

**Governor Strickland's Proposed Framework to Balance FYs 10/11**

Draft for discussion purposes only

**GOVERNOR'S BALANCED BUDGET FRAMEWORK**

Friday, June 19, 2009

**FY 10/11 Budget Shortfall in Millions** (3,195.0)

<b>Revenue Proposals</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Biennium</b>
Video lottery terminals revenue	\$295.8	\$637.4	\$933.2
Tangible personal property tax reimbursement to school districts & local governments (reduced commercial activity tax)	(\$126.0)	(\$87.4)	(\$213.4)
Reduction in transfer from GRF to Public Library Fund	\$112.5	\$114.8	\$227.3
Reduction from 14% to 8% employer share of PERS payments (non-GRF portion only)	\$45.0	\$49.0	\$94.0
Reduction in federal Medicaid reimbursement	(\$112.3)	(\$294.4)	(\$406.7)
Waive ending balance requirement	\$0.0	\$130.4	\$130.4
<b>Subtotal: Revenue Proposals</b>	<b>\$215.0</b>	<b>\$549.8</b>	<b>\$764.8</b>

**PLUS:**

**Spending Proposals**

Spending reductions at agencies, boards & commissions	(\$613.2)	(\$686.7)	(\$1,299.9)
Reductions in Medicaid expenditures	(\$135.6)	(\$634.8)	(\$770.4)
Reduction from 14% to 8% in employer share of PERS (GRF portion)	(\$79.4)	(\$82.6)	(\$162.0)
Cash management	\$12.0	(\$213.0)	(\$201.0)
<b>Subtotal: Expenditure Proposals</b>	<b>(\$816.2)</b>	<b>(\$1,617.1)</b>	<b>(\$2,433.3)</b>

**TOTAL PROPOSED SOLUTION** \$3,198.1