

**FY08-FY09 Governor's Budget Recommendation Summary**  
**General Fund and Property Tax Replacement Fund**

(\$ in thousands)

|   | <b>FY07</b>        | <b>FY08</b>        | <b>FY09</b>        |
|---|--------------------|--------------------|--------------------|
| Forecast Revenue                          | \$ 12,358.5        | \$ 12,873.4        | \$ 13,448.2        |
| Other Revenue:                            |                    |                    |                    |
| Military and Energy Credits               |                    | \$ (5.8)           | \$ (14.1)          |
| Revenue Update Bill                       |                    |                    | \$ (13.0)          |
| Medicaid Bed Tax                          | \$ 19.9            | \$ 18.0            | \$ 18.0            |
| Rainy Day Fund Interest                   | \$ 14.6            | \$ 15.5            | \$ 19.5            |
| Federal Revenue Sharing (DSH)             | \$ 65.1            | \$ 66.0            | \$ 67.0            |
| <b>Total Revenue Estimate</b>             | <b>\$ 12,458.1</b> | <b>\$ 12,967.1</b> | <b>\$ 13,525.6</b> |
| <i>Increase over prior year</i>           |                    | 4.1%               | 4.3%               |
| <br>                                      |                    |                    |                    |
| Base Appropriation                        | \$ 12,244.8        | \$ 12,472.8        | \$ 12,578.9        |
| Adjustments to Base:                      |                    |                    |                    |
| Tuition Support Deficiency                | \$ 56.1            |                    |                    |
| Tobacco Master Settlement Fund Deficit    |                    | \$ 23.0            | \$ 35.0            |
| Judgments & Settlements                   | \$ 8.0             | \$ 8.0             | \$ 8.0             |
| Outside Acts and Adjustments              | \$ 9.3             |                    |                    |
| PTRC (8% Homestead Credit)                | \$ 87.0            |                    |                    |
| Reversions (Operating and Capital)        | \$ (151.2)         | \$ (25.0)          | \$ (25.0)          |
| <b>Adjusted Base Expenditure</b>          | <b>\$ 12,254.0</b> | <b>\$ 12,478.8</b> | <b>\$ 12,596.9</b> |
| <br>                                      |                    |                    |                    |
| Annual Base Surplus                       | \$ 204.1           | \$ 488.3           | \$ 928.7           |
| Additional Spending over the Base:        |                    |                    |                    |
| K-12 Education                            |                    | \$ 116.8           | \$ 280.2           |
| Higher Education                          |                    | \$ 43.8            | \$ 120.3           |
| Student Assistance Grants                 |                    | \$ 14.0            | \$ 23.6            |
| Public Safety                             |                    | \$ 36.6            | \$ 57.2            |
| Economic Development                      |                    | \$ 12.9            | \$ 27.9            |
| Legislative & Judicial                    |                    | \$ 6.9             | \$ 9.4             |
| Family and Childrens' Fund Levy Growth    |                    | \$ -               | \$ 12.0            |
| Other Necessary Agency Spending           |                    | \$ 14.9            | \$ 21.5            |
| <b>Net Expenditures</b>                   | <b>\$ 12,254.0</b> | <b>\$ 12,724.7</b> | <b>\$ 13,149.1</b> |
| <i>Increase over prior year</i>           |                    | 3.8%               | 3.3%               |
| <br>                                      |                    |                    |                    |
| Annual Surplus Before Other Uses of Cash  | \$ 204.1           | \$ 242.4           | \$ 376.5           |
| Other Uses of Cash:                       |                    |                    |                    |
| Repayment of Payment Delays - K-12        | \$ 160.1           |                    |                    |
| Repayment of Payment Delays - Local Units | \$ 136.5           | \$ 223.3           |                    |
| Repayment of Payment Delays - High Ed R&R | \$ 40.0            | \$ 31.1            | \$ 31.1            |
| LOIT Distribution                         | \$ 35.2            |                    |                    |
| Local Police and Fire Pension Relief      |                    | \$ 30.0            | \$ 30.0            |
| <b>Total Other Uses of Cash</b>           | <b>\$ 371.8</b>    | <b>\$ 284.4</b>    | <b>\$ 61.1</b>     |
| <br>                                      |                    |                    |                    |
| Ending Combined Balance                   | \$ 921.7           | \$ 879.7           | \$ 1,195.1         |
| <i>Percent of Revenue</i>                 | 7.4%               | 6.8%               | 8.8%               |