



Democrats were quick to point out that President Bush's budget creates a 1 trillion dollar deficit.

The White House quickly responded with "Hey, look over there, it's Saddam Hussein."

Craig Kilborn

Democratic Caucus
Tuesday, March 9, 2010



HOUSE 2 OVERVIEW

- In January a consensus revenue estimate of \$19.050 billion was agreed to, representing 3.2% growth above the current FY10 estimate.
- The Governor's FY11 budget proposal would appropriate \$28.2 billion, representing a 4.7% increase above current FY10 spending.



FY11 STRUCTURAL DEFICIT

$$\begin{array}{r} \text{FY11 Maintenance Growth } \$1.4\text{B}^* \\ + \text{ FY10 One-Time Revenues: } \$2.5\text{B} \\ \hline \text{FY11 Structural Deficit: } \$3.9\text{B} \end{array}$$



FY11 STRUCTURAL DEFICIT

FY11 Maintenance Growth **\$1.4B***
+ FY10 One-Time Revenues: **\$2.5B**

FY11 Structural Deficit: \$3.9B

FY11 Federal Stimulus Funds: **\$1.4B**
Revenue Growth from FY10: **\$590M**
– FY11 One-Time Revenues: **\$514M**

Total \$1.396B



QUESTIONABLE REVENUES

Extension Enhanced FMAP: \$608M

2009 federal stimulus package to cover assists through first half of fiscal year, extension would grant enhanced payments during second half of fiscal year. Filed as part of jobs bill in Congress, not passed yet.

Federal SSDI Repayment: \$160M

State Medicaid programs have been paying for individuals that should have been covered by Medicare. The federal government has acknowledged that certain states overpaid; no guarantees that this funding will be realized in FY11.

Tax Expenditure Reductions: \$161M

Limit Film Tax Credits to \$50M: \$75M

Repeal of Exemption on Soda and Candy: \$51M

Repeal of Exemption on Smokeless Tobacco: \$15M

Limit Life Sciences Tax Credits: \$5M

Repeal of Exemption on Airplane Sales: \$5M

Total: \$929M



LOCAL AID IN HOUSE 2

Governor level funds Chapter 70 aid **\$4.048B**

Uses no SFSF funding. This requires an additional \$178.5M from the General fund. This level of funding brings all communities to foundation.

Level Funds Unrestricted Government Aid **\$936M**

Level Funds PILOT **\$27.3M**

Level Funds Regional School Trans. **\$40.5M**

Total: \$5.051B



LOCAL AID IN HOUSE 2

House 2 Bottom Line: **\$28.2B**

\$14.5B of budget is mandated spending

Mandated Healthcare: \$8.6B

Debt Service: \$2.0B

Pensions: \$1.4B

GIC: \$1.1B

MBTA: \$767M

SBA: \$607M

\$5.051B in Local Aid

\$10.716B remaining of budget to absorb cuts

