

**Fiscal Year 2013 Spending Projections:**

The spending level in this alternative budget adjustment plan is \$28 million less than the adopted budget and \$342 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 \$40 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.