State budgetary problems persist and this will be another challenging year.

Governor’s FY 2017 and FY 2016 revised budgets are due January 21 – 7 weeks from now.

Overall fiscal situation for current year, budget and out-years:
- Economy
- Projections
- Issues
Introduction

- House Fiscal Staff Estimates
  - Use November revenue and caseload conference estimates
  - Use first quarter reports from agencies, Budget Office Q1, and staff estimates for FY 2016
  - Staff estimates for FY 2017 and beyond
  - Estimates vary – this is HFAS perspective
Introduction

- Typically staff briefs Committee regarding overall fiscal situation for current year, budget and out-years
  - Economy
  - Projections
- Today’s briefing will cover those issues and discuss budget process
  - Highlight some areas of concern
Introduction

- Preliminary Closing – Aug 30
- Agency Q1 reports – Oct 30 (due)
- Caseload estimates – November 4
- Revenue estimates – November 10
- Budget Office Q1 report – Nov 17
- Audited Closing – ???
- Governor’s Budget – Jan 21
- Agencies Q2 – Jan 30
Introduction

- The state continues its slow recovery from severe economic distress
- Current year picture is clearer and overspending eating into unexpected revenues
  - Potentially exacerbating structural issue
- Facing continued budget year and out-year issues growing from about $50 million to over $260 million
Economic Forecast
Revenue Estimating Conference adopts a consensus economic forecast
  - It takes testimony from Moody’s Analystics
  - The firm builds U.S. macroeconomic models from which they derive their Rhode Island forecasts
  - Updated in November
November forecast more pessimistic than May 2015 forecast
- Personal income, wage & salary growth rates all projected to be somewhat lower in FY 2016
  - Growth shifted to later years
- RI recovery continues to lag U.S. and other New England states
# Jobs

<table>
<thead>
<tr>
<th>Workforce</th>
<th>Dec 07</th>
<th>Mar 10</th>
<th>Oct 15</th>
</tr>
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<tbody>
<tr>
<td>Total</td>
<td>572,000</td>
<td>566,600</td>
<td>556,800</td>
</tr>
<tr>
<td>Change from 12/07</td>
<td>-5,400</td>
<td>-15,200</td>
<td>-15,200</td>
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<tr>
<td>Employed</td>
<td>537,300</td>
<td>503,500</td>
<td>527,400</td>
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<tr>
<td>Change from 12/07</td>
<td>-33,800</td>
<td>-9,900</td>
<td>-9,900</td>
</tr>
<tr>
<td>Jobless</td>
<td>34,700</td>
<td>63,100</td>
<td>29,400</td>
</tr>
<tr>
<td>Change from 12/07</td>
<td>28,400</td>
<td>-5,300</td>
<td>-5,300</td>
</tr>
<tr>
<td>Rate</td>
<td>6.1%</td>
<td>11.1%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Change from 12/07</td>
<td>5.0%</td>
<td>-0.8%</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>
Consensus Economic Forecast

Forecast Differences - Jobs

Thousands


- May-11
- Nov-11
- May-12
- Nov-12
- May-13
- Nov-13
- May-14
- Nov-14
- May-15
- Nov-15

13
Employment Growth

Jobs Growth - RI Underperforming

-5.00%  -4.00%  -3.00%  -2.00%  -1.00%  0.00%  1.00%  2.00%  3.00%


US  Rhode Island
Unemployment Rates

RI has Consistently Higher Unemployment

- 2001
- 2003
- 2005
- 2007
- 2009
- 2011
- 2013
- 2015
- 2017
- 2019
- 2021

- 0.0%
- 2.0%
- 4.0%
- 6.0%
- 8.0%
- 10.0%
- 12.0%

US
Rhode Island

Legend:
- Orange: US
- Blue: Rhode Island
Revenue Drivers

[Graph showing the trend of Personal Income and Wages and Salaries from 2001 to 2021.]
Projections
Revenues

- Revenue estimates are driven by trends, collections to date, and the economic forecasts
  - FY 2015 were more than anticipated
  - Projections assume losses from gaming in Massachusetts
    - Losses revised downward from earlier estimates to account for actuals and new projections
Revenues

- Taxes in FY 2016 = $2,871.7 million
  - $10.9 million or 0.4% below FY 2015 actuals
    - Impact of tax changes, cyclical items
  - $28.3 million above the enacted estimate
    - Nearly all from corporate and sales taxes

- Taxes in FY 2017 = $2,937.0 million
  - 2.3% increase to FY 2016 revised
    - $65.3 million with $84.5 million from Income & Sales
    - Continued shift of revenues to transportation
Income and Sales

Graph showing the trend of PIT and Sales from FY 2002 to FY 2020, with projections for FY 2018 and FY 2020.
## November 2015 Consensus Revenue Estimates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income</td>
<td>$1,227.6</td>
<td>$1,214.9</td>
<td>$(0.8)</td>
<td>$1,265.4</td>
<td>$50.5</td>
</tr>
<tr>
<td>Business Taxes</td>
<td>441.3</td>
<td>443.9</td>
<td>14.2</td>
<td>454.0</td>
<td>10.1</td>
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<tr>
<td>Sales &amp; Use Taxes</td>
<td>1,168.9</td>
<td>1,178.8</td>
<td>12.6</td>
<td>1,185.8</td>
<td>7.0</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>44.8</td>
<td>34.1</td>
<td>2.4</td>
<td>31.8</td>
<td>(2.3)</td>
</tr>
<tr>
<td><strong>Total Taxes</strong></td>
<td><strong>$2,882.6</strong></td>
<td><strong>$2,871.7</strong></td>
<td><strong>$28.3</strong></td>
<td><strong>$2,937.0</strong></td>
<td><strong>$65.3</strong></td>
</tr>
<tr>
<td>Departmental</td>
<td>353.7</td>
<td>356.7</td>
<td>(0.5)</td>
<td>191.4</td>
<td>(165.3)</td>
</tr>
<tr>
<td>Other Misc.</td>
<td>8.8</td>
<td>0.8</td>
<td>(0.6)</td>
<td>1.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Lottery</td>
<td>381.9</td>
<td>356.9</td>
<td>25.2</td>
<td>354.7</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Unclaimed Prop.</td>
<td>13.7</td>
<td>10.1</td>
<td>0.1</td>
<td>8.8</td>
<td>(1.3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,640.7</strong></td>
<td><strong>$3,596.2</strong></td>
<td><strong>$52.4</strong></td>
<td><strong>$3,493.0</strong></td>
<td><strong>$(103.2)</strong></td>
</tr>
</tbody>
</table>
Revenues

- **Other than Taxes**
  - FY 2016 = $724.5 million
    - Up $24.1 million - mostly Lottery based on revised loss projections
  - FY 2017 = $556.0 million
    - Down $168.5 million from FY 2016
    - Excludes $169.1 million hospital license fee but deficit calculations assume reenactment
    - Lottery down $2.2 million
    - All others down $1.0 million - mostly impact of one-time revenue
Lottery Revenues – major decline was estimated for FY 2016; actual is less severe

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Games</td>
<td>$ 58.1</td>
<td>$ 56.9</td>
<td>$ 57.0</td>
<td>$ 57.0</td>
</tr>
<tr>
<td>VLT (Slots)</td>
<td>306.5</td>
<td>312.3</td>
<td>285.6</td>
<td>283.2</td>
</tr>
<tr>
<td>Tables</td>
<td>11.7</td>
<td>12.8</td>
<td>14.3</td>
<td>14.4</td>
</tr>
<tr>
<td>Total</td>
<td>$376.3</td>
<td>$381.9</td>
<td>$356.9</td>
<td>$354.7</td>
</tr>
<tr>
<td>Y-O-Y %</td>
<td>(-0.8)%</td>
<td>1.5%</td>
<td>(6.5)%</td>
<td>(0.1)%</td>
</tr>
</tbody>
</table>
FY 2015 Closing

- FY 2016 budget counted on surplus from FY 2015 to help fund FY 2016
- Preliminary FY 2015 data shows $47.8 million gain to that assumption
  - Subject to audit adjustment before final
  - Considerably higher than last year
    - Excess revenues no longer subject to transfer to retirement system
## FY 2015 Preliminary

<table>
<thead>
<tr>
<th></th>
<th>Enacted</th>
<th>Current</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>$ 75.2</td>
<td>75.2</td>
<td>$ 0.0</td>
</tr>
<tr>
<td>Revenues*</td>
<td>3,616.7</td>
<td>3,640.7</td>
<td>23.9</td>
</tr>
<tr>
<td>Rainy Day*</td>
<td>(111.0)</td>
<td>(111.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>(3,476.6)</td>
<td>(3,455.1)</td>
<td>21.5</td>
</tr>
<tr>
<td>Closing Surplus</td>
<td>104.8</td>
<td>149.5</td>
<td>44.7</td>
</tr>
<tr>
<td><strong>Audit Adj./ Txfers</strong>*</td>
<td>13.8</td>
<td>23.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Reappropriation</td>
<td>-</td>
<td>(6.9)</td>
<td>(6.9)</td>
</tr>
<tr>
<td><strong>Free Surplus</strong></td>
<td>$ 118.6</td>
<td>$166.4</td>
<td>$ 47.8</td>
</tr>
</tbody>
</table>

*retirement & accelerated depreciation same as enacted - $23.8 m, but mechanics & amounts subject to 3% differ from enacted treatment
Closing - Expenditures

- Unachieved savings
- Unexpected expenses
- Impact on FY 2016
  - Do savings or higher base expenses in FY 2015 carry to FY 2016?
  - Will delayed purchases require additional funds in current year?
  - Are agencies constraining spending?
  - Are initiatives being implemented?
Revenues $23.9 million (0.6%) above

- Taxes up $16.7 million with corporate and sales tax gains accounting for most
  - Personal income essentially as estimated
  - Business taxes have been difficult to estimate
- All other revenue up $7.2 million
  - Lottery receipts up $3.3 million
Current Year

- The current year has a projected deficit mainly from unmet expenditure savings that could affect out-years
  - Major shortfall from overspending masked by revenue uptick, debt service and other savings
General revenue spending $21.5 million (0.6%) below budgeted amounts – but areas of overspending

- 4 agencies overspent total
  - DEM and CRMC – negligible amounts
  - Judiciary and Public safety

- Appropriation lines overspent even if agency totals were not
  - 22.8% of general revenue lines were overspent… Ongoing pattern
Spending $21.5 million below:

- $6.9 million unspent & re-appropriated
- $4.1 million DOA – utilities, staffing
- $8.2 million Medicaid savings
- $1.1 million DCYF savings
- $0.8 million overspent Public Safety
- $0.3 million overspent in Courts
- <$6,000 DEM; $439 CRMC
Closing - Expenditures

- OHHS: $8.2 million Medicaid savings
  - $7.8 million savings Rhody Health Partners
    - Higher drug rebates & risk share savings
  - $1.3 million less in long term care
    - Lower enrollment in Rhody Health Options & fewer community based services
  - $0.9 million in other programs
    - Pharmacy, hospital & other medical services
  - $1.0 million less in administration expenses
BHDDH - $35,746 total underspend
  - $2.1 million more for privately provided services in Division of Dev Disabilities
    - Above supplemental funding added in FY 2015
  - $1.0 million more for RICLAS
  - $2.0 million less at state hospital
    - Primarily one-time adjustment
  - Offset by savings in other programs
Corrective Action Plans

- RIG L 35-3-24 requires Departments to submit corrective action plans within 30 days of discovery of over-obligation or over-expenditure
  - Plans to be submitted to Budget Officer, Controller, Auditor General, Chairs of House and Senate Finance Committees
19 agencies are projecting to spend more than authorized in FY 2016
- 5 of those are spending their statewide savings
- 9 have submitted a corrective action plan
- Corrective actions total $15.9 million
Corrective Action Plans

- Corrective Action Plans
  - Are savings feasible?
  - Do they require law changes?
- Budget Office Q1 notes it is working with agencies to resolve deficits
## FY 2016

<table>
<thead>
<tr>
<th></th>
<th>Enacted</th>
<th>Current</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>$118.6</td>
<td>$173.3</td>
<td>$54.7*</td>
</tr>
<tr>
<td>Revenues</td>
<td>3,543.8</td>
<td>3,596.2</td>
<td>52.4</td>
</tr>
<tr>
<td>Rainy Day</td>
<td>(109.9)</td>
<td>(112.9)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(3,552.0)</td>
<td>(3,599.7)*</td>
<td>47.7</td>
</tr>
<tr>
<td><strong>Total FY 2016</strong></td>
<td>$0.5</td>
<td>$56.9</td>
<td>$56.4</td>
</tr>
</tbody>
</table>

*Includes $6.9 million reappropriation
Current Year

- Revenues are up by $52.4 million
- Added resources increase rainy day transfer by $3.0 million
- Expenditures appear up by $25.9 million net of re-appropriations and November Caseload increase
- Closing surplus up by $56.4 million
## Current Year

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reappropriation</td>
<td>$ 6.9</td>
</tr>
<tr>
<td>Legislature*</td>
<td>(1.1)</td>
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<tr>
<td>OHHS: Caseload Conference</td>
<td>14.9</td>
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<tr>
<td>OHHS: Other Programs*</td>
<td>28.8</td>
</tr>
<tr>
<td>School Construction</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Google Fund Shift - one time</td>
<td>(5.9)</td>
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<tr>
<td>Public Safety/Corrections*</td>
<td>8.6</td>
</tr>
<tr>
<td>Other*</td>
<td>(0.5)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$47.7</strong></td>
</tr>
</tbody>
</table>

* Items different than Budget Office Q1 estimates
Reappropriation

- **Statutory requirement:** $4.4 million
  - Legislature budget lowers by $1.1 million
- **Governor discretionary:** $2.5 million
  - “...may be reappropriated by the governor to the ensuing fiscal year and made immediately available for the same purposes as the former appropriations...”
  - Not all actions appear to conform to statute
Governor discretionary: $2.5 million
- I-195 = $0.2 million
- E-Permitting = $0.5 million
- EOHHS = $0.6 million
- DLT Jobs programs = $0.2 million
- Personnel Study = $0.5 million
- Governor Contingency = $0.3 million
- DOA, DBR, DOR, Commerce, AG total = $0.3 million
Nov Caseload: $14.9 million

- Medical Assistance - $15.3 million more
  - $12.6 million for Rhody Health Options
  - $5.3 million for RIte Care & Rhody Health Partners
  - $2.2 million less for hospital costs
  - $1.4 million less for long term care
  - $1.0 million more for other services

- Cash Assistance - $0.4 million less

Not all savings initiatives being achieved as proposed
Current Year: OHHS

- Other Programs: $28.8 million
  - UHIP - $14.9 million
  - DCYF – $8.0 million
  - BHDDH – $5.9 million
Current Year: OHHS

- OHHS/DHS - $14.9 million
  - Unified Health Infrastructure Project – UHIP
    - New system for OHHS agencies integrated with HealthSource RI
  - Shortfall based on new July 2015 plan
    - Multiple changes reflected
  - Match differs based on use
    - Highest match for development cost
Current Year: OHHS

- Is this the final cost for project?
  - July 2015 plan does not include child support enforcement function
- What is the net cost when only have one system?
  - Currently funded systems will not be needed
  - Those savings have not been identified
  - Additional program integrity and personnel efficiencies
## IAPD-U through CY 2020

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<th></th>
<th>Gen Rev</th>
<th>All Funds</th>
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</thead>
<tbody>
<tr>
<td>July 2013</td>
<td>$51.9</td>
<td>$209.4</td>
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<tr>
<td>July 2014</td>
<td>$51.6</td>
<td>$221.9</td>
</tr>
<tr>
<td>October 2014</td>
<td>$51.7</td>
<td>$229.6</td>
</tr>
<tr>
<td>July 2015</td>
<td>$76.9</td>
<td>$364.1</td>
</tr>
<tr>
<td><strong>Increase: July 2015 to July 2013</strong></td>
<td><strong>$25.2</strong></td>
<td><strong>$154.7</strong></td>
</tr>
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</table>

*(in millions)*
<table>
<thead>
<tr>
<th>OHHS/DHS</th>
<th>Gen Rev</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016 Enacted</td>
<td>$5.7</td>
<td>$37.9</td>
</tr>
<tr>
<td>FY 2016 Revised</td>
<td>$20.6</td>
<td>$122.8</td>
</tr>
<tr>
<td>Revised to Enacted</td>
<td>$14.9</td>
<td>$84.9</td>
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<tr>
<td>FY 2017 Request</td>
<td>$11.4</td>
<td>$57.2</td>
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<tr>
<td>Req to FY 2016 enacted</td>
<td>$5.7</td>
<td>$19.4</td>
</tr>
<tr>
<td><strong>Two-Year Total</strong></td>
<td><strong>$20.6</strong></td>
<td><strong>$104.3</strong></td>
</tr>
<tr>
<td><em>(in millions)</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Project Cost Drivers

- New federal & state requirements
  - $73.3 million of the increase?
  - Awaiting further detail on calculation

- Fully integrated system – now called RI Bridges
  - Integrated worker portal for Health & Human Service Programs
  - Previously 2 separate streams for application and eligibility
  - Includes 1-year delay – July 2016
Contact Center

- New plan has $10.0 million in FFY 2016
  - $2.5 million from gen revenues
  - Not fully accounted for in prior plan or budget
- FFY 2017 - $7.8 million
- Not accounted for in plan for FFY 2018 through FFY 2020
  - Could impact cost of project
Potential for operational savings noted in several public documents

RI UHIP Program Overview - Oct 2015

- Over $40.6 m in state savings starting FY 2017
  - Enhanced Program Integrity - $24.8 million
  - DHS workforce savings - $3.0 million
  - Contact Center cost reductions - $2.3 million
- Calculations and assumptions not provided
- Not reflected in agency budget requests
UHIP Extension Executive Briefing
November 2015 (Senate Briefing)

- Shows $65.5 million in state savings starting in FY 2017 to include:
  - Federal & State Compliance - $34.7 million
  - Operational Efficiencies - $5.7 million
  - Cost Avoidance - $25.1 million

- Unclear how these items compare to prior list
Current Year: OHHS Caseload

- DCYF - $8.0 million
  - Still many unknowns and moving parts
  - No budget request
  - Corrective action plan suggests unrealized revenues to offset some problems
Current Year: Public Safety

- Public Safety-$2.6 million
  - State Police arbitration settlement - $1.5 million
  - State Police arbitration back pay (one-time) - $1.2 million
  - General revenue expenses shifted to Google funds (one-time) - $5.9 million
Current Year: Corrections

- Corrections -$6.0 million
  - Population/Medical – $0.8 million
    ▪ Per diem inmate costs
    ▪ Mental health/psychiatric services
  - Institutional corrections staffing - $5.2 million
    ▪ Reason for increase not clear given FY 2015 spending
Current Year: Other

- All other projected adjustments to agency expenditures down ($0.5) million

Includes increases for:
- Judicial Retirement $0.3 million
- Central Coventry $0.3 million
- DEM Storm and locals $0.8 million
Current Year

- Difference from Budget Office –
  - Neither is a recommendation
  - Staff estimates exclude many new spending items included in agency requests
Current Year

- Only seven months left to solve and fewer if legislation is required
- Administrative efforts?
- Filled Positions
  - Staff is monitoring changes
  - Some needed to generate revenue
There are also budget year and out-year problems:
- FY 2016 was estimated in July to have a gap of approximately $132 million.
- Budget Office estimated higher gap: $196.5 million.
  - Revenue projection differences and other adjustments to long term savings.
Budget and Out Years

Revenues vs. Expenditures: HFAS Nov. Estimate

Current Useable Revenues
Current Expenditures

FY 2011 - FY 2020
These gaps continue to be a function of both cyclical economic and continued structural issues

- Use of surplus to close budget gaps
- Expected reductions in revenues
  - Gaming revenue losses began in FY 2016
  - Increasing dedication of revenues to transportation
  - Annualized impact of tax law changes
Uses – All Funds by Function

- Human Svcs.: 42.6%
- Education: 27.6%
- Gen. Govt.: 16.4%
- Transp.: 6.3%
- Nat. Res.: 1.2%
- Public Safety: 6.1%
Uses – All Funds by Category

- Asst., Grants, Benefits: 45.7%
- Local Aid: 14.4%
- Personnel & Operating: 31.1%
- Operating Xfers: 2.5%
- Capital: 6.2%
Uses – General Revenues by Function

- **Gen. Govt.**: 12.6%
- **Nat. Res.**: 1.1%
- **Public Safety**: 12.2%
- **Education**: 35.7%
- **Human Svc.s.**: 38.3%
Uses – General Revenues by Category

- Personnel & Operating: 29.9%
- Local Aid: 30.5%
- Asst., Grants, Benefits: 33.8%
- Operating Xfers: 2.2%
- Capital: 3.6%
## Uses – Growth Rates

<table>
<thead>
<tr>
<th>Item</th>
<th>Est. Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>1.0%</td>
</tr>
<tr>
<td>State Personal Income</td>
<td>4.0%</td>
</tr>
<tr>
<td>Taxes</td>
<td>2.6%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>2.1%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>3.1%</td>
</tr>
<tr>
<td>Salaries &amp; Benefits – 25% of total</td>
<td>2.6%</td>
</tr>
<tr>
<td>Medicaid – 30% of total</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
What is it?
- When current expenses exceed current revenues
- Prior year surplus or other one-time resources/cuts cover the gap

Why does it happen?
- Short term economic events
- Spending needs/wants growing faster than revenues
How do you fix it?

- Align growth rates of revenues and expenditures
  - Identify areas that are not in alignment
  - Identify highest priorities, greatest impact and measure all decisions against those

- Sometimes this has to be done over time – meaning onetime fixes can be used to bridge gaps to structural solutions
Structural Deficit

- What makes it hard to fix?
  - Solutions on both sides of the equation have support and impact many
    - Many competing ideas
  - Pressing need for services or infrastructure investment
    - Need to reverse stagnant growth
  - Budget process may not produce all options
Budget Year and Out-years

- Budget Office Instructions based on $196.5 million July deficit projection
  - Includes calculation of current service revenues and expenses
  - Some revisions based on updated data – differing assumptions on savings initiatives
  - Other revisions reflect different methodology and “policy choices”
Agencies asked to submit budgets that reflect current service “target” as calculated by Budget Office.

Agency requests exceed current service estimates by over $59 million.
- Not all same items included

Do not have all budgets in...
FY 2017 Budget Requests

- Budget Office also asked for options for reductions of 7.5%, adjusted for certain exclusions.
- Agency budget submissions do not all include options to meet targets.
FY 2017 Budget Requests

- Many agencies significantly delayed in budget submissions
  - All still not submitted
- Hampers ability for adequate review by executive and legislative staffs
Issues and Risks to the Forecast

- Control of current year spending
- Medicaid savings and caseloads
- Regional gaming issues
- Transportation
- Labor contracts
Governor’s Budget expected Jan 21
Major budget challenges
- Slow growing economy
- Structural tax and expenditure issues
  - Deficit fatigue
  - Specific agency issues
Budget Status

House Finance Committee
December 2, 2015