368,607,032
Reappropriations	-	4,532,242	-
Governor	-	25,727,787	(99,453,997)
Assembly	-	(33,475,682)	26,683,455
<b>Total Expenditures</b>	<b>\$ 2,956,153,495</b>	<b>\$ 3,139,285,535</b>	<b>\$ 3,295,836,490</b>
<b>Total Surplus</b>	<b>\$ 68,761,668</b>	<b>\$ 93,870,509</b>	<b>\$ 16,479,985</b>
Transfer to IT and Fleet Funds	-	-	(16,350,000)
Reappropriations	(4,532,242)	-	-
<b>Free Surplus</b>	<b>\$ 64,229,426</b>	<b>\$ 93,870,509</b>	<b>\$ 129,985</b>
<i>Operating Surplus/(Deficit)</i>	<i>50,872,146</i>	<i>29,641,083</i>	<i>(77,390,525)</i>
<b>Budget Stabilization and Cash Reserve</b>	<b>\$ 130,292,724</b>	<b>\$ 152,794,954</b>	<b>\$ 170,737,963</b>
Percent of Revenues	4.2%	4.7%	5.1%

### Out-Year Forecasts

House Fiscal Staff estimates that in preparing the FY 2013 budget, the Governor faced a projected revenue-expenditure gap of \$130 million, which would grow to over \$270 million by FY 2017. This was somewhat lower than Staff’s FY 2013 forecast in the FY 2012 enacted budget, mainly because of pension reform adopted in November 2011. However, revisions and corrections to expenditure assumptions and a more pessimistic November 2011 economic forecast offset much of those savings. The Governor’s budget resolved this gap with increased revenues, some of a limited or one-time nature along with expenditure reductions.

The Governor’s budget projected the out-years to be significantly unbalanced. The forecast included with the Budget estimated a \$103.6 million gap for FY 2014, 3.1 percent of useable revenues, that grows to \$464.4 million in FY 2017, 12.0 percent of useable revenues. The FY 2014 gap is due to the use of one-time items in the resolution of the current budget gap as well as commitment of future expenses not reflected in FY 2013. Beginning in FY 2014, the estimate reflects the potential impact of casino gaming in Massachusetts. Those losses account for nearly one-third of the FY 2017 gap.

The gap narrowed by \$93.2 million for FY 2012 and \$32.7 million for FY 2013 due to stronger than expected revenue estimates and caseload changes adopted at the May 2012 Revenue and Caseload Estimating Conference. About \$60.6 million of the combined impact is due to expenditure savings or revenues that would be considered non-recurring.

The Assembly used these additional resources to close the budget gap without the significant increase in new revenues or certain reductions to human services programs as proposed by the Governor. The Assembly's budget also includes a number of one-time expenditures, initiatives that do not reflect a full year's impact or do not produce savings until FY 2014 or later. This is necessary to offset the use of FY 2012 surplus funds and other one-time savings in FY 2013 to limit the impact on out-year deficits. Examples of this include the October 1 effective date for the sales tax items, dedicating general revenues to reduce transportation debt, providing resources for fleet replacement and technology upgrades, restoring resources transferred from job training sources, and rejecting some of the one-time revenue items proposed by the Governor.

The FY 2013 enacted budget does not resolve the out-year budget gaps.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Opening Surplus	\$ 93.9	\$ 0.1	\$ -	\$ -	\$ -
Revenues	3,320.9	3,441.7	3,526.8	3,608.9	3,701.1
Cash Stabilization Fund	(102.4)	(103.3)	(105.8)	(108.3)	(111.0)
Useable Revenues	\$ 3,218.4	\$ 3,338.4	\$ 3,421.0	\$ 3,500.6	\$ 3,590.1
Expenditures	3,295.8	3,466.9	3,645.3	3,802.8	3,966.0
Total Surplus	\$ 0.1	\$ (128.3)	\$ (224.3)	\$ (302.2)	\$ (375.9)
Revenue Growth	1.9%	3.6%	2.5%	2.3%	2.6%
Useable Revenue Growth	1.7%	3.7%	2.5%	2.3%	2.6%
Expenditure Growth	5.0%	5.2%	5.1%	4.3%	4.3%
Surplus Percent of Useable Revenues	0.0%	-3.8%	-6.6%	-8.6%	-10.5%

Budgets in the early part of this decade through FY 1993 had out-year deficits projected for the subsequent budget cycle. By the FY 1994 budget, however, the upcoming years were balanced. Beginning with the FY 1996 budget, budgets were recommended with increasingly larger structural deficits. While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached an all-time high of over \$535 million in Governor Carcieri's final budget last year. This year's projected out-year deficits are somewhat lower, but significant.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Average
Governor's Budget	<b>Out-Year Forecasts</b>										
FY 2006	(143.8)	(100.6)	(96.6)								(109.9)
FY 2007	(134.6)	(107.0)	(18.5)	59.4							(50.2)
FY 2008		(379.2)	(369.1)	(394.5)	(449.2)						(398.0)
FY 2009			(17.0)	(1.6)	(20.8)	(12.3)					(12.9)
FY 2010				(155.6)	(370.0)	(429.9)	(482.4)				(359.5)
FY 2011					(362.2)	(416.2)	(457.8)	(535.7)			(443.0)
FY 2012*						(128.8)	(224.7)	(342.5)	(480.0)		(294.0)
FY 2013							(103.6)	(232.2)	(348.7)	(464.4)	(287.2)

\*Corrected for miscalculation of stated personnel growth rate assumptions

The table on the previous page shows the out-year forecast surpluses and deficits, as well as the four-year average for the past seven Governor's budgets, including the current one. Governor Chafee's outlook for FY 2014 assumes a \$103.6 million deficit, which represents 3.0 percent of usable revenues. That would grow to \$464.0 million and 13.3 percent of revenues by FY 2017; deficits during the four-year period average \$287.2 million and 8.3 percent of revenues.

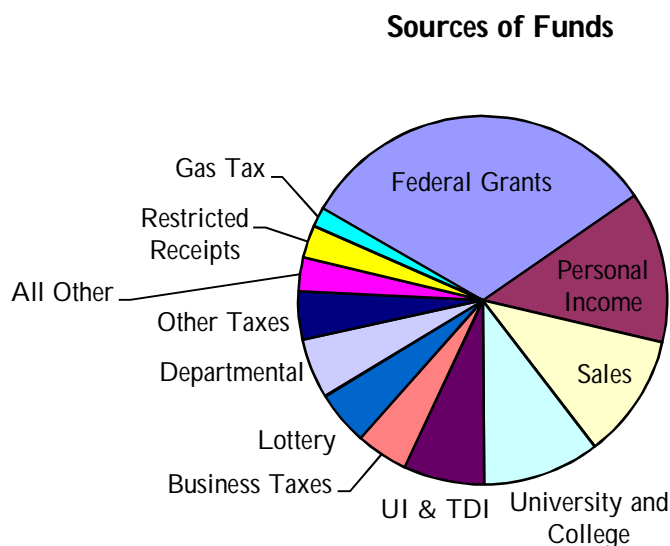
While the largest single contributor to the FY 2013 deficit the Governor was faced with solving was the use of one-time solutions to the FY 2012 budget including the FY 2011 surplus and federal funds for education aid used in lieu of general revenues. The newly forecasted deficit for FY 2013 is also largely due to the use of one-time items in the resolution of the current budget gap. There are also commitments to future general revenue expenses not in the FY 2013 budget. Beginning in FY 2014 the estimate reflects the potential impact of casino gaming in Massachusetts. Those losses account for nearly one-third of the FY 2017 gap. The Assembly adopted legislation to allow the voters to approve table gaming, which if approved, is expected to mitigate those losses somewhat.

However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2014 through FY 2017 and the FY 2013 budget itself. The growing out-year gaps illustrate the fact that expenditures are projected to grow at faster rates than revenues grow. The economic data used is from the November consensus economic forecast. This had been revised from earlier projections.

House Fiscal staff used the economic forecast adopted in May 2012 to construct the most recent out-year projections shown in the earlier table. It includes the projected impact from Massachusetts casino gaming with no table games in the state's facilities, as the voters have not yet approved that.

### Sources of Funds

The revenue sources for the enacted budget are shown in the following graph. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenue Changes*.



- *Federal funds* continue to be the single largest source, accounting for approximately 32.1 percent of all revenues in FY 2013. Expenditures from federal sources of \$2,604.1 million, excluding unemployment funds, are \$48.0 million more than enacted for FY 2012, a 1.9 percent increase, and are from 316 different federal programs.

Medicaid is the single largest source of federal funds. The Budget includes \$1,113.8 million from Medicaid, 50.0 percent of all federal funds, and 13.8 percent of all revenues. Supplemental Nutrition funding of \$298.3 million is the second largest category, 13.4 percent of federal funds. The following table shows the ten largest sources, along with the percent of total federal expenditures attributable to each. They account for 77.2 percent of all federal funds expenditures, with the remaining 306 programs accounting for the other 22.8 percent.

<b>Top Ten Federal Sources</b>	<i>Amount</i>	<i>Percent of Total</i>	<i>Cumulative Percent</i>
Medicaid	\$ 1,113,825,644	50.0%	50.0%
Supplemental Nutrition (Food Stamps)	298,251,738	13.4%	63.4%
Temporary Assistance to Needy Families (TANF)	76,140,519	3.4%	66.8%
Title I Grants to Local Education Agencies	49,990,513	2.2%	69.0%
Special Education Grants to States	45,238,956	2.0%	71.0%
CHIP Children's Health Insurance	35,132,314	1.6%	72.6%
National School Lunch Program	27,346,584	1.2%	73.9%
Race to the Top Education Funds	26,147,331	1.2%	75.0%
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	25,989,868	1.2%	76.2%
Social Services Block Grant	23,248,066	1.0%	77.2%

- *Sales and personal income taxes* combine for 24.2 percent of all revenues in FY 2013 and 59.2 percent of all general revenues. Combined with federal funds, they total over half, 56.3 percent.
- *Personal Income taxes* at \$1,080.9 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2013 estimate is \$70.8 million more than the FY 2012 enacted budget estimates, or 7.0 percent.
- *Sales tax* revenues of \$886.7 million are the second largest of general revenue sources. That amount is \$40.2 million more than enacted for FY 2012, or 4.7 percent.
- *University and College Funds* are \$834.6 million and 10.3 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored research, the direct student loan program, and federal scholarship and grant funds like the Pell grants. These would increase \$31.7 million or 3.9 percent over FY 2012 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$577.2 million, which are \$80.3 million more than the levels estimated for the FY 2012 enacted budget.
- *Business taxes* of \$369.2 million account for 4.5 percent of total revenues and 11.1 percent of general revenues for FY 2013. They would increase \$2.1 million or 0.6 percent from the enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.

- The *Lottery* is expected to contribute \$387.6 million, which is 4.8 percent of all revenues and 11.7 percent of general revenues, the third largest source.
- *Departmental Revenues* of \$342.9 million include \$141.3 million from extending the hospital licensing fee another year. Departmental revenues would be 4.2 percent of all revenues and 10.3 percent of general revenues.
- *Other taxes* include motor vehicle, cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$241.4 million in the FY 2013 budget and comprise 3.0 percent of all sources but 7.3 percent of general revenues.
- The *gas tax*, currently 32.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund, is estimated to produce \$4.21 million from each cent in FY 2013 for a total of \$139.0 million.
- The remaining sources, estimated at \$661.5 million, constitute 8.1 percent of all FY 2013 sources and include sources dedicated to specific purposes (restricted receipts), unclaimed property and miscellaneous other items.

The following table shows FY 2013 sources with items contributing to general revenues in bold type. It shows the total percent it contributes to all funds and general revenues for each source.

<b>All Sources</b>	<i>All Funds</i>	<i>Contribution</i>	<i>General Revenue</i>	<i>Contribution</i>
Federal Grants	\$ 2,604.1	32.1%	\$ -	0.0%
<b>Personal Income</b>	1,080.9	13.3%	1,080.9	32.5%
<b>Sales</b>	886.7	10.9%	886.7	26.7%
University and College	834.6	10.3%	-	0.0%
UI & TDI	577.2	7.1%	-	0.0%
<b>Business Taxes</b>	369.2	4.5%	369.2	11.1%
<b>Lottery</b>	387.6	4.8%	387.6	11.7%
<b>Departmental</b>	342.9	4.2%	342.9	10.3%
<b>Other Taxes</b>	241.4	3.0%	241.4	7.3%
<b>All Other</b>	428.9	5.3%	12.3	0.4%
Restricted Receipts	232.5	2.9%	-	0.0%
Gas Tax	139.0	1.7%	-	0.0%
<b>Total</b>	<b>\$ 8,124.9</b>	<b>100.0%</b>	<b>\$ 3,320.9</b>	<b>100.0%</b>

### FY 2013 Expenditures

The Assembly enacted expenditures of \$8,099.9 million, which are \$397.6 million more than enacted for FY 2012, 5.2 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

The presentation of expenditure by function and category discussed in the following sections reflects the data in the enacted budget. These are distorted by the transfer of certain energy programs from Administration to the Department of Human Services.



## Expenditures by Function

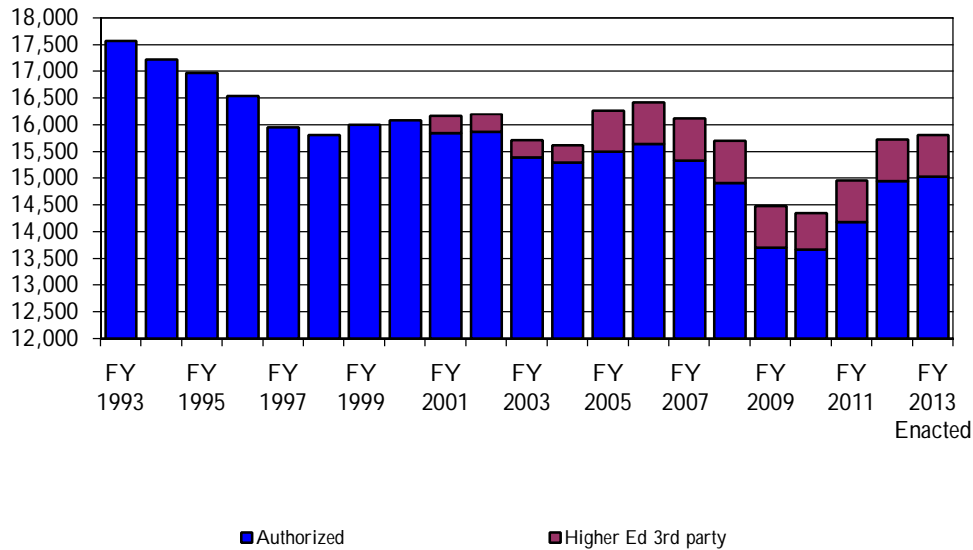
- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$3,186.7 million are 39.3 percent of all expenditures and 39.3 percent of those funded from general revenues. These expenditures are \$73.9 million more than enacted for FY 2012 by the 2011 Assembly. Those funded from general revenues are \$36.0 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, historical preservation and heritage, and public television. Aid to local units of government represents 13.1 percent, \$1,062.6 million of the \$2,266.7 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 28.0 percent of total expenditures, but 33.9 percent of general revenue funded ones. They increase by \$99.5 million over the enacted FY 2012 budget, and those funded from general revenues increase by \$77.6 million.
- The Budget includes \$507.2 million for *Public Safety* expenditures, \$32.7 million more than the enacted budget. They comprise 6.3 percent of all expenditures and 12.3 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$103.9 million, which is \$1.2 million more than enacted for FY 2012. They are 1.3 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 6.3 percent of expenditures and include the state's highway and transit programs. Funding of \$511.6 million, none from general revenues, is \$84.6 million more than enacted for FY 2012.
- The remaining 18.8 percent of expenditures, \$1,523.7 million, are for the *General Government* programs. These include those programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training. The expenditures also include all the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. Expenditures for General Government are \$105.8 million or 7.5 percent more than the enacted budget.

## Expenditures by Category

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital, and operating transfers.

*State Operations* are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional services*. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

### Full-Time Equivalent Positions



The Budget includes \$1,540.9 million for total *salaries and benefits* for 15,026.3 full-time equivalent positions and *contracted services* expenditures of \$274.2 million. Salary and benefit expenditures are \$65.1 million more than the enacted budget; contracted services expenditures increase \$38.7 million, primarily from new education initiatives. Salaries and benefits account for 19.0 percent of total expenditures and 24.6 percent of those funded from general revenues. Expenditures for contracted services account for 3.4 percent of the total budget and 1.4 percent of those funded from general revenues.

The Budget includes \$700.1 million for *other state operations*, which constitute 8.6 percent of FY 2013 expenditures from all sources and 3.8 percent of those funded with general revenues.

*Local Aid, or Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The Budget includes \$1,129.9 million for *aid to local units of government* that includes \$1,062.6 million in education aid and \$67.3 million in general state aid. Education aid increases \$53.5 million while general aid is \$0.1 million more than enacted for FY 2012 by the 2011 Assembly. These expenditures comprise 13.9 percent of all expenditures. However, they comprise 29.2 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$962.4 million consist of \$896.1 million in education aid and \$66.3 million in general state aid. General revenue funded education aid increases \$68.6 million; general aid is \$0.1 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

*Assistance, Grants, and Benefits* constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including RItE Share and RItE Care, pharmaceutical assistance programs, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure. The following table shows the major grants in human services.

Assistance, grants, and benefits total \$3,665.1 million and constitute the largest category, 45.2 percent of all expenditures and 35.0 percent of general revenue funded expenditures. While these include employment security and temporary disability fund expenditures, human services medical assistance, food stamps, and cash assistance make up most of these expenditures. These expenditures are \$59.9 million more than the enacted budget considering all sources, and \$32.7 million more from general revenues.

OHHS-Human Services Grants	All Funds				General Revenues			
	FY 2011 Reported	FY 2012 Final	FY 2013 Enacted	Change	FY 2011 Reported	FY 2012 Final	FY 2013 Enacted	Change
<b>OHHS/Human Services</b>								
Managed Care	\$ 574.2	\$ 576.0	\$ 595.7	\$ 19.7	\$ 215.0	\$ 268.9	\$ 283.4	\$ 14.5
Long Term Care	403.4	417.1	432.6	15.5	156.2	198.8	209.9	11.1
Hospitals	247.4	221.4	222.9	1.5	113.2	109.0	107.3	(1.6)
Rhody Health	176.9	182.4	209.7	27.3	65.9	88.1	102.9	14.8
Other	123.5	116.0	117.8	1.8	38.0	42.9	43.8	0.9
Pharmacy	37.7	47.4	53.6	6.2	37.1	48.2	52.4	4.1
Medical Assistance Total	\$ 1,563.2	\$ 1,560.3	\$ 1,632.3	\$ 72.1	\$ 625.4	\$ 756.0	\$ 799.6	\$ 43.6
Child Care	\$ 48.8	\$ 47.9	\$ 49.0	\$ 1.2	\$ 9.3	\$ 9.7	\$ 9.7	\$ -
Rhode Island Works Program	39.0	40.2	40.8	0.6	-	-	-	-
SSI State Program	20.9	18.6	18.2	(0.4)	20.9	18.6	18.2	(0.4)
Cash Assistance Total	\$ 108.7	\$ 106.7	\$ 108.1	\$ 1.4	\$ 30.2	\$ 28.3	\$ 27.9	\$ (0.4)
Supplemental Nutrition Assistance	\$ 225.1	\$ 298.2	\$ 298.2	\$ -	\$ -	\$ -	\$ -	\$ -
Women, Infants and Children	\$ 13.1	\$ 19.6	\$ 19.5	\$ (0.1)	\$ -	\$ -	\$ -	\$ -
Low Income Heating and Energy Assistance Program (LIHEAP)*	\$ -	\$ -	\$ 17.5	\$ 17.5	\$ -	\$ -	\$ -	\$ -
HIV/AIDS**	\$ -	\$ 7.3	\$ 7.3	\$ -	\$ -	\$ 2.6	\$ 2.6	\$ -
Weatherization*	\$ -	\$ -	\$ 7.2	\$ 7.2	\$ -	\$ -	\$ -	\$ -
<b>DHS/Division of Elderly Affairs</b>								
RIPAE/Supplemental Pharm.	\$ 1.0	\$ 0.4	\$ 0.3	\$ (0.1)	\$ 0.9	\$ -	\$ -	\$ -
Medical Assistance	\$ 13.5	\$ 7.8	\$ 8.3	\$ 0.5	\$ 5.9	\$ 7.1	\$ 7.8	\$ 0.7
Grants to Providers	\$ 9.1	\$ 11.4	\$ 9.4	\$ (2.1)	\$ 1.9	\$ 1.6	\$ 1.6	\$ -
<b>Behavioral Healthcare, Developmental Disabilities and Hospitals</b>								
Developmental Disabilities	\$ 201.9	\$ 172.3	\$ 182.5	\$ 10.2	\$ 77.0	\$ 81.9	\$ 88.1	\$ 6.2
Behavioral Health	\$ 98.3	\$ 103.8	\$ 105.3	\$ 1.5	\$ 37.4	\$ 33.5	\$ 32.4	\$ (1.1)
<b>Children, Youth and Families</b>								
Child Welfare	\$ 127.0	\$ 110.2	\$ 110.4	\$ 0.2	\$ 80.9	\$ 77.3	\$ 79.2	\$ 1.9
Children's Behavioral Health	\$ 21.5	\$ 16.5	\$ 14.6	\$ (1.9)	\$ 10.1	\$ 8.6	\$ 8.1	\$ (0.5)
Juvenile Corrections	\$ 8.9	\$ 7.2	\$ 6.5	\$ (0.8)	\$ 6.8	\$ 5.9	\$ 5.6	\$ (0.3)
Higher Ed. Incentive Grants	\$ 0.2	\$ 0.2	\$ 0.2	\$ -	\$ 0.2	\$ 0.2	\$ 0.2	\$ -
<b>Health</b>								
Women, Infants and Children	\$ 6.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HIV Surveillance**	\$ 7.9	\$ 0.5	\$ 0.8	\$ 0.4	\$ 2.2	\$ 0.4	\$ 0.2	\$ (0.2)
Tobacco and Smoking Cessation	\$ 0.3	\$ 0.2	\$ 0.0	\$ (0.1)	\$ 0.3	\$ 0.1	\$ 0.0	\$ (0.1)
Grants to Providers	\$ 13.1	\$ 15.0	\$ 14.4	\$ (0.6)	\$ 1.5	\$ 1.5	\$ 1.1	\$ (0.4)
*Transferred from the Department of Administration								
** Treatment services transferred to the Office of Health and Human Services								

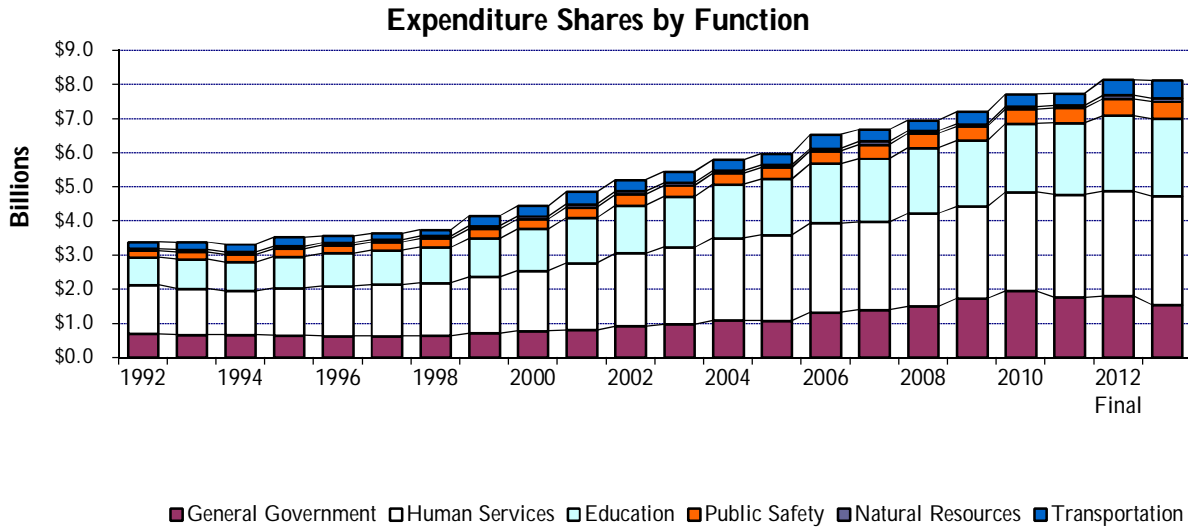
Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget presented as part of the Governor's budget.

Capital expenses total \$370.5 million, or 4.6 percent of all expenditures; debt service of \$274.4 million is 3.4 percent. Capital expenditures are \$114.7 million more than enacted for FY 2012 and debt service is \$32.3 million more. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

*Operating Transfers* are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to the Economic Development Corporation. They total \$144.7 million and constitute 1.8 percent of the total budget. The general revenues portion is \$5.9 million, 0.2 percent of general revenue funded expenditures.

## Distribution of Total Expenditures

Expenditures can be aggregated a number of ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.



*General Government* programs include the regulatory and administrative functions that support all other functions and all the general officers except the Attorney General, whose expenditures are classified under Public Safety.

*Human Services* includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state’s general hospitals.

*Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, historical preservation and heritage, and public television.

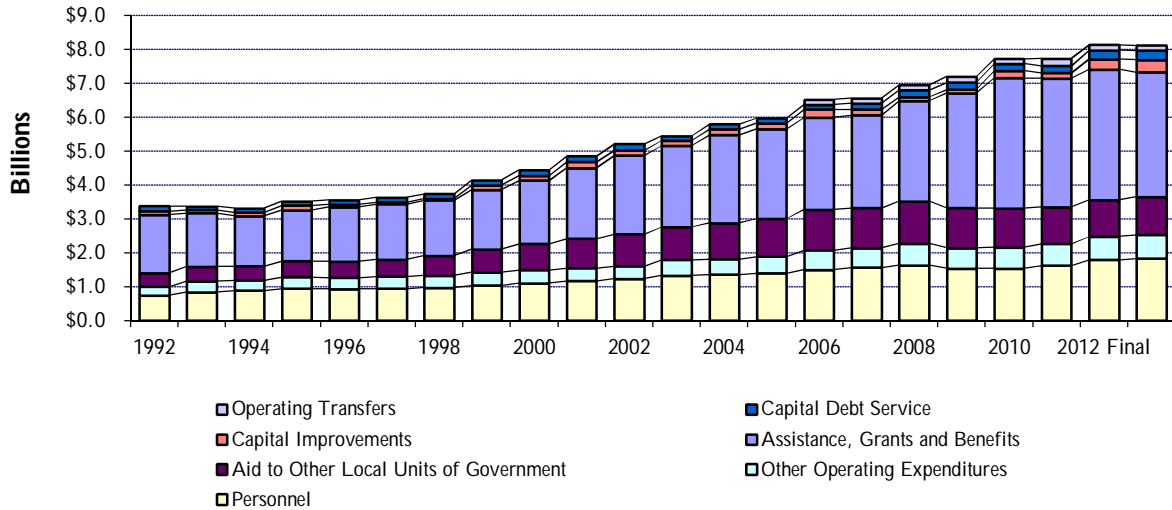
*Public Safety* includes the state’s law enforcement, adjudication, and penal programs.

The *Natural Resources* function includes the programs that protect the natural and physical resources of the state through regulation and planning and that provide safe recreational resources.

*Transportation* programs include all highway and transit programs, except airports, which are under the quasi-public Rhode Island Airport Corporation.

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits; and capital.

## Expenditure Shares by Category



*State Operations* are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. *Personnel* expenditures include salaries and wages, fringe benefits, workers' compensation and unemployment compensation, and consultant services. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

*Local Aid*, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid.

*Assistance, Grants, and Benefits* constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including RIte Share and RIte Care, pharmaceutical assistance programs, property tax circuit breaker expenditures, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, and unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure.

*Capital* expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

However, the Budget now includes capital purchases that had formerly been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

*Operating Transfers* are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers to quasi-public agencies, such as the transfer to the Economic Development Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

Staff has reviewed the Governor's recommended changes to the enacted budget for each agency and department, and compared them to the changes requested by those agencies and departments. These analyses along with the Assembly's action are presented in the next section. The agencies and departments are arranged by function.

## Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. The percentages shown in the table represent the percent of the total shown in each cell.



## Expenditures from All Funds

<b>FY 2011 Reported</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	214.3 2.8%	319.7 4.1%	464.4 6.0%	316.9 4.1%	47.0 0.6%	55.8 0.7%	\$ 1,418.2 18.4%
Contracted Services	16.6 0.2%	65.6 0.9%	54.5 0.7%	15.8 0.2%	6.1 0.1%	35.4 0.5%	193.9 2.5%
Other State Operations	285.4 3.7%	75.8 1.0%	194.0 2.5%	39.5 0.5%	8.8 0.1%	31.2 0.4%	634.7 8.2%
Aid to Local Units of Government	60.6 0.8%	- 0.0%	1,033.2 13.4%	- 0.0%	- 0.0%	- 0.0%	1,093.8 14.2%
Assistance, Grants & Benefits	902.5 11.7%	2,536.8 32.9%	274.7 3.6%	51.3 0.7%	6.3 0.1%	17.5 0.2%	3,789.0 49.1%
Capital	12.7 0.2%	4.6 0.1%	25.9 0.3%	16.0 0.2%	5.2 0.1%	100.8 1.3%	165.1 2.1%
Debt Service	166.4 2.2%	- 0.0%	40.2 0.5%	- 0.0%	- 0.0%	- 0.0%	206.6 2.7%
Operating Transfers	86.2 1.1%	9.9 0.1%	16.6 0.2%	- 0.0%	0.0 0.0%	104.5 1.4%	217.3 2.8%
<b>Total</b>	<b>\$ 1,744.7 22.6%</b>	<b>\$ 3,012.4 39.0%</b>	<b>\$ 2,103.3 27.3%</b>	<b>\$ 439.5 5.7%</b>	<b>\$ 73.4 1.0%</b>	<b>\$ 345.2 4.5%</b>	<b>\$ 7,718.5 100.0%</b>

<b>FY 2012 Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	214.5 2.8%	325.5 4.2%	475.5 6.2%	344.2 4.5%	49.6 0.6%	66.5 0.9%	\$ 1,475.9 19.2%
Contracted Services	23.2 0.3%	71.5 0.9%	71.5 0.9%	16.6 0.2%	15.7 0.2%	37.1 0.5%	235.5 3.1%
Other State Operations	279.4 3.6%	80.6 1.0%	216.9 2.8%	41.9 0.5%	10.8 0.1%	40.4 0.5%	669.8 8.7%
Aid to Local Units of Government	67.1 0.9%	- 0.0%	1,009.0 13.1%	- 0.0%	- 0.0%	- 0.0%	1,076.2 14.0%
Assistance, Grants & Benefits	570.7 7.4%	2,596.9 33.7%	309.8 4.0%	51.6 0.7%	7.7 0.1%	68.6 0.9%	3,605.2 46.8%
Capital	28.9 0.4%	32.6 0.4%	40.6 0.5%	20.1 0.3%	19.0 0.2%	114.6 1.5%	255.8 3.3%
Debt Service	200.7 2.6%	- 0.0%	41.3 0.5%	- 0.0%	- 0.0%	- 0.0%	242.0 3.1%
Operating Transfers	33.4 0.4%	5.8 0.1%	2.5 0.0%	- 0.0%	0.1 0.0%	99.9 1.3%	141.7 1.8%
<b>Total</b>	<b>\$ 1,417.9 18.4%</b>	<b>\$ 3,112.8 40.4%</b>	<b>\$ 2,167.2 28.1%</b>	<b>\$ 474.5 6.2%</b>	<b>\$ 102.8 1.3%</b>	<b>\$ 427.0 5.5%</b>	<b>\$ 7,702.2 100.0%</b>

## Expenditures from All Funds

<b>FY 2013 Recommended</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	212.7 2.7%	343.1 4.3%	498.1 6.3%	354.2 4.5%	48.3 0.6%	74.5 0.9%	\$ 1,530.8 19.3%
Contracted Services	19.5 0.2%	80.4 1.0%	86.5 1.1%	17.1 0.2%	13.5 0.2%	37.2 0.5%	254.1 3.2%
Other State Operations	303.5 3.8%	97.4 1.2%	217.6 2.7%	43.7 0.6%	12.8 0.2%	41.8 0.5%	716.9 9.0%
Aid to Local Units of Government	67.3 0.8%	- 0.0%	1,058.6 13.3%	- 0.0%	- 0.0%	- 0.0%	1,125.9 14.2%
Assistance, Grants & Benefits	498.8 6.3%	2,629.8 33.1%	318.5 4.0%	54.0 0.7%	7.3 0.1%	32.3 0.4%	3,540.8 44.6%
Capital	44.7 0.6%	22.7 0.3%	33.8 0.4%	27.7 0.3%	23.0 0.3%	204.7 2.6%	356.6 4.5%
Debt Service	222.5 2.8%	- 0.0%	52.6 0.7%	- 0.0%	- 0.0%	- 0.0%	275.2 3.5%
Operating Transfers	35.1 0.4%	6.2 0.1%	0.1 0.0%	- 0.0%	0.1 0.0%	101.8 1.3%	143.3 1.8%
<b>Total</b>	<b>\$ 1,404.1 17.7%</b>	<b>\$ 3,179.6 40.0%</b>	<b>\$ 2,265.8 28.5%</b>	<b>\$ 496.7 6.3%</b>	<b>\$ 104.9 1.3%</b>	<b>\$ 492.3 6.2%</b>	<b>\$ 7,943.4 100.0%</b>

<b>FY 2013 Recommended Change to Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	(1.8) -0.7%	17.5 7.3%	22.6 9.4%	9.9 4.1%	(1.3) -0.6%	8.0 3.3%	\$ 54.9 22.8%
Contracted Services	(3.7) -1.5%	8.9 3.7%	15.0 6.2%	0.5 0.2%	(2.1) -0.9%	0.1 0.0%	18.6 7.7%
Other State Operations	24.1 10.0%	16.8 7.0%	0.7 0.3%	1.9 0.8%	2.0 0.8%	1.5 0.6%	47.0 19.5%
Aid to Local Units of Government	0.1 0.1%	- 0.0%	49.6 20.5%	- 0.0%	- 0.0%	- 0.0%	49.7 20.6%
Assistance, Grants & Benefits	(71.9) -29.8%	32.9 13.6%	8.8 3.6%	2.4 1.0%	(0.4) -0.2%	(36.3) -15.0%	(64.5) -26.7%
Capital	15.8 6.5%	(9.9) -4.1%	(6.9) -2.8%	7.6 3.2%	4.0 1.6%	90.1 37.4%	100.7 41.8%
Debt Service	21.8 9.0%	- 0.0%	11.3 4.7%	- 0.0%	- 0.0%	- 0.0%	33.1 13.7%
Operating Transfers	1.7 0.7%	0.4 0.2%	(2.5) -1.0%	- 0.0%	- 0.0%	1.9 0.8%	1.6 0.7%
<b>Total</b>	<b>\$ (13.8) -5.7%</b>	<b>\$ 66.7 27.7%</b>	<b>\$ 98.6 40.9%</b>	<b>\$ 22.3 9.2%</b>	<b>\$ 2.1 0.9%</b>	<b>\$ 65.3 27.1%</b>	<b>\$ 241.2 100.0%</b>

## Expenditures from All Funds

<b>FY 2013 Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	218.8 2.7%	347.0 4.3%	498.8 6.2%	353.7 4.4%	48.1 0.6%	74.5 0.9%	\$ 1,540.9 19.0%
Contracted Services	40.9 0.5%	79.5 1.0%	86.3 1.1%	16.7 0.2%	13.6 0.2%	37.2 0.5%	274.2 3.4%
Other State Operations	299.3 3.7%	87.4 1.1%	212.9 2.6%	48.0 0.6%	10.9 0.1%	41.6 0.5%	700.1 8.6%
Aid to Local Units of Government	67.3 0.8%	- 0.0%	1,062.6 13.1%	- 0.0%	- 0.0%	- 0.0%	1,129.9 13.9%
Assistance, Grants & Benefits	599.3 7.4%	2,647.5 32.7%	319.7 3.9%	58.9 0.7%	7.5 0.1%	32.3 0.4%	3,665.1 45.2%
Capital	39.6 0.5%	19.3 0.2%	33.7 0.4%	29.8 0.4%	23.7 0.3%	224.4 2.8%	370.5 4.6%
Debt Service	221.7 2.7%	- 0.0%	52.6 0.6%	- 0.0%	- 0.0%	- 0.0%	274.4 3.4%
Operating Transfers	36.8 0.5%	6.1 0.1%	0.1 0.0%	- 0.0%	0.1 0.0%	101.7 1.3%	144.7 1.8%
<b>Total</b>	<b>\$ 1,523.7 18.8%</b>	<b>\$ 3,186.7 39.3%</b>	<b>\$ 2,266.7 28.0%</b>	<b>\$ 507.2 6.3%</b>	<b>\$ 103.9 1.3%</b>	<b>\$ 511.6 6.3%</b>	<b>\$ 8,099.9 100.0%</b>

<b>FY 2013 Change to Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	4.3 1.1%	21.4 5.4%	23.3 5.9%	9.5 2.4%	(1.5) -0.4%	8.0 2.0%	\$ 65.1 16.4%
Contracted Services	17.7 4.5%	8.0 2.0%	14.8 3.7%	0.1 0.0%	(2.0) -0.5%	0.1 0.0%	38.7 9.7%
Other State Operations	19.9 5.0%	6.8 1.7%	(4.0) -1.0%	6.1 1.5%	0.2 0.0%	1.3 0.3%	30.3 7.6%
Aid to Local Units of Government	0.1 0.0%	- 0.0%	53.5 13.5%	- 0.0%	- 0.0%	- 0.0%	53.7 13.5%
Assistance, Grants & Benefits	28.6 7.2%	50.6 12.7%	9.9 2.5%	7.3 1.8%	(0.3) -0.1%	(36.3) -9.1%	59.9 15.1%
Capital	10.7 2.7%	(13.3) -3.3%	(6.9) -1.7%	9.7 2.4%	4.7 1.2%	109.8 27.6%	114.7 28.8%
Debt Service	21.0 5.3%	- 0.0%	11.3 2.8%	- 0.0%	- 0.0%	- 0.0%	32.3 8.1%
Operating Transfers	3.4 0.9%	0.3 0.1%	(2.5) -0.6%	- 0.0%	- 0.0%	1.7 0.4%	3.0 0.7%
<b>Total</b>	<b>\$ 105.8 26.6%</b>	<b>\$ 73.9 18.6%</b>	<b>\$ 99.5 25.0%</b>	<b>\$ 32.7 8.2%</b>	<b>\$ 1.2 0.3%</b>	<b>\$ 84.6 21.3%</b>	<b>\$ 397.6 100.0%</b>

## Expenditures from All Funds

<b>FY 2013 Change to Governor</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	6.1 <i>3.9%</i>	3.9 <i>2.5%</i>	0.7 <i>0.5%</i>	(0.4) <i>-0.3%</i>	(0.1) <i>-0.1%</i>	0.0 <i>0.0%</i>	\$ 10.1 <i>6.5%</i>
Contracted Services	21.4 <i>13.7%</i>	(0.9) <i>-0.6%</i>	(0.2) <i>-0.1%</i>	(0.3) <i>-0.2%</i>	0.1 <i>0.1%</i>	- <i>0.0%</i>	20.1 <i>12.8%</i>
Other State Operations	(4.2) <i>-2.7%</i>	(10.0) <i>-6.4%</i>	(4.7) <i>-3.0%</i>	4.3 <i>2.7%</i>	(1.8) <i>-1.2%</i>	(0.2) <i>-0.1%</i>	(16.7) <i>-10.7%</i>
Aid to Local Units of Government	- <i>0.0%</i>	- <i>0.0%</i>	4.0 <i>2.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	4.0 <i>2.5%</i>
Assistance, Grants & Benefits	100.5 <i>64.2%</i>	17.7 <i>11.3%</i>	1.1 <i>0.7%</i>	4.9 <i>3.1%</i>	0.2 <i>0.1%</i>	- <i>0.0%</i>	124.3 <i>79.5%</i>
Capital	(5.1) <i>-3.2%</i>	(3.4) <i>-2.2%</i>	(0.1) <i>0.0%</i>	2.1 <i>1.3%</i>	0.8 <i>0.5%</i>	19.7 <i>12.6%</i>	14.0 <i>8.9%</i>
Debt Service	(0.8) <i>-0.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(0.8) <i>-0.5%</i>
Operating Transfers	1.7 <i>1.1%</i>	(0.2) <i>-0.1%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(0.1) <i>-0.1%</i>	1.4 <i>0.9%</i>
<b>Total</b>	<b>\$ 119.6</b> <i>76.4%</i>	<b>\$ 7.1</b> <i>4.6%</i>	<b>\$ 0.9</b> <i>0.6%</i>	<b>\$ 10.4</b> <i>6.7%</i>	<b>\$ (1.0)</b> <i>-0.6%</i>	<b>\$ 19.3</b> <i>12.4%</i>	<b>\$ 156.4</b> <i>100.0%</i>

<b>FY 2013 Change to FY 2011</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	4.5 <i>1.2%</i>	27.2 <i>7.1%</i>	34.5 <i>9.0%</i>	36.8 <i>9.7%</i>	1.1 <i>0.3%</i>	18.6 <i>4.9%</i>	\$ 122.8 <i>32.2%</i>
Contracted Services	24.3 <i>6.4%</i>	13.9 <i>3.6%</i>	31.9 <i>8.4%</i>	0.9 <i>0.2%</i>	7.6 <i>2.0%</i>	1.8 <i>0.5%</i>	80.4 <i>21.1%</i>
Other State Operations	13.8 <i>3.6%</i>	11.6 <i>3.0%</i>	18.9 <i>5.0%</i>	8.5 <i>2.2%</i>	2.1 <i>0.6%</i>	10.5 <i>2.7%</i>	65.5 <i>17.2%</i>
Aid to Local Units of Government	6.7 <i>1.8%</i>	- <i>0.0%</i>	29.4 <i>7.7%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	36.1 <i>9.5%</i>
Assistance, Grants & Benefits	(303.2) <i>-79.5%</i>	110.7 <i>29.0%</i>	45.0 <i>11.8%</i>	7.7 <i>2.0%</i>	1.2 <i>0.3%</i>	14.7 <i>3.9%</i>	(123.9) <i>-32.5%</i>
Capital	26.9 <i>7.1%</i>	14.7 <i>3.9%</i>	7.8 <i>2.1%</i>	13.8 <i>3.6%</i>	18.5 <i>4.9%</i>	123.6 <i>32.4%</i>	205.4 <i>53.9%</i>
Debt Service	55.3 <i>14.5%</i>	- <i>0.0%</i>	12.4 <i>3.3%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	67.7 <i>17.8%</i>
Operating Transfers	(49.4) <i>-13.0%</i>	(3.9) <i>-1.0%</i>	(16.5) <i>-4.3%</i>	- <i>0.0%</i>	0.0 <i>0.0%</i>	(2.8) <i>-0.7%</i>	(72.6) <i>-19.0%</i>
<b>Total</b>	<b>\$ (221.0)</b> <i>-57.9%</i>	<b>\$ 174.3</b> <i>45.7%</i>	<b>\$ 163.4</b> <i>42.8%</i>	<b>\$ 67.7</b> <i>17.8%</i>	<b>\$ 30.5</b> <i>8.0%</i>	<b>\$ 166.4</b> <i>43.6%</i>	<b>\$ 381.3</b> <i>100.0%</i>

## Expenditures from General Revenues

<b>FY 2011 Reported</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	141.4 4.8%	161.9 5.5%	125.4 4.2%	292.8 9.9%	29.5 1.0%	- 0.0%	\$ 751.0 25.4%
Contracted Services	6.9 0.2%	17.8 0.6%	8.5 0.3%	11.0 0.4%	0.6 0.0%	- 0.0%	44.8 1.5%
Other State Operations	37.6 1.3%	16.8 0.6%	25.9 0.9%	32.2 1.1%	6.5 0.2%	- 0.0%	119.0 4.0%
Aid to Local Units of Government	60.0 2.0%	- 0.0%	806.8 27.3%	- 0.0%	- 0.0%	- 0.0%	866.8 29.3%
Assistance, Grants & Benefits	13.2 0.4%	894.4 30.3%	32.4 1.1%	27.3 0.9%	0.8 0.0%	- 0.0%	968.2 32.8%
Capital	1.0 0.0%	0.5 0.0%	2.5 0.1%	1.8 0.1%	(0.1) 0.0%	- 0.0%	5.7 0.2%
Debt Service	117.7 4.0%	- 0.0%	20.1 0.7%	- 0.0%	- 0.0%	- 0.0%	137.9 4.7%
Operating Transfers	56.7 1.9%	5.6 0.2%	0.4 0.0%	- 0.0%	- 0.0%	- 0.0%	62.7 2.1%
<b>Total</b>	<b>\$ 434.6 14.7%</b>	<b>\$ 1,096.9 37.1%</b>	<b>\$ 1,022.2 34.6%</b>	<b>\$ 365.1 12.4%</b>	<b>\$ 37.3 1.3%</b>	<b>\$ - 0.0%</b>	<b>\$ 2,956.1 100.0%</b>

<b>FY 2012 Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	132.9 4.2%	173.9 5.5%	121.6 3.9%	317.5 10.1%	30.5 1.0%	- 0.0%	\$ 776.3 24.7%
Contracted Services	8.0 0.3%	18.4 0.6%	7.0 0.2%	11.5 0.4%	0.7 0.0%	- 0.0%	45.6 1.5%
Other State Operations	38.1 1.2%	20.6 0.7%	31.3 1.0%	35.0 1.1%	5.8 0.2%	- 0.0%	130.8 4.2%
Aid to Local Units of Government	66.2 0.0	- -	827.5 0.3	- -	- -	- -	893.7 0.3
Assistance, Grants & Benefits	13.9 0.4%	1,043.3 33.2%	32.4 1.0%	29.9 1.0%	0.7 0.0%	- 0.0%	1,120.2 35.6%
Capital	2.1 0.1%	0.9 0.0%	1.7 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	5.8 0.2%
Debt Service	144.7 4.6%	- 0.0%	18.8 0.6%	- 0.0%	- 0.0%	- 0.0%	163.6 5.2%
Operating Transfers	5.1 0.2%	1.3 0.0%	0.1 0.0%	- 0.0%	- 0.0%	- 0.0%	6.6 0.2%
<b>Total</b>	<b>\$ 411.1 13.1%</b>	<b>\$ 1,258.5 40.0%</b>	<b>\$ 1,040.5 33.1%</b>	<b>\$ 394.8 12.6%</b>	<b>\$ 37.6 1.2%</b>	<b>\$ - 0.0%</b>	<b>\$ 3,142.5 100.0%</b>

## Expenditures from General Revenues

<b>FY 2013 Recommended</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	141.2 4.3%	182.9 5.6%	129.9 4.0%	326.7 10.0%	29.3 0.9%	- 0.0%	\$ 810.1 24.8%
Contracted Services	6.5 0.2%	19.3 0.6%	6.8 0.2%	12.2 0.4%	0.7 0.0%	- 0.0%	45.5 1.4%
Other State Operations	40.2 1.2%	19.9 0.6%	24.9 0.8%	35.9 1.1%	6.3 0.2%	- 0.0%	127.2 3.9%
Aid to Local Units of Government	66.3 2.0%	- 0.0%	893.0 27.3%	- 0.0%	- 0.0%	- 0.0%	959.3 29.3%
Assistance, Grants & Benefits	13.7 0.4%	1,061.3 32.5%	33.5 1.0%	29.1 0.9%	0.6 0.0%	- 0.0%	1,138.3 34.8%
Capital	2.4 0.1%	0.8 0.0%	1.1 0.0%	1.0 0.0%	0.0 0.0%	- 0.0%	5.3 0.2%
Debt Service	152.6 4.7%	- 0.0%	24.7 0.8%	- 0.0%	- 0.0%	- 0.0%	177.2 5.4%
Operating Transfers	4.5 0.1%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	6.3 0.2%
<b>Total</b>	<b>\$ 427.4 13.1%</b>	<b>\$ 1,286.0 39.3%</b>	<b>\$ 1,113.9 34.1%</b>	<b>\$ 404.9 12.4%</b>	<b>\$ 36.9 1.1%</b>	<b>\$ - 0.0%</b>	<b>\$ 3,269.2 100.0%</b>

<b>FY 2013 Recommended Change to Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	8.3 6.6%	9.1 7.2%	8.3 6.6%	9.2 7.3%	(1.2) -0.9%	- 0.0%	\$ 33.7 26.6%
Contracted Services	(1.6) -1.2%	0.9 0.7%	(0.2) -0.2%	0.7 0.6%	0.0 0.0%	- 0.0%	(0.2) -0.1%
Other State Operations	2.1 1.6%	(0.8) -0.6%	(6.3) -5.0%	0.9 0.7%	0.5 0.4%	- 0.0%	(3.6) -2.8%
Aid to Local Units of Government	0.1 0.1%	- 0.0%	65.5 51.7%	- 0.0%	- 0.0%	- 0.0%	65.7 51.8%
Assistance, Grants & Benefits	(0.2) -0.2%	18.1 14.3%	1.1 0.9%	(0.8) -0.6%	(0.1) -0.1%	- 0.0%	18.1 14.3%
Capital	0.3 0.2%	(0.1) -0.1%	(0.7) -0.5%	0.0 0.0%	(0.0) 0.0%	- 0.0%	(0.5) -0.4%
Debt Service	7.8 6.2%	- 0.0%	5.9 4.6%	- 0.0%	- 0.0%	- 0.0%	13.7 10.8%
Operating Transfers	(0.6) -0.5%	0.5 0.4%	(0.1) -0.1%	- 0.0%	- 0.0%	- 0.0%	(0.3) -0.2%
<b>Total</b>	<b>\$ 16.3 12.8%</b>	<b>\$ 27.6 21.8%</b>	<b>\$ 73.4 58.0%</b>	<b>\$ 10.1 7.9%</b>	<b>\$ (0.7) -0.6%</b>	<b>\$ - 0.0%</b>	<b>\$ 126.7 100.0%</b>

## Expenditures from General Revenues

<b>FY 2013 Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	143.0 <i>4.3%</i>	183.1 <i>5.6%</i>	129.8 <i>3.9%</i>	326.9 <i>9.9%</i>	29.2 <i>0.9%</i>	- <i>0.0%</i>	\$ 812.0 <i>24.6%</i>
Contracted Services	7.3 <i>0.2%</i>	19.4 <i>0.6%</i>	6.8 <i>0.2%</i>	12.1 <i>0.4%</i>	0.7 <i>0.0%</i>	- <i>0.0%</i>	46.4 <i>1.4%</i>
Other State Operations	40.3 <i>1.2%</i>	19.5 <i>0.6%</i>	24.9 <i>0.8%</i>	35.5 <i>1.1%</i>	6.1 <i>0.2%</i>	- <i>0.0%</i>	126.2 <i>3.8%</i>
Aid to Local Units of Government	66.3 <i>2.0%</i>	- <i>0.0%</i>	896.1 <i>27.2%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	962.4 <i>29.2%</i>
Assistance, Grants & Benefits	18.1 <i>0.6%</i>	1,070.1 <i>32.5%</i>	34.7 <i>1.1%</i>	29.2 <i>0.9%</i>	0.7 <i>0.0%</i>	- <i>0.0%</i>	1,152.8 <i>35.0%</i>
Capital	2.7 <i>0.1%</i>	0.8 <i>0.0%</i>	1.1 <i>0.0%</i>	1.0 <i>0.0%</i>	0.0 <i>0.0%</i>	- <i>0.0%</i>	5.6 <i>0.2%</i>
Debt Service	159.8 <i>4.8%</i>	- <i>0.0%</i>	24.7 <i>0.7%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	184.4 <i>5.6%</i>
Operating Transfers	4.3 <i>0.1%</i>	1.6 <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	5.9 <i>0.2%</i>
<b>Total</b>	<b>\$ 441.8 <i>13.4%</i></b>	<b>\$ 1,294.5 <i>39.3%</i></b>	<b>\$ 1,118.0 <i>33.9%</i></b>	<b>\$ 404.7 <i>12.3%</i></b>	<b>\$ 36.8 <i>1.1%</i></b>	<b>\$ - <i>0.0%</i></b>	<b>\$ 3,295.8 <i>100.0%</i></b>

<b>FY 2013 Change to Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	10.1 <i>6.6%</i>	9.2 <i>6.0%</i>	8.2 <i>5.4%</i>	9.4 <i>6.1%</i>	(1.3) <i>-0.8%</i>	- <i>0.0%</i>	\$ 35.6 <i>23.2%</i>
Contracted Services	(0.7) <i>-0.5%</i>	1.0 <i>0.7%</i>	(0.2) <i>-0.1%</i>	0.6 <i>0.4%</i>	0.0 <i>0.0%</i>	- <i>0.0%</i>	0.8 <i>0.5%</i>
Other State Operations	2.2 <i>1.4%</i>	(1.2) <i>-0.8%</i>	(6.4) <i>-4.2%</i>	0.5 <i>0.3%</i>	0.4 <i>0.2%</i>	- <i>0.0%</i>	(4.6) <i>-3.0%</i>
Aid to Local Units of Government	0.1 <i>0.1%</i>	- <i>0.0%</i>	68.6 <i>44.8%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	68.8 <i>44.9%</i>
Assistance, Grants & Benefits	4.2 <i>2.7%</i>	26.8 <i>17.5%</i>	2.3 <i>1.5%</i>	(0.7) <i>-0.4%</i>	0.1 <i>0.0%</i>	- <i>0.0%</i>	32.7 <i>21.3%</i>
Capital	0.6 <i>0.4%</i>	(0.1) <i>-0.1%</i>	(0.7) <i>-0.4%</i>	0.0 <i>0.0%</i>	(0.0) <i>0.0%</i>	- <i>0.0%</i>	(0.2) <i>-0.1%</i>
Debt Service	15.0 <i>9.8%</i>	- <i>0.0%</i>	5.9 <i>3.8%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	20.9 <i>13.6%</i>
Operating Transfers	(0.8) <i>-0.6%</i>	0.3 <i>0.2%</i>	(0.1) <i>-0.1%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(0.7) <i>-0.4%</i>
<b>Total</b>	<b>\$ 30.6 <i>20.0%</i></b>	<b>\$ 36.0 <i>23.5%</i></b>	<b>\$ 77.6 <i>50.6%</i></b>	<b>\$ 9.9 <i>6.5%</i></b>	<b>\$ (0.8) <i>-0.5%</i></b>	<b>\$ - <i>0.0%</i></b>	<b>\$ 153.3 <i>100.0%</i></b>

## Expenditures from General Revenues

<b>FY 2013 Change to Governor</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	1.8 6.6%	0.1 0.4%	(0.1) -0.3%	0.2 0.9%	(0.1) -0.4%	- 0.0%	\$ 1.9 7.2%
Contracted Services	0.8 3.1%	0.2 0.6%	0.0 0.0%	(0.1) -0.3%	- 0.0%	- 0.0%	0.9 3.5%
Other State Operations	0.1 0.3%	(0.4) -1.6%	(0.1) -0.2%	(0.4) -1.5%	(0.1) -0.6%	- 0.0%	(0.9) -3.6%
Aid to Local Units of Government	- 0.0%	- 0.0%	3.1 11.7%	- 0.0%	- 0.0%	- 0.0%	3.1 11.7%
Assistance, Grants & Benefits	4.4 16.6%	8.7 32.7%	1.1 4.3%	0.1 0.4%	0.2 0.6%	- 0.0%	14.6 54.6%
Capital	0.3 1.1%	(0.0) 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	0.3 1.1%
Debt Service	7.2 27.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	7.2 27.0%
Operating Transfers	(0.3) -0.9%	(0.2) -0.6%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.4) -1.5%
<b>Total</b>	<b>\$ 14.4 53.9%</b>	<b>\$ 8.4 31.5%</b>	<b>\$ 4.1 15.5%</b>	<b>\$ (0.1) -0.5%</b>	<b>\$ (0.1) -0.4%</b>	<b>\$ - 0.0%</b>	<b>\$ 26.7 100.0%</b>

<b>FY 2013 Change to FY 2011</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	1.5 0.5%	21.2 6.2%	4.4 1.3%	34.1 10.0%	(0.2) -0.1%	- 0.0%	\$ 61.0 18.0%
Contracted Services	0.4 0.1%	1.6 0.5%	(1.7) -0.5%	1.2 0.3%	0.1 0.0%	- 0.0%	1.6 0.5%
Other State Operations	2.7 0.8%	2.7 0.8%	(1.1) -0.3%	3.3 1.0%	(0.4) -0.1%	- 0.0%	7.3 2.1%
Aid to Local Units of Government	6.3 1.9%	- 0.0%	89.3 26.3%	- 0.0%	- 0.0%	- 0.0%	95.6 28.1%
Assistance, Grants & Benefits	4.9 1.4%	175.7 51.7%	2.3 0.7%	1.9 0.5%	(0.1) 0.0%	- 0.0%	184.7 54.4%
Capital	1.7 0.5%	0.3 0.1%	(1.5) -0.4%	(0.8) -0.2%	0.1 0.0%	- 0.0%	(0.1) 0.0%
Debt Service	42.0 12.4%	- 0.0%	4.5 1.3%	- 0.0%	- 0.0%	- 0.0%	46.6 13.7%
Operating Transfers	(52.4) -15.4%	(4.0) -1.2%	(0.4) -0.1%	- 0.0%	- 0.0%	- 0.0%	(56.8) -16.7%
<b>Total</b>	<b>\$ 7.2 2.1%</b>	<b>\$ 197.5 58.1%</b>	<b>\$ 95.9 28.2%</b>	<b>\$ 39.6 11.7%</b>	<b>\$ (0.5) -0.1%</b>	<b>\$ - 0.0%</b>	<b>\$ 339.8 100.0%</b>



