

**Fiscal Year 2013 Spending Projections:**

The spending level in this alternative budget adjustment plan is \$28 million less than the adopted budget and \$343 million less than the Governor's proposed budget.

<b>FY 13 Projections</b>	<b>Current Adopted</b>	<b>Governor's Proposed</b>	<b>Republican Alternative</b>
Gross GF Spending	\$19,918.3	\$19,394.8	\$19,112.5
Lapses	(\$965.8)	(\$128.4)	(\$188.8)
<b>Net GF Spending</b>	<b>\$18,952.5</b>	<b>\$19,266.4</b>	<b>\$18,923.7</b>
<b>Revenue</b>	<b>\$19,441.0</b>	<b>\$19,318.0</b>	<b>\$19,066.1</b>
Balance	\$488.5	\$51.6	\$142.4
GAAP Reserve	(\$50.0)	(\$50.0)	(\$50.0)
<b>Final Balance</b>	<b>\$438.5</b>	<b>\$1.6</b>	<b>\$92.4</b>

**Tax Relief:**

- Restore the Sales Tax exemption on clothing and footwear that costs less than under \$50. Saves taxpayers \$141.7 million.
- Increase the maximum Property Tax Credit from \$300 back to \$500. Saves taxpayers \$150.9 million.
- Restore the Sales Tax Exemption for Non-prescription Drugs. Saves taxpayers \$17.5 million.
- Caps the gross receipts tax on the wholesale price of gasoline at \$3.00 and eliminates next year's scheduled tax increase from 7% to 8.1%. Saves taxpayers millions this year and prevents increases to save tens of millions in future years.

**Fraud Prevention and Recovery:**

- Add 12 new positions to the state's Medicaid Fraud Control Unit for a total of 21 positions in the Unit. 75% of the cost is paid for by the federal government. Expected savings: \$7 million per additional position or \$84 million total.
- Transfer existing fraud prevention staff at the Department of Social Services to the Division of Criminal Justice. This will eliminate any conflict of interest.
- Add 26 more positions to the social services fraud prevention unit. Expected savings: \$700,000 per new position or \$18.2 million total.
- Eliminate the Earned Income Tax Credit. The IRS has reported as much as 28% of payments to be fraudulent. Expected savings (revenue gain): \$116.5 million.

**Education Reform and School Funding:**

- Add 750 new school readiness slots for Pre-kindergarten programs.
- Increase funding for Vocational Agriculture programs by \$5 million.
- Invest an additional \$14 million in the state's Charter School program to create more opportunities and increased funding per student.
- Add \$5 million to fund the Sheff Settlement account.



- Add \$5 million in magnet schools.
- Add \$5 million for Priority School Districts.
- Set aside \$85 million for additional education reforms, including ECS funding, the Commissioner's Network, and Talent Development.

**Public Safety:**

- Add funding to prevent the early release of felons convicted of using a firearm or those who committed other violent crimes.
- Provide sufficient funding to train 168 more state troopers and reach the minimum legal requirement of 1,248.

**Other Budget Priorities:**

- Reserve \$50 million to continue progressing toward GAAP compliance.
- Provide \$85 million in additional pension payments to make up for the lack of pension-related savings in the 2011 SEBAC agreement.
- Retain SEBAC contract requirements to achieve \$90 million in budget saving initiatives and \$50 million in technology initiatives.
- Restore funding to reduce retired teacher cost-sharing increases proposed by the Governor.
- Provide \$12 million in additional funding for the Underground Storage Tank program to prevent the closure of gas stations.
- Reverse the Governor's proposal to move housing assistance programs into DECD.
- Double funding for the state's apprenticeship program.
- Restore Personal Needs Allowance for Medicaid nursing home residents.
- Provides an additional \$1 million to implement recommendations of a recent autism study.
- Consolidates the six legislative commissions into a single commission.
- Provide 1% COLA for Private Providers beginning January 1, 2013.
- Double the dispensing fee paid to independent pharmacies.
- Undo the merger of watchdog agencies to restore their autonomy and independence.
- Bid out mental health services and privatize food service functions of in our state prisons.
- Eliminate longevity for non-union employees. 10% reduction for executive directors, legislators, and commissioners.
- Includes additional revenue from the implementation of Sunday Sales.
- Eliminate funding for taxpayer-financed campaigns.