

# ***Presentation to the Legislature on Alabama's Financial Condition***



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Legislative Fiscal Office

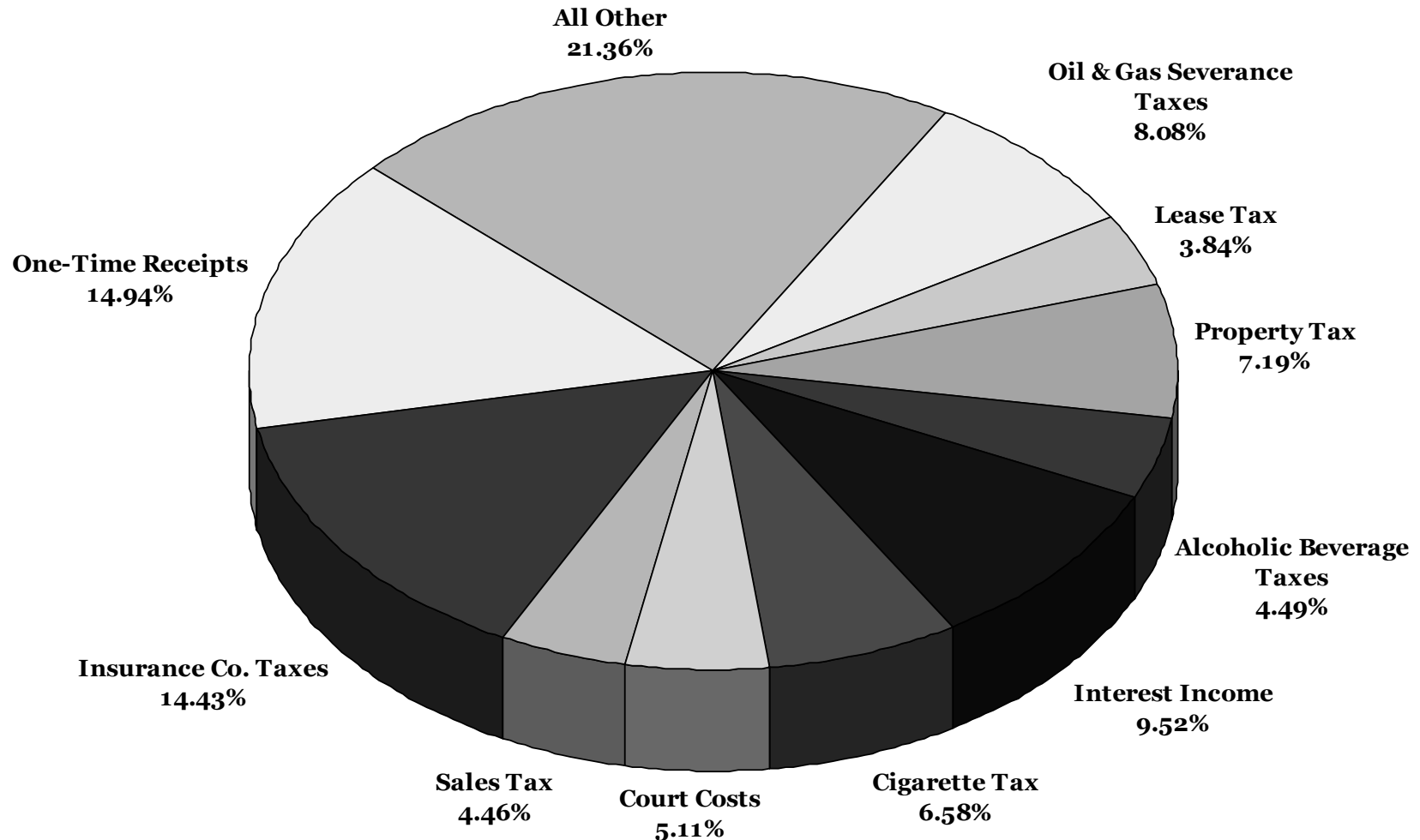
January 12, 2009

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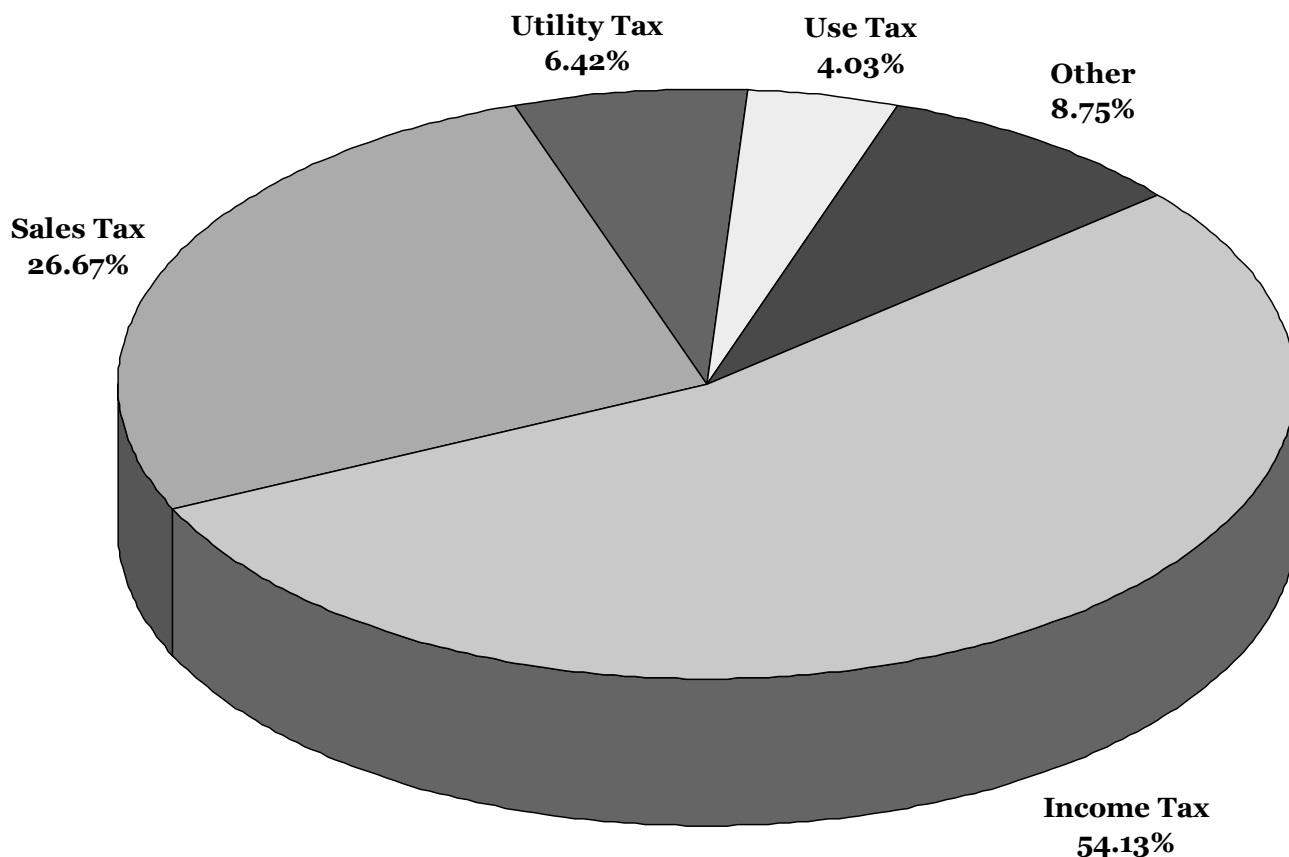
# Appropriation of All State Funds FY 2009

	STATE GENERAL FUND (1)	% OF SGF TOTAL	EDUCATION TRUST FUND (1)	% OF ETF TOTAL	OTHER STATE FUNDS (2)	% OF OTHER TOTAL	TOTAL STATE FUNDS	% OF TOTAL
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GENERAL APPROPRIATION ACTS:								
LEGISLATIVE BRANCH	62,072,592	3.00%	18,222,485	0.29%			80,295,077	0.70%
JUDICIAL BRANCH	228,436,861	11.04%			19,166,133	0.63%	247,602,994	2.15%
EXECUTIVE BRANCH:								
ABC BOARD					79,925,057	2.64%	79,925,057	0.70%
AGRICULTURE & FORESTRY	39,816,412	1.92%			28,203,441	0.93%	68,019,853	0.59%
CONSERVATION					110,200,489	3.63%	110,200,489	0.96%
CORRECTIONS & YOUTH SERVICES	387,412,174	18.73%	51,422,682	0.80%	65,706,135	2.17%	504,540,991	4.39%
HUMAN RESOURCES	116,181,483	5.62%	15,739,683	0.25%	124,901,915	4.12%	256,823,081	2.23%
MEDICAID	623,794,431	30.15%			602,924,469	19.88%	1,226,718,900	10.67%
MENTAL HEALTH	144,858,397	7.00%	588,066	0.01%	221,573,647	7.31%	367,020,110	3.19%
PUBLIC HEALTH	89,630,737	4.33%	17,227,152	0.27%	228,543,070	7.54%	335,400,959	2.92%
PUBLIC SAFETY	87,333,752	4.22%			54,175,000	1.79%	141,508,752	1.23%
REVENUE	391,093	0.02%			131,371,060	4.33%	131,762,153	1.15%
TRANSPORTATION					567,875,801	18.73%	567,875,801	4.94%
DEBT SERVICE					90,360,826	2.98%	90,360,826	0.79%
NON-STATE APPROPRIATIONS	1,901,348	0.09%			970,600	0.03%	2,871,948	0.02%
OTHER APPROPRIATIONS	286,916,927	13.87%	136,126,794	2.13%	534,375,098	17.62%	957,418,819	8.33%
ETF APPROPRIATION ACTS:								
K - 12 FOUNDATION PROGRAM			4,386,528,107	68.64%	172,276,114	5.68%	4,558,804,221	39.67%
POSTSECONDARY EDUCATION			445,570,810	6.97%			445,570,810	3.88%
UNIVERSITIES (INCLUDING ACHE)			1,303,371,692	20.39%			1,303,371,692	11.34%
PRIVATE SCHOOLS			1,277,769	0.02%			1,277,769	0.01%
STATE RELATED SCHOOL			11,876,531	0.19%			11,876,531	0.10%
DEBT SERVICE			3,012,281	0.05%			3,012,281	0.03%
TOTALS (3)	2,068,746,207	100.00%	6,390,964,052	100.00%	3,032,548,855	100.00%	11,492,259,114	100.00%
Appropriations as of 11/30/2008.								
(1) Includes FY 2008 reversions reappropriated for FY 2009.								
(2) Includes taxes, fees and charges collected by state agencies, Children First Trust Fund and tobacco settlement fund appropriations; does not include bond proceeds, interagency transfers, or federal funds.								
(3) Totals may not add due to rounding.								

# Sources of Revenue to the State General Fund FY 2008



# Sources of Revenue to the Education Trust Fund FY 2008



# Condition of the State General Fund

## Fiscal Year 2008

<b>BEGINNING BALANCE</b>	<b>239,088,035</b>
Receipts	1,537,965,287
Transfers from State agencies	5,323,000
Transfer from abandoned property reserve fund	15,000,000
Transfer from business privilege tax escrow fund	19,000,000
Transfer from Corrections asset sale proceeds	17,023,881
Transfer from tobacco revenues	12,237,060
Transfer from Exxon lawsuit	85,750,235
Transfer from pharmaceutical settlement	4,746,080
Transfer from Alabama Trust Fund gains	117,267,060
<b>TOTAL RECEIPTS</b>	<b>1,814,312,603</b>
<b>TOTAL AVAILABLE</b> (beginning balance plus total receipts)	<b>2,053,400,638</b>
<b>EXPENDITURES</b>	<b>1,834,413,761</b>
<b>ENDING BALANCE</b>	<b>218,986,877</b>

# Projected Condition of the State General Fund Fiscal Year 2009 and Fiscal Year 2010

	FY 2009	FY 2010	Growth
<b>BEGINNING BALANCE</b>	<b>218,986,877</b>		
Estimated receipts	1,423,050,000	1,438,950,000	1.12%
Transfers from State agencies	5,323,000		
Transfer from business privilege tax escrow fund	126,000,000		
Transfer from pharmaceutical settlement	13,809,450		
Transfer from tobacco revenues	12,864,187		
Transfer from Incentives Financing Authority	15,500,000		
<b>TOTAL RECEIPTS</b>	<b>1,596,546,637</b>	<b>1,438,950,000</b>	<b>-9.87%</b>
<b>TOTAL AVAILABLE</b> (beginning balance plus total receipts)	<b>1,815,533,514</b>	<b>1,438,950,000</b>	<b>-20.74%</b>
<b>APPROPRIATIONS</b> (as of 11/30/2008)	<b>2,068,746,207</b>		
<b>ENDING BALANCE</b>	<b>-253,212,693</b>		
NOTE: The State General Fund Rainy Day Account contains \$188,329,374 which can be used to offset the FY 2009 shortfall			

# Condition of the Education Trust Fund Fiscal Year 2008

Beginning balance	275,717,027
Beginning balance reserved for October 1 debt service payment	4,328,000
<b>TOTAL BEGINNING BALANCE</b>	<b>280,045,027</b>
Receipts	5,966,147,691
Reduction in sales tax for debt service on new PSCA bond issue	-22,889,535
Repayment from PSCA bond proceeds	32,000,000
Transfer from proration prevention account	439,372,515
<b>TOTAL RECEIPTS</b>	<b>6,414,630,671</b>
<b>TOTAL AVAILABLE</b> (total beginning balance, plus total receipts)	<b>6,694,675,698</b>
<b>EXPENDITURES</b>	<b>6,694,675,698</b>
<b>ENDING BALANCE</b>	

# Projected Condition of the Education Trust Fund Fiscal Year 2009 and Fiscal Year 2010

	FY 2009	FY 2010	Change from FY 2009
<b>BEGINNING BALANCE</b>			
Estimated receipts	5,672,592,075	5,768,187,325	1.69%
Reduction in sales tax for debt service on new PSCA bond issue	-82,592,075	-82,187,325	
<b>TOTAL RECEIPTS</b>	<b>5,590,000,000</b>	<b>5,686,000,000</b>	1.72%
<b>TOTAL AVAILABLE</b> (beginning balance plus total receipts)	<b>5,590,000,000</b>	<b>5,686,000,000</b>	1.72%
<b>APPROPRIATIONS</b> (as of 11/30/2008, prior to proration)	<b>6,390,964,052</b>		
<b>ENDING BALANCE</b>	<b>-800,964,052</b>		
NOTE: The Education Trust Fund Rainy Day Account contains \$437,390,828 which can be used to partially offset the FY 2009 shortfall			



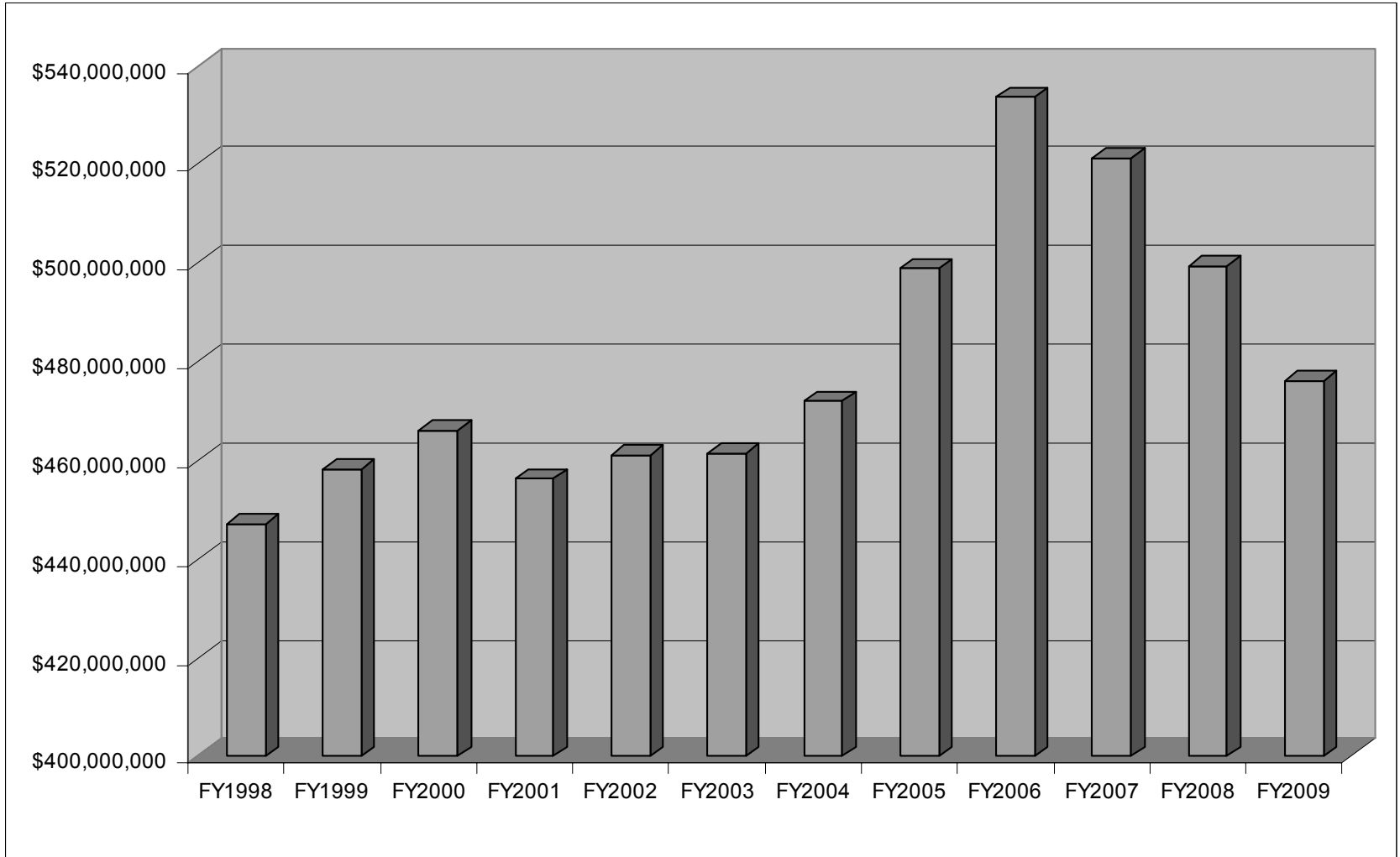
# Constitutional Rainy Day Account

- **Voters approved Amendment 1**
- **That amendment repealed Amendment 709, reestablished an ETF Rainy Day Account, and established a General Fund Rainy Day Account**
- **ETF Rainy Day Account**
  - maximum amount available for withdrawal is 6.5% of previous year's appropriation less any unpaid previous withdrawals
    - approximately \$437 million for FY 2009
  - must be repaid in 6 years
  - future years' withdrawals are limited to the average of available revenue certified by the Finance Director and the Legislative Fiscal Officer

# Alabama Capital Improvement Trust Fund (Amounts in Millions)

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010 (Est.)
<b>Beginning Balance</b>	0	9.4	33.4	89.9	95.3	63.7	39.3	18.1	31.6
<b>Royalty Revenues</b>	74	41.7	82.7	72.8	75.6	103.4	71.7	96.7	70.0
<b>Total Expenditures*</b>	64.6	17.7	26.2	67.4	107.2	127.8	92.9	83.2	81.7
<b>General Fund Relief</b>	0	0	8.2	46.6	62.8	60.7	40.4	24.6	24.8
<b>Ending Balance</b>	9.4	33.4	89.9	95.3	63.7	39.3	18.1	31.6	19.9
<b>*Includes General Fund Relief</b>									

# Public Road and Bridge Fund Status



# FY 2009 Tobacco Settlement Appropriations

<b>Children First Trust Fund (CFTF):</b>	<b>FY 2009</b>
Public Health	\$5,940,485
Human Resources	11,880,972
Child Abuse and Neglect Prevention	3,092,042
State Multiple Needs Children's Fund	3,492,613
Mental Health/Mental Retardation	4,638,697
Juvenile Probation Services Fund	6,107,927
Youth Services	14,476,777
Alabama Medicaid	2,680,820
All Other	1,571,137
<b>Total CFTF Appropriation</b>	<b>\$53,881,470</b>

<b>Other Tobacco Revenue:</b>	<b>FY 2009</b>
Children's Affairs Administration	\$250,013
Alabama 21st Century Fund	13,000,000
Senior Services Trust Fund	1,671,998
Medicaid Trust Fund	35,111,965
Senior Services - Medicaid Waiver	2,459,101
<b>Total Other Appropriation</b>	<b>\$52,493,077</b>

<b>State General Fund Transfer</b>	<b>\$12,106,902</b>
<b>Grand Total</b>	<b>\$118,481,449</b>