

GENERAL FUND APPROPRIATIONS - MAJOR CHANGES AND KEY RECOMMENDATIONS

The following schedule compares general fund appropriations recommended in the 2003-05 executive budget to the 2001-03 appropriations approved by the 2001 Legislative Assembly and lists major changes:

	2001-03 Original Legislative Appropriations	Increase (Decrease) From 2001-03	2003-05 Executive Budget
General fund appropriations	<u>\$1,746,983,713</u>	<u>\$15,120,221</u>	<u>\$1,762,103,934</u>
Major changes include:			
Recommended salary and health insurance increase		\$12,702,936	
Department of Public Instruction		36,303,341	
Higher education		(13,182,902)	
State Water Commission		(9,815,151)	
Information Technology Department		(9,089,482)	
Department of Human Services		4,899,345	
Department of Corrections and Rehabilitation		3,670,392	
Department of Commerce		(2,492,450)	
Other net changes		<u>(7,875,808)</u>	
Total		<u>\$15,120,221</u>	

Major changes and key recommendations affecting 2003-05 general fund appropriations include:

1. **Recommended salary and health insurance increase - \$12,702,936.** The executive budget recommends funding for state employee salary increases of 1 percent effective January 1, 2004, and 2 percent effective January 1, 2005. The general fund portion of the executive budget salary and fringe benefits increase package is \$12.7 million. See "State Employees" section for additional information on state employee salary increases.
2. **Department of Public Instruction - \$36,303,341.** The executive budget provides a general fund appropriation of \$478,056,990 for state school aid, an increase of \$4,085,342 from the 2001-03 legislative appropriation of \$473,971,648, and provides a general fund appropriation of \$66,277,000 for teacher compensation payments, an increase of \$31,241,000 from the 2001-03 legislative appropriation of \$35,036,000. See "Elementary Education" section for additional information.
3. **Higher education - (\$13,182,902).** For higher education, the executive budget recommends changing the funding source from the state general fund to the student loan trust fund for student grant programs (\$6 million) and competitive research (\$4 million) and provides a general fund reduction of \$925,000 for University System contingency and capital improvement emergency funding. See "Higher Education" section for additional information.
4. **State Water Commission - (\$9,815,151).** The executive budget recommends funding the agency entirely from the resources trust fund, the water development trust fund, and federal funds for the 2003-05 biennium. For the 2001-03 biennium, funding

for the agency's administrative expenses (\$9,733,820) were from the state general fund, with the same amount transferred to the general fund from the water development trust fund.

5. **Information Technology Department - (\$9,089,482).** The executive budget recommends changing the funding source from the state general fund to special funds for the enterprise resource planning (ERP) system initiative. For the 2001-03 biennium, the department received a \$7.5 million general fund appropriation to begin the ERP system initiative. The 2003-05 executive budget recommends issuing bonds to generate \$20 million to continue the initiative.
6. **Department of Human Services - \$4,899,345.** The executive budget reduces general fund support for medical assistance - nursing facility care by \$10.5 million and provides an additional \$20 million from the health care trust fund, increases general fund support for the service payments for elderly and disabled (SPED) and expanded SPED program by \$5.5 million, and creates a prescription drug program for low-income senior citizens with \$3.4 million from the general fund. See "Human Services" section for additional information.
7. **Department of Corrections and Rehabilitation - \$3,670,392.** The executive budget provides funding of \$6,511,324 from the general fund for 91 new FTE positions and provides funding of \$2,711,325 from the general fund for establishment of a prerevocation center. The executive budget recommends decreasing general fund spending authority and increasing other funds spending authority by \$1,190,008 for the operation of a transitional center, decreasing funding from the general fund by \$3,336,415 to remove the majority of funding for the external housing of inmates, and by \$1,116,117 to recognize anticipated salary savings relating to possible delays in filling recommended new FTE positions and other vacant positions.
8. **Department of Commerce - (\$2,492,450).** The executive budget removes funding for transfer to the development fund of \$2,350,000.