

**Projected FY 2002 - FY 2003 Incremental Built-in and Anticipated Expenditures and Revenue Changes**  
(Dollars in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>Notes on Estimates</u>
<b>Incremental Built-in Increases and Decreases</b>			
Collective Bargaining Salary Packages	\$ 42.2	\$ 42.2	Salary increases are subject to collective bargaining, for estimating purposes the FY 2001 costs were used.
K-12 School Foundation Aid	60.9	68.5	Assumes 4.0% allowable growth.
Human Services - Medical Assistance (see Footnote 1)	57.7	45.5	Medicaid eligibles anticipated to increase by 2.5% in FY 2002 and 1.3% in FY 2003. Cost increases also include increased utilization and increased per diems for nursing facilities.
Human Services - State Children's Health Insurance Program	5.7	7.0	FY 2002 assumes a 50.5% increase in enrollment and a 2.6% increase in average cost per eligible. FY 2003 assumes a 36.5% increase in enrollment and a 3.1% increase in average cost per eligible.
M&E Property Tax Replacement Fund	-15.9	7.2	Beginning in FY 2002, the replacement calculation subtracts the increase in commercial and industrial property valuation due to additional investment during the M&E property tax repeal. Both years take into consideration that the percentage of the value of existing machinery and equipment subject to property taxes decreases by 8.0% in FY 2002 and FY 2003.
Education - Early Intervention/Reduce Class Size	10.0	0.0	Section 256E.5, <u>Code Supplement</u> , increases the standing appropriation by \$10.0 million in FY 2002 (from \$20.0 million to \$30.0 million). The appropriation remains at this level in FY 2003.
Human Services - State Cases	1.4	2.6	Based on the DHS FY 2002 and FY 2003 budget requests.
Mental Health Growth Factor	5.5	4.8	Enacted in SF 2452, a 2.3353% increase of the base expenditure calculation was used. The FY 2003 estimate was calculated on a 2.0% growth factor which was the original rate increase for FY 2002 until FY 2001 was decreased.
Elderly and Disabled Credit (see footnote 2)	0.5	0.5	Based on actual FY 2000 tax credits.
<b>Total Built-in Increases and Decreases</b>	<u>\$ 168.0</u>	<u>\$ 178.3</u>	

Attachment 2  
(Revised)

**Projected FY 2002 - FY 2003 Incremental Built-in and Anticipated Expenditures and Revenue Changes**  
(Dollars in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>Notes on Estimates</u>
<b>Incremental Anticipated Increases and Decreases</b>			
Corrections - New Beds and Start-up costs	1.5	3.9	Operating costs of new beds, deducted one-time start-up costs. FY 2001 was last year for a lease purchase payment from a FY 1990 lease purchase.
Human Services - Social Services Block Grant replacement	0.8	5.4	Assumes reduced federal funding for the Social Services Block Grant and imposition of a 4.25% TANF transfer limitation to the SSBG. Currently, the TANF Program is permitted to transfer 10.0% of the TANF block grant to SSBG to supplement SSBG programs.
Human Services - Children/Families Caseload Increase/Adjustment	0.1	0.0	Based on the DHS FY 2002 request. The FY 2003 estimate is not yet determined.
Inspections and Appeals - Indigent Defense	1.5	2.0	Estimate based on historical growth in claims.
Human Services - Maintain Reimbursement Rates/70.0% USDA	1.1	0.5	Based on the DHS adjustment in ages in addition to an increase in the rate as in FY 2001. The FY 2003 estimate is based on no adjustment for ages.
Human Services - Electronic Benefits Transfer	0.6	0.4	Anticipates funding for technology initiatives and \$0.15 retailer fee for federally mandated electronic benefits transfer by Oct. 2002.
Human Services - Family Investment Program Technology Maintenance	0.8	0.0	Assumes maintenance of welfare technology initiative previously funded through the State technology account will be funded through the
Judicial Branch - Retirement Fund Contribution	0.1	0.1	Assumes a 3.0% cost of living increase.
Judicial Branch - Building Operational Costs	0.0	0.7	Assumes the new Judicial Building will be operational in October 2002. The estimate includes costs associated with facilities management personnel, custodial and grounds staff, security personnel, utilities, and routine maintenance.
Judicial Branch - One-time Building Opening Costs	0.0	1.8	Includes \$1.5 million for furniture and equipment and \$300,000 for moving expenses.
Regents - Tuition Replacement	-0.8	-0.7	Based on current debt service schedules.
Human Services - Sexual Predators Civil Commitment and Treatment	0.1	0.0	Based on the DHS FY 2002 and FY 2003 request.
Human Services - State Resource Centers Increased Revenue	-1.5	-1.9	Based on the DHS FY 2002 request. The FY 2003 figure was estimated from difference between FY 2001 and FY 2002.

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	<u>FY 2002</u>	<u>FY 2003</u>	<u>Notes on Estimates</u>
Human Services - Increased Individuals/Services Eligible for Federal Aid	0.5	0.5	Usually this is a negative number, but DHS and HCFA are estimating that fewer services will be eligible for federal funding.
Human Services - Replacement of one time carry forward funds from FY 2001	0.4	0.0	Carry forward funds from not implementing subsidized guardianship program and from the Sexual Predator Commitment Program.
Human Services - Child Care	11.3	-3.9	Estimate based on the DHS FY 2002 and FY 2003 request of Protective Services in ACFS plus Child Care Assistance, additional eligibles, and FY 2001 shortfall borrowed from the federal government. Does not include additional staff within Field Operations for the FY 2002 and FY 2003 request.
Total Anticipated Increases and Decreases	<u>\$ 16.5</u>	<u>\$ 8.8</u>	
Grand Total	<u>\$ 184.5</u>	<u>\$ 187.1</u>	

Footnotes:

- 1) The Department of Human Services is projecting a shortfall of \$11.2 million in FY 2001 for Medical Assistance. If a supplemental appropriation is provided in FY 2001, the FY 2002 built-in amount will decrease by \$11.2 million.
- 2) The Department of Revenue and Finance is projecting the Elderly and Disabled Credit to increase by \$5.1 million in FY 2001 (from \$10.4 million to \$15.5 million).