

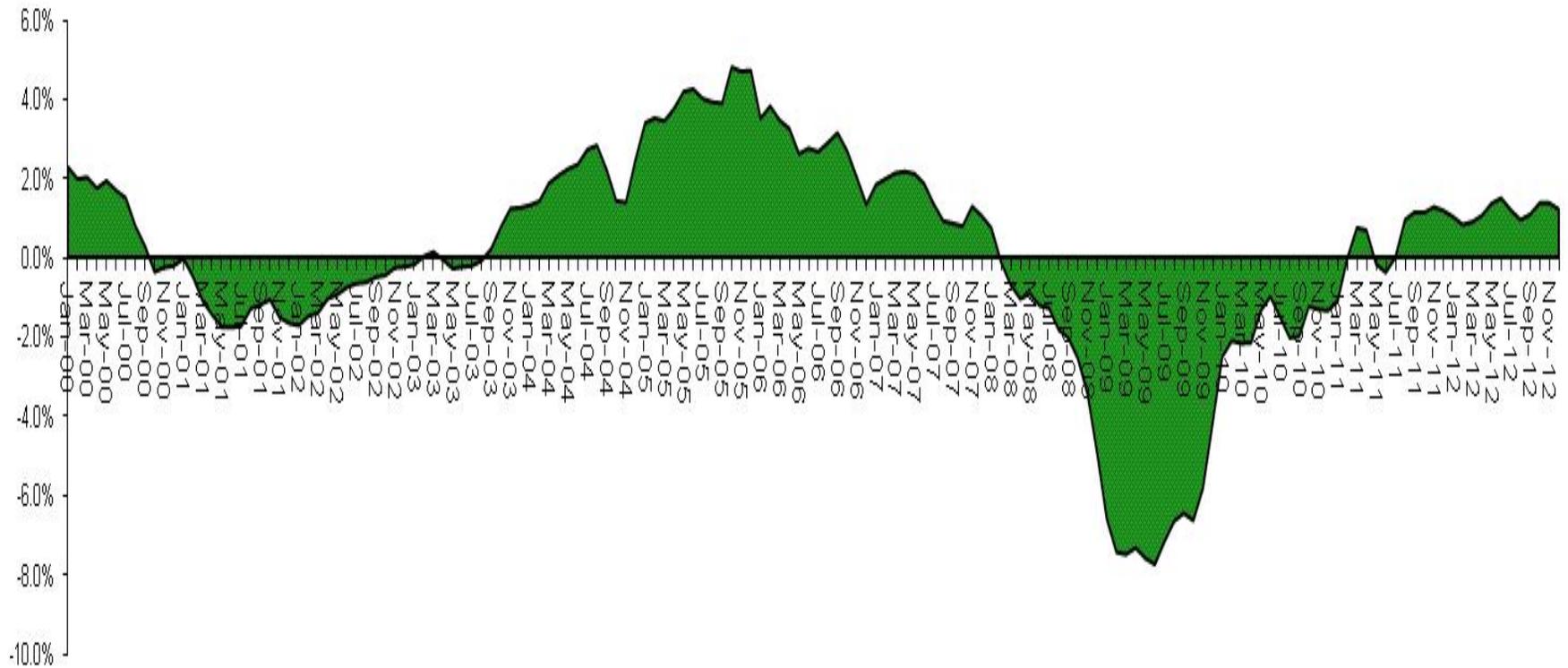
Alabama Legislative Joint Hearing: FY 2014

Condition of the State General Fund and Education Trust Fund

Presented by:
Marquita F. Davis, Ph.D.
Director of the Department of Finance
State of Alabama

Economic Data

Alabama Economic Index Three Months Moving Average Year Ago Basis



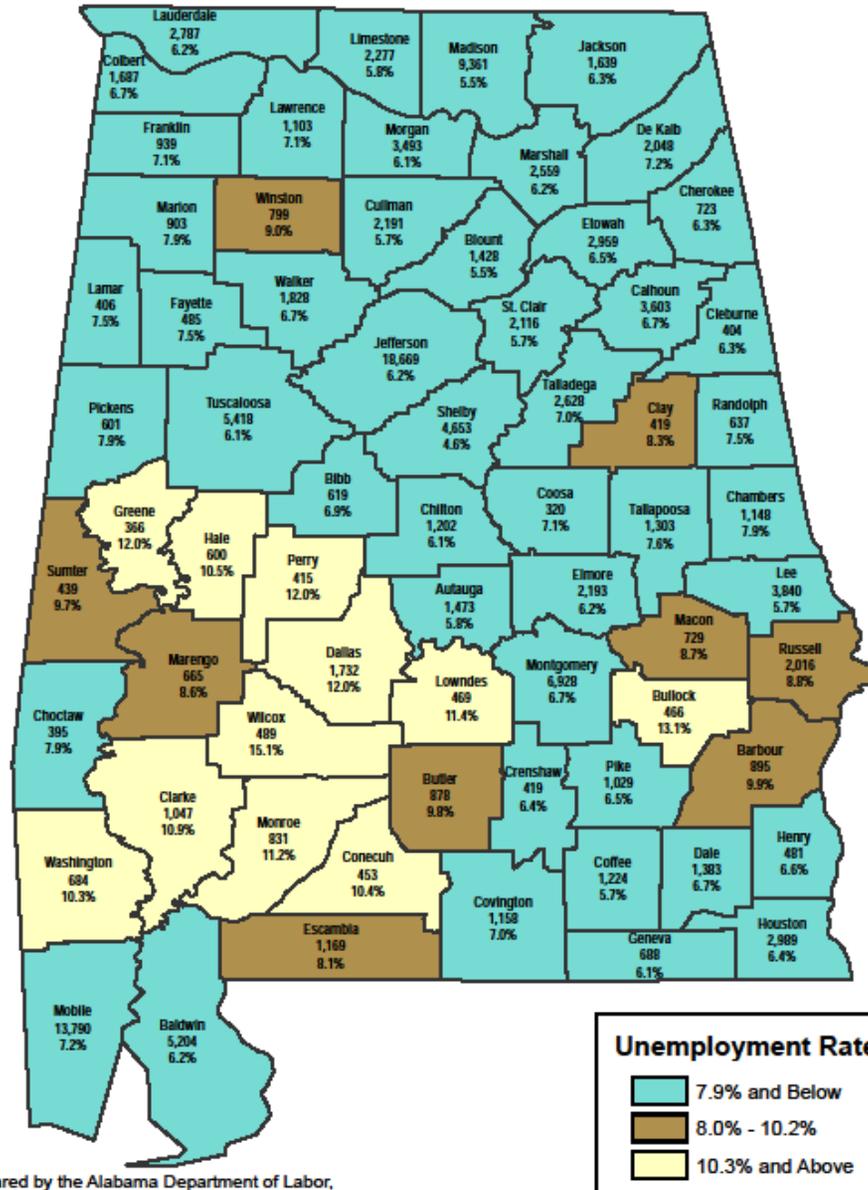
ALABAMA UNEMPLOYMENT RATE AND NUMBER UNEMPLOYED

December 2012 Preliminary

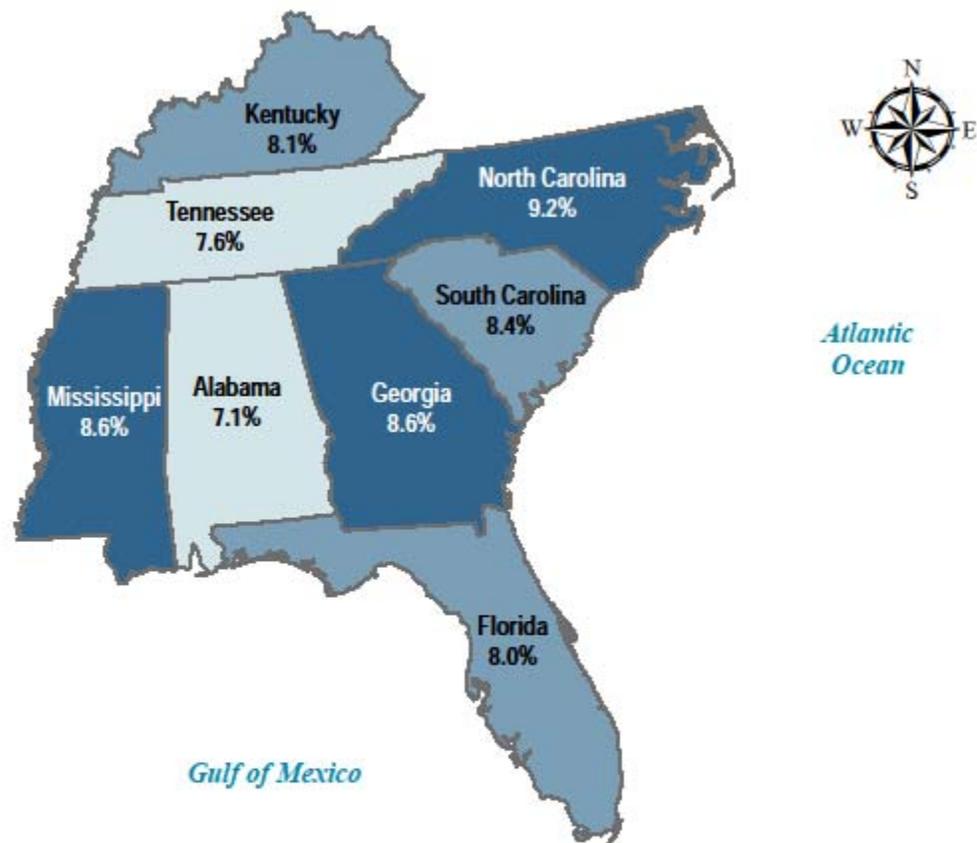
State Rate Seasonally Adjusted: 7.1%

State Rate Not Seasonally Adjusted: 6.5%

Counties Not Seasonally Adjusted



Prepared by the Alabama Department of Labor,
Labor Market Information Division



**December 2012 Preliminary
Seasonally Adjusted Unemployment Rates
Southeastern United States**

Prepared by the Alabama Department of Labor,
Labor Market Information Division

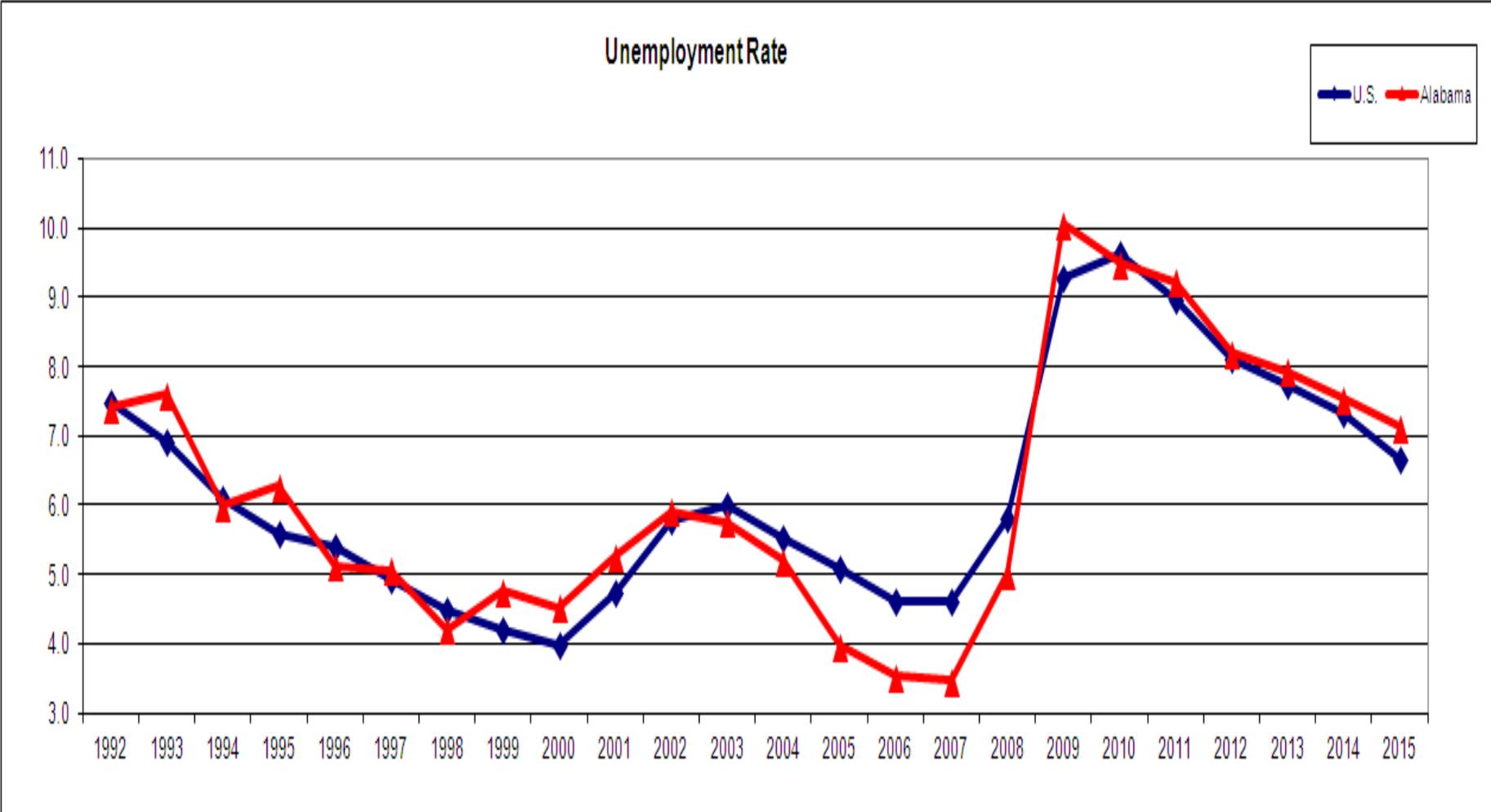
Alabama's Annual Unemployment Rate Seasonally Adjusted 2008-2012

2008	5.1%
2009	9.9%
2010	9.5%
2011	9.0%
2012	7.7%*

*December 2012 data is preliminary.

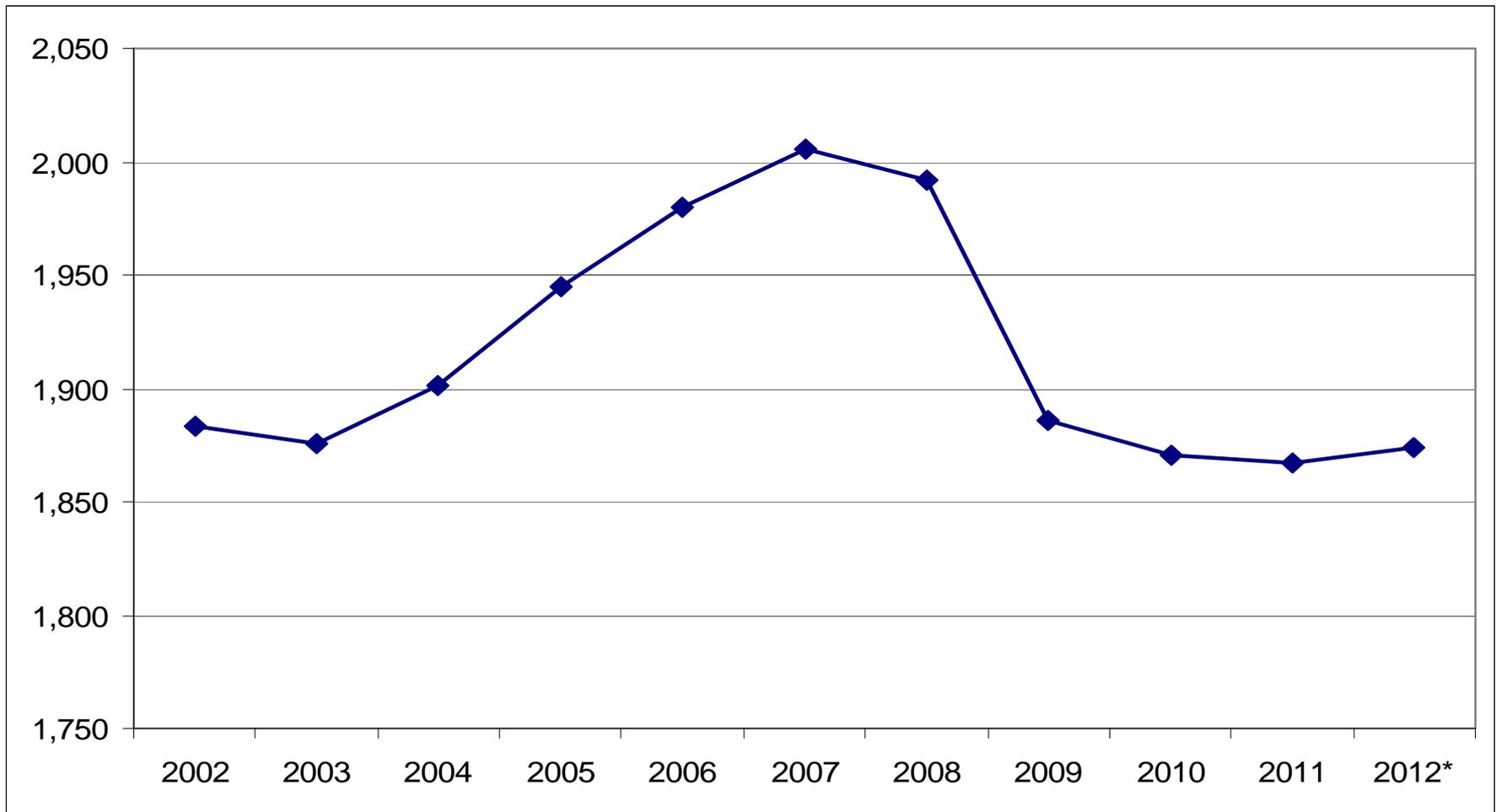
Unemployment Rate

Alabama vs. US



Alabama's Total Employment

(In Thousands)

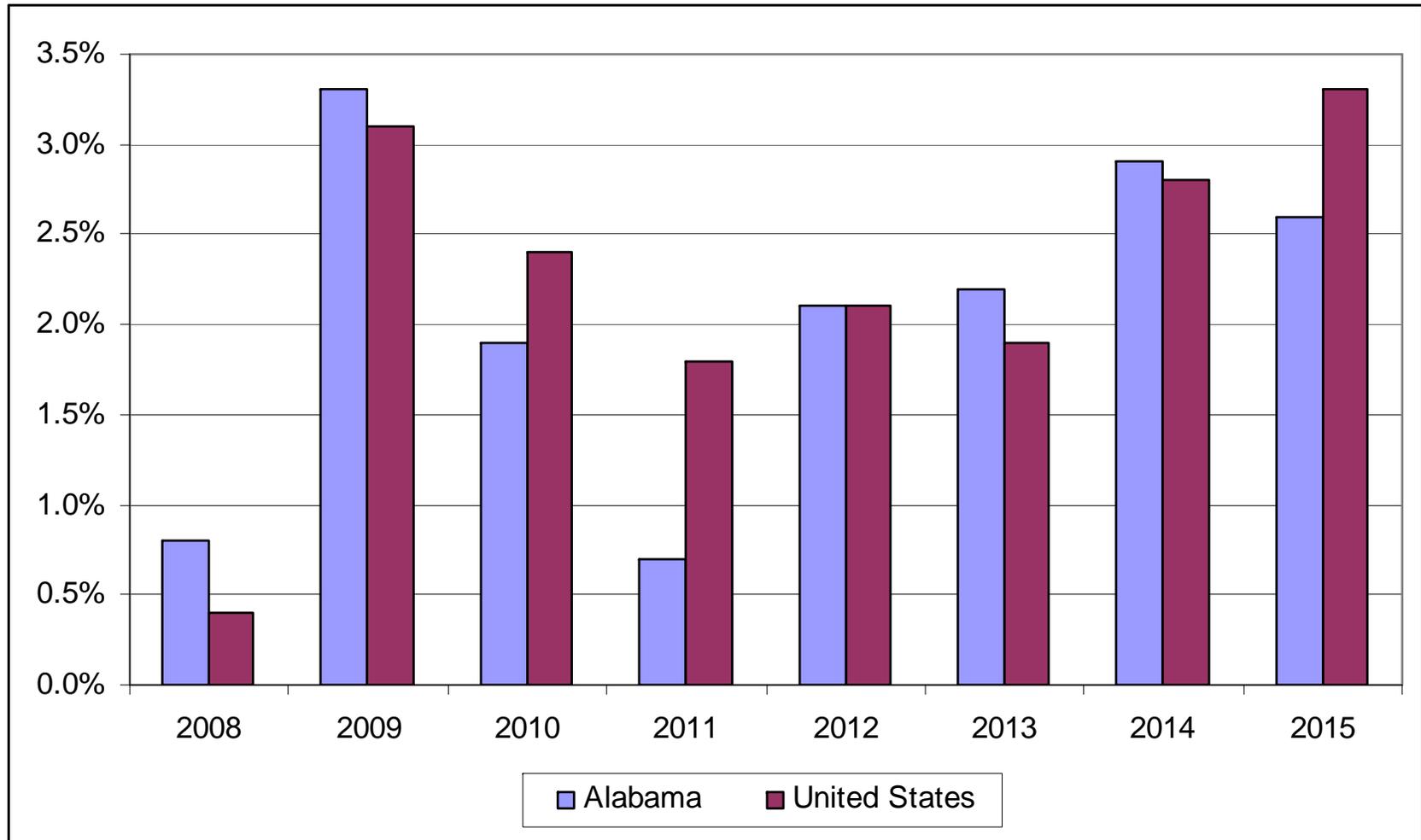


*2012 Data is preliminary.

Real Gross Domestic Product (Percent Change) Alabama vs. US

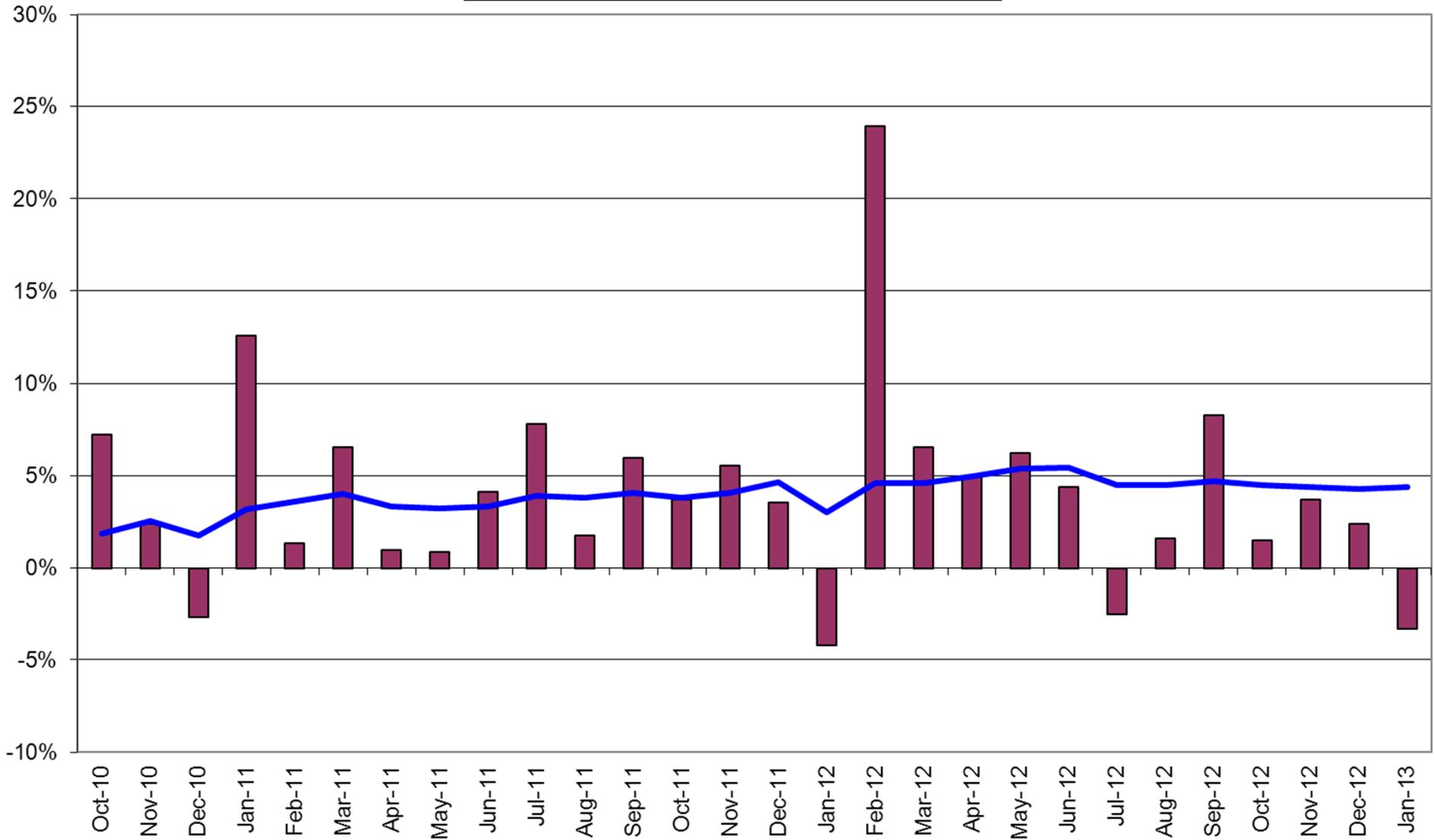
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Alabama	0.8%	3.3%	1.9%	0.7%	2.1%	2.2%	2.9%	2.6%
United States	0.4%	3.1%	2.4%	1.8%	2.1%	1.9%	2.8%	3.3%

Real Gross Domestic Product (Percent Change) Alabama vs. US



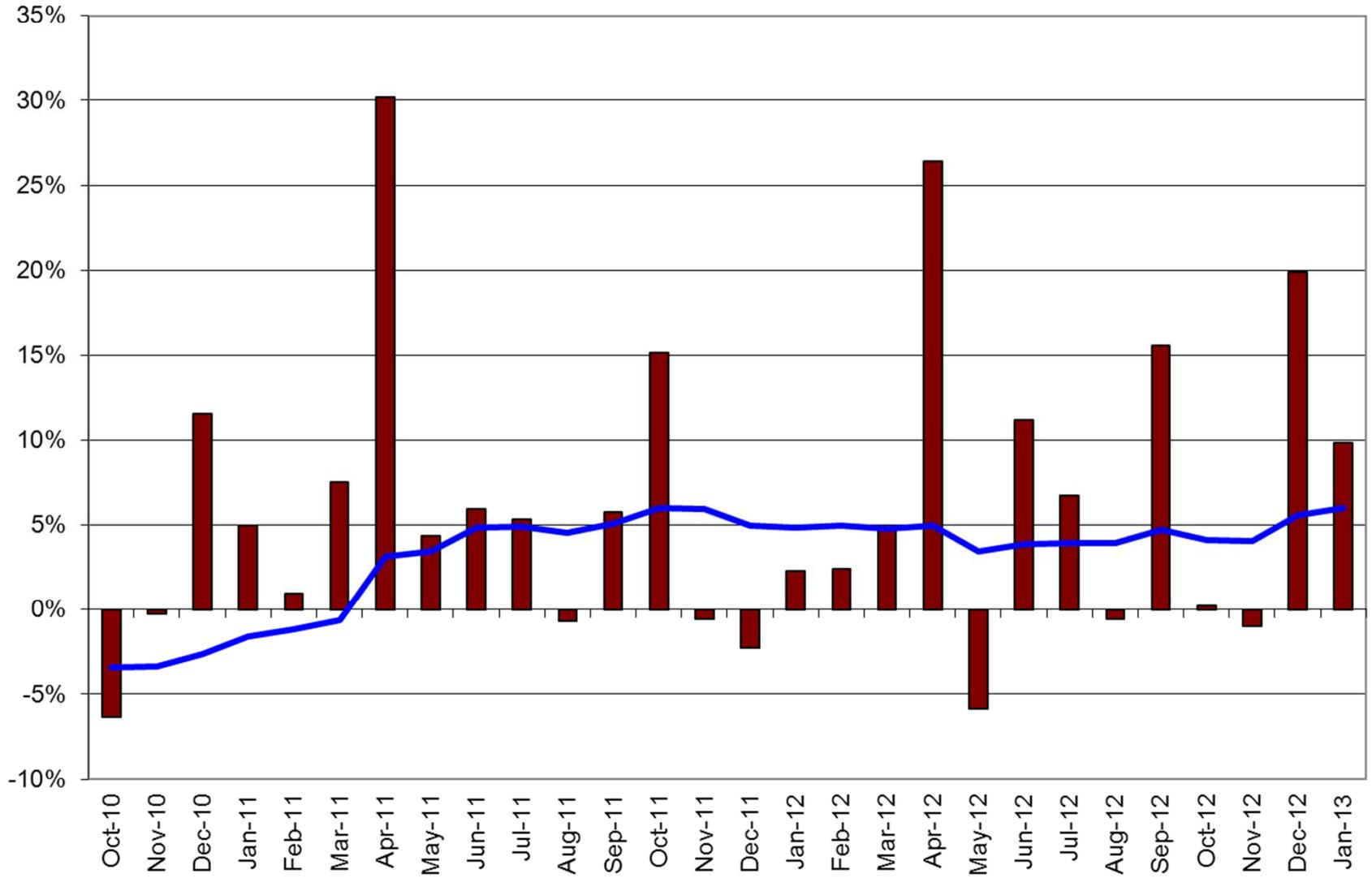
**GROSS SALES TAX
MONTHLY % CHANGE OVER PRIOR YEAR
AND
12 MONTH ROLLING AVERAGE**

average monthly percentage increase over prior six



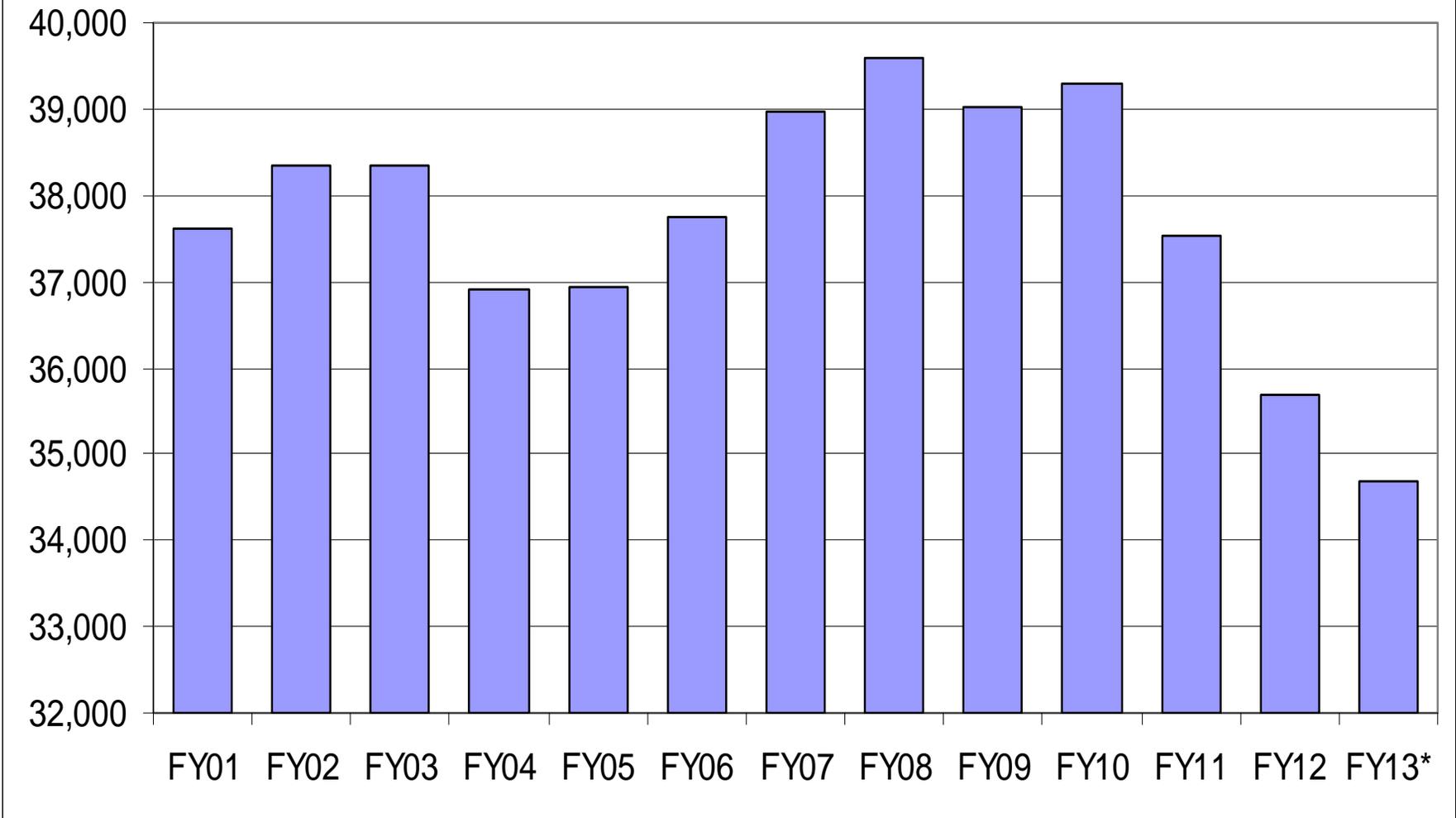
**GROSS INDIVIDUAL INCOME TAX
MONTHLY % CHANGE OVER PRIOR YEAR
AND
12 MONTH ROLLING AVERAGE**

average monthly percentage increase over prior six months was 7.33%



Highlights of Recent Trends in State Government

Number of State Employees



* - FY13 is as of January 31, 2013

Corrections In-House Inmate Population vs Correctional Officers

	<u>Inmate Population</u>	<u>Correctional Officers</u>	<u>Inmate to Officer Ratio</u>
FY 2002	24,060	2,669	9:1
FY 2003	23,731	2,698	8.8:1
FY 2004	23,693	2,670	8.9:1
FY 2005	23,821	2,686	8.9:1
FY 2006	24,094	2,579	9.3:1
FY 2007	24,954	2,675	9.3:1
FY 2008	25,303	2,844	8.9:1
FY 2009*	25,575	2,087	12.3:1
FY 2010	25,395	2,285	11.1:1
FY 2011	25,638	2,342	10.9:1
FY 2012	25,376	2,183	11.6:1

* Beginning with FY 2009 inmate to officer ratio was calculated using in-house population versus Correctional Officer I. Previously the total number of correctional officer law enforcement personnel was used, which was deemed to be unrealistic.

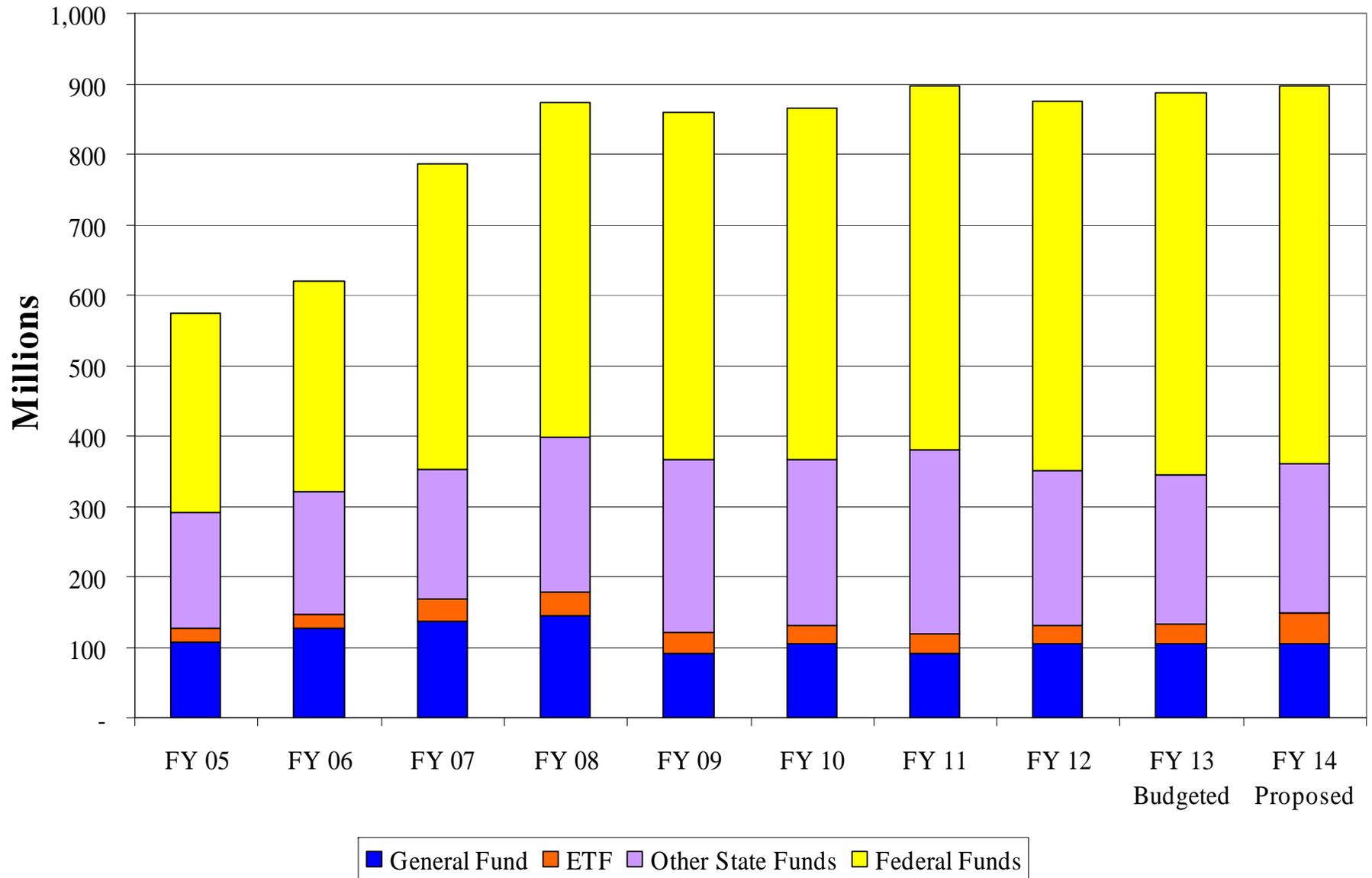
MENTAL HEALTH FACILITY CLOSURES

**Searcy Hospital
(October 2012)**

**Greil Memorial Psychiatric Hospital
(August 2012)**

**W. D. Partlow Developmental Center
(December 2011)**

Mental Health Funding By Fiscal Year



ALABAMA DEPARTMENT OF VETERANS AFFAIRS

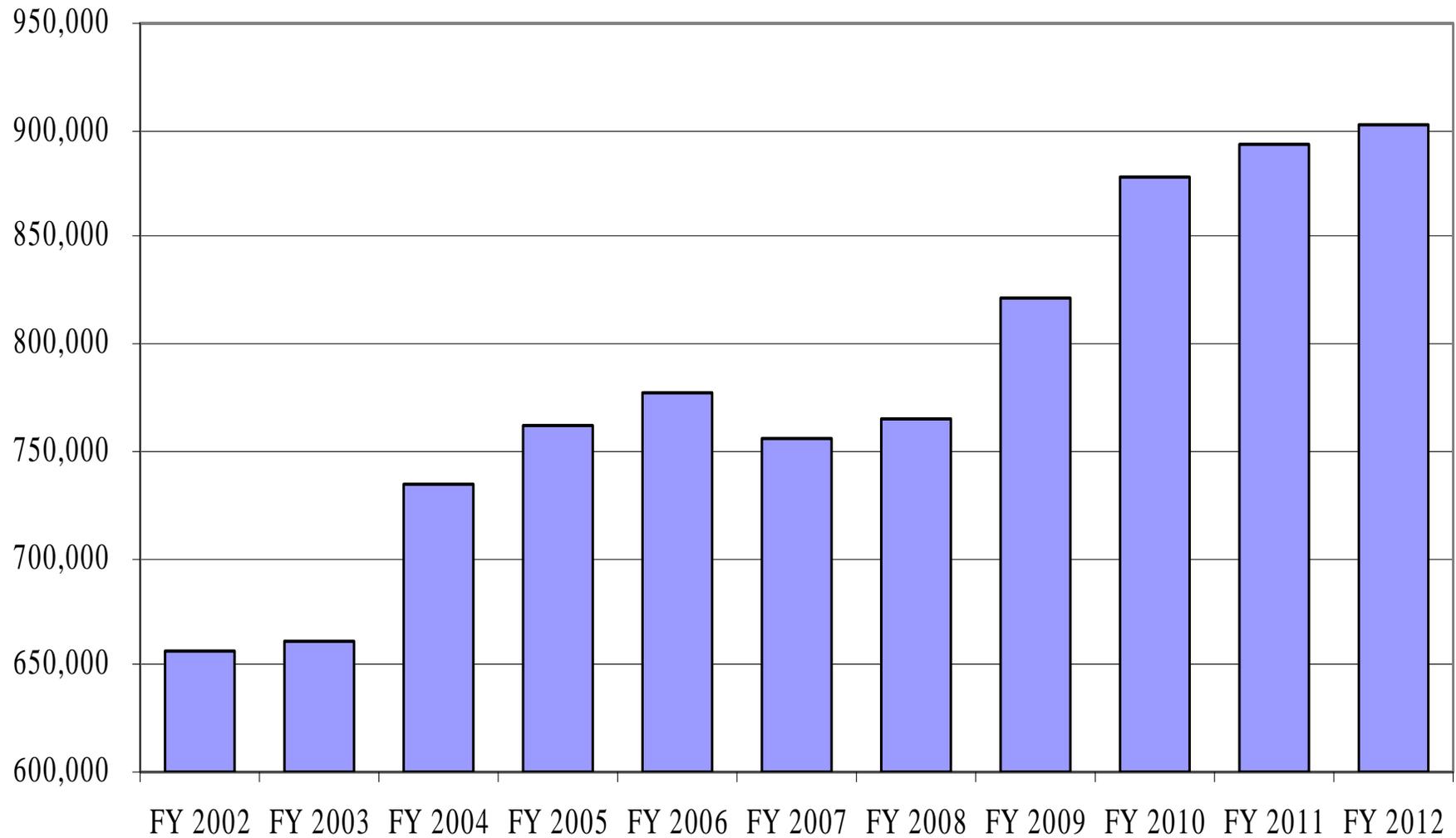
Veterans Education Benefits Actual/Projected Expenditures

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditures</u>
2008	20,050,250	18,988,157
2009	23,155,563	23,088,186
2010	30,052,299	28,463,538
2011	36,106,057	35,879,035
2012	40,320,022	39,815,971
2013*	38,000,000	43,795,379
2014**	47,300,000	47,300,000

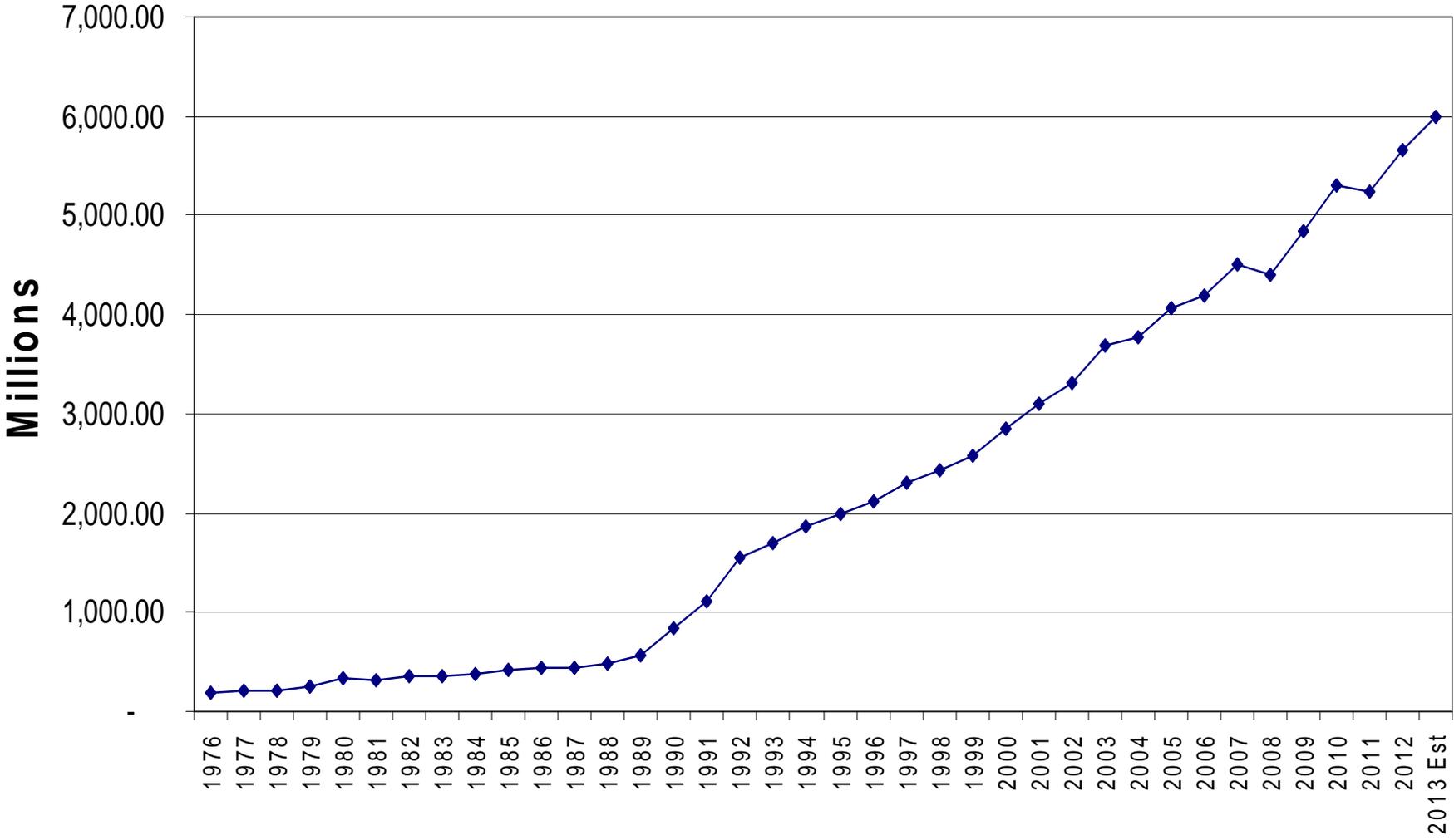
* - Anticipated obligations for FY 13 exceed the FY 13 appropriation from ETF

** - The FY 14 Budget Request does not include funds to cover the shortfall in FY 13

Number of Medicaid Recipients



TOTAL MEDICAID EXPENDITURES



CHIP Enrollment

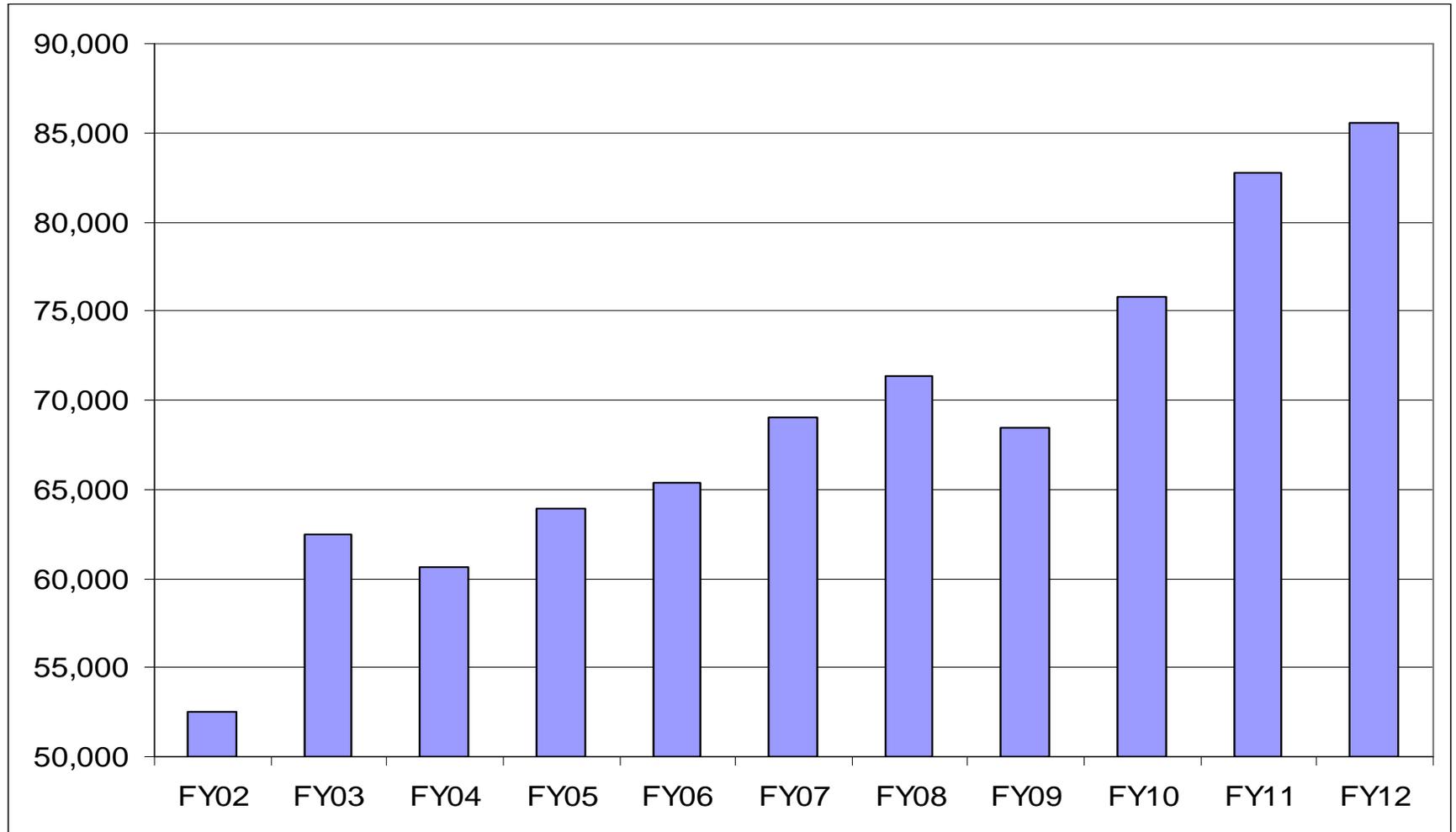
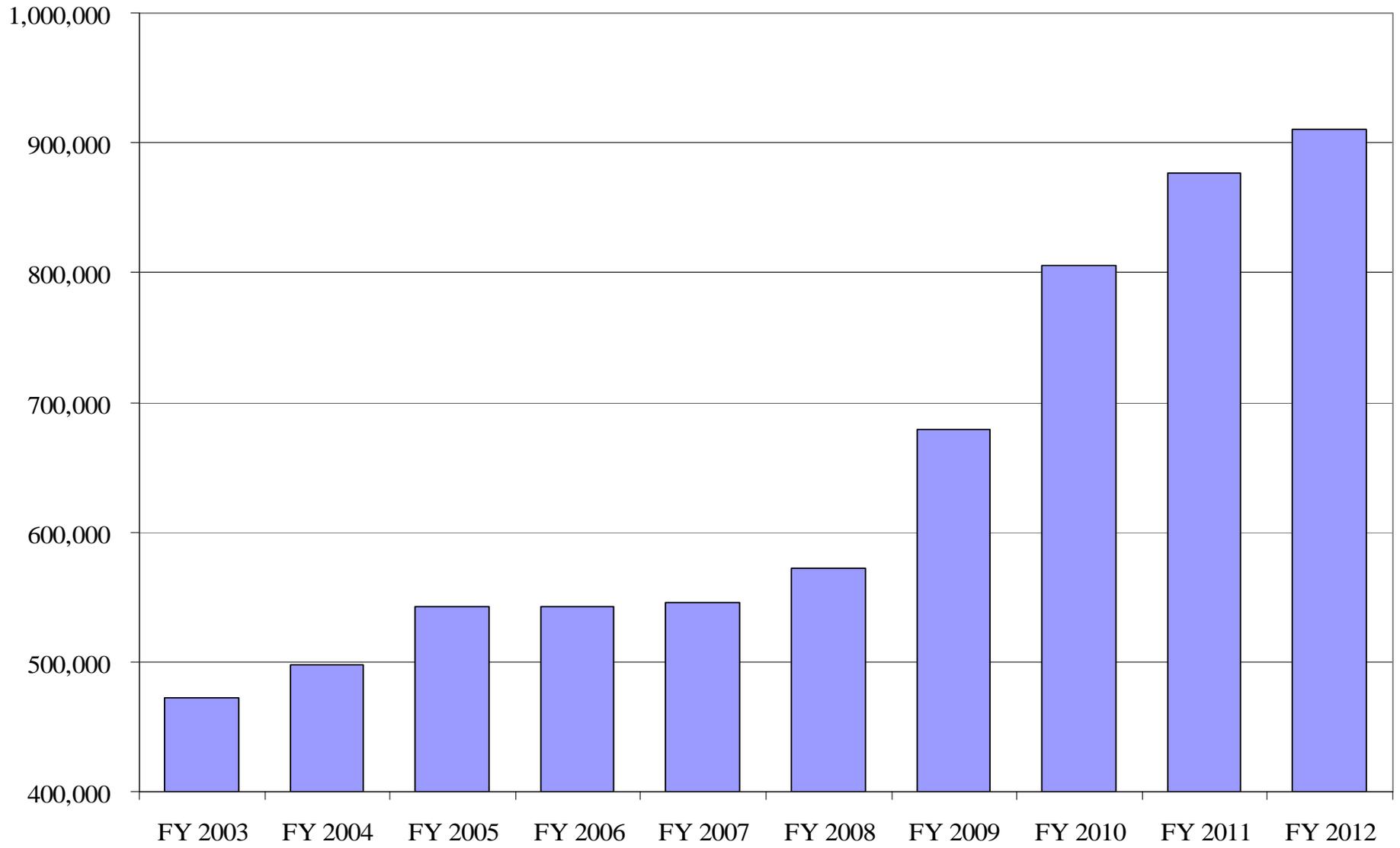
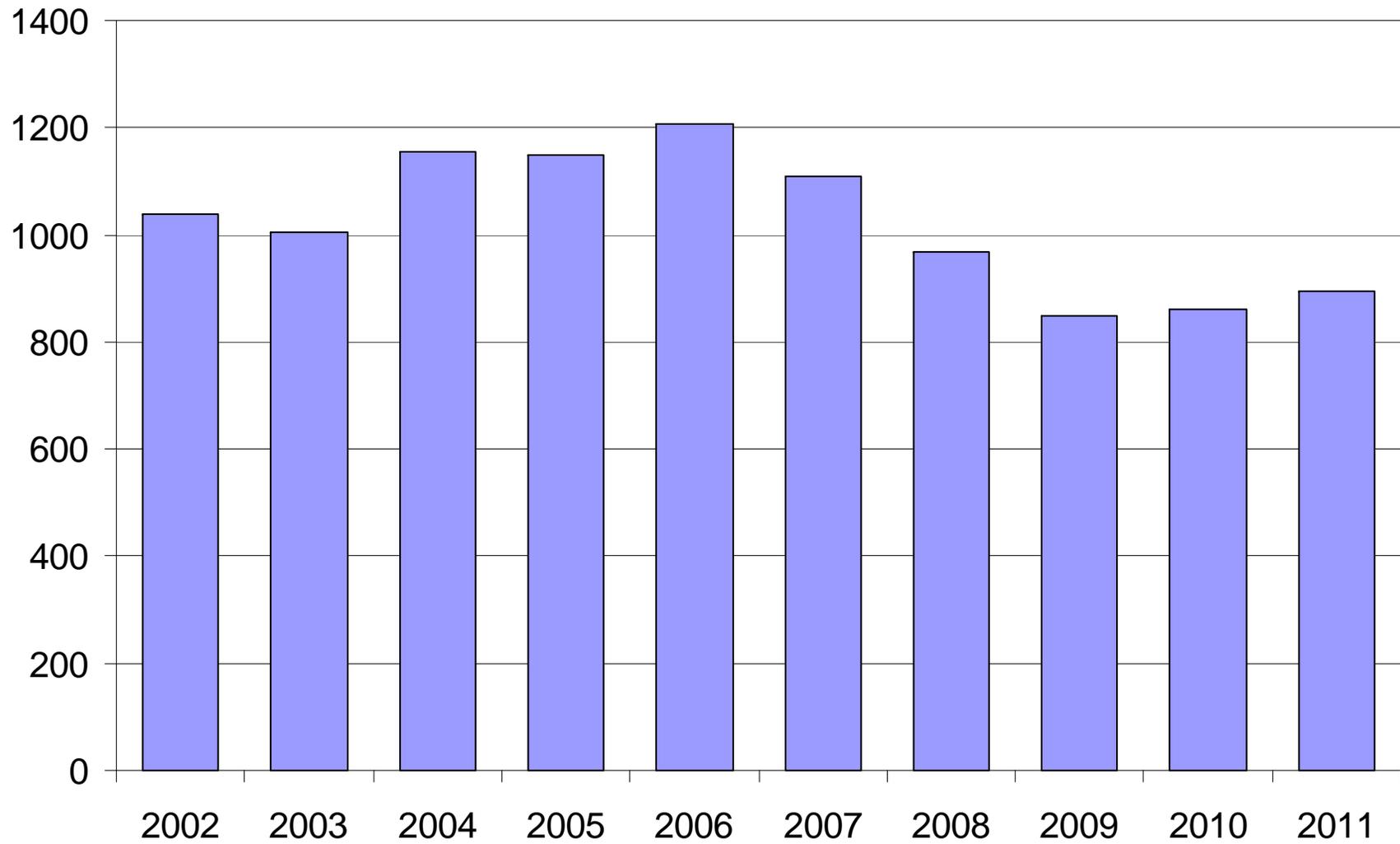


Chart represents enrollment at the end of the fiscal year.

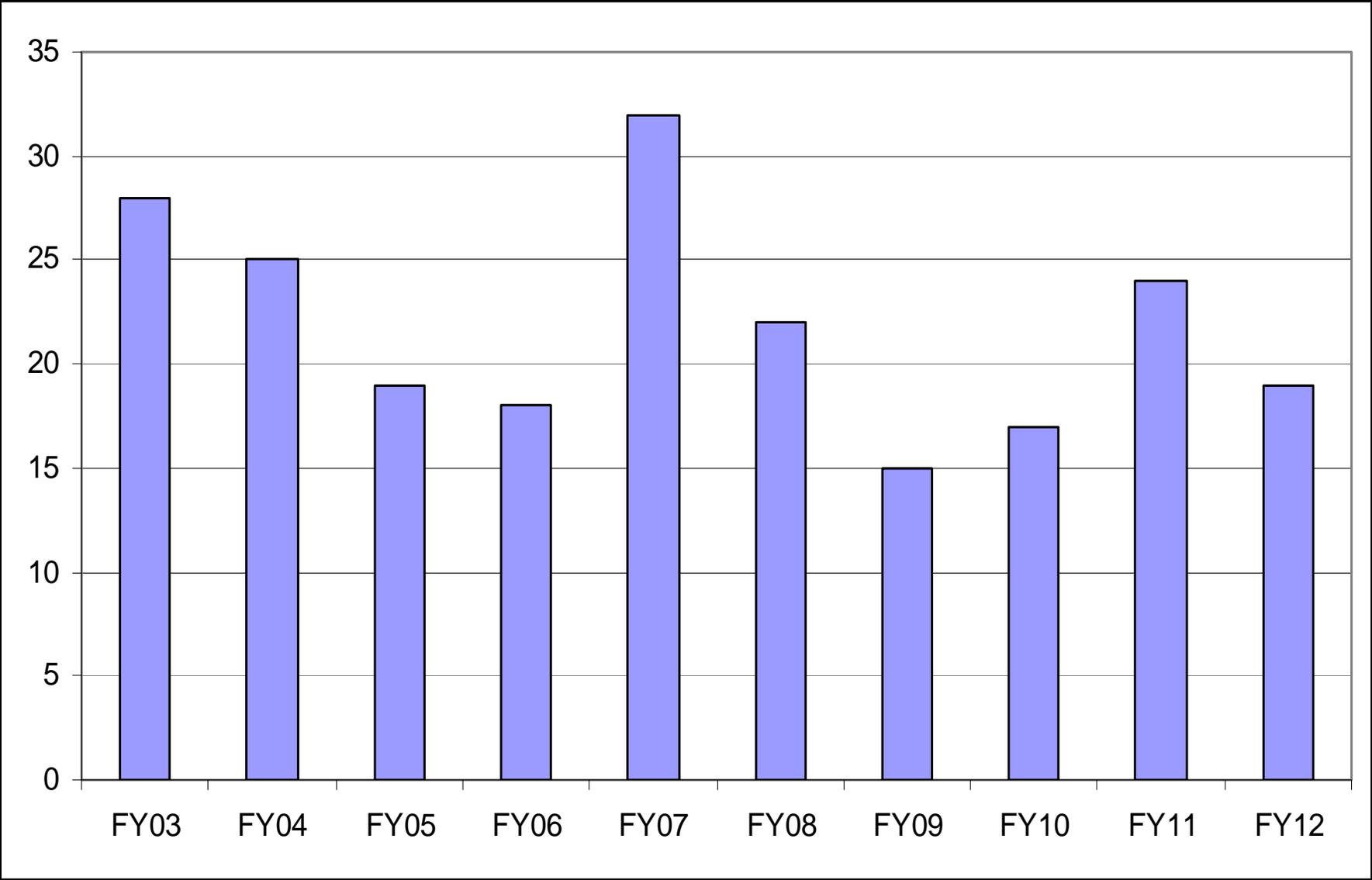
Number of Food Stamp Recipients



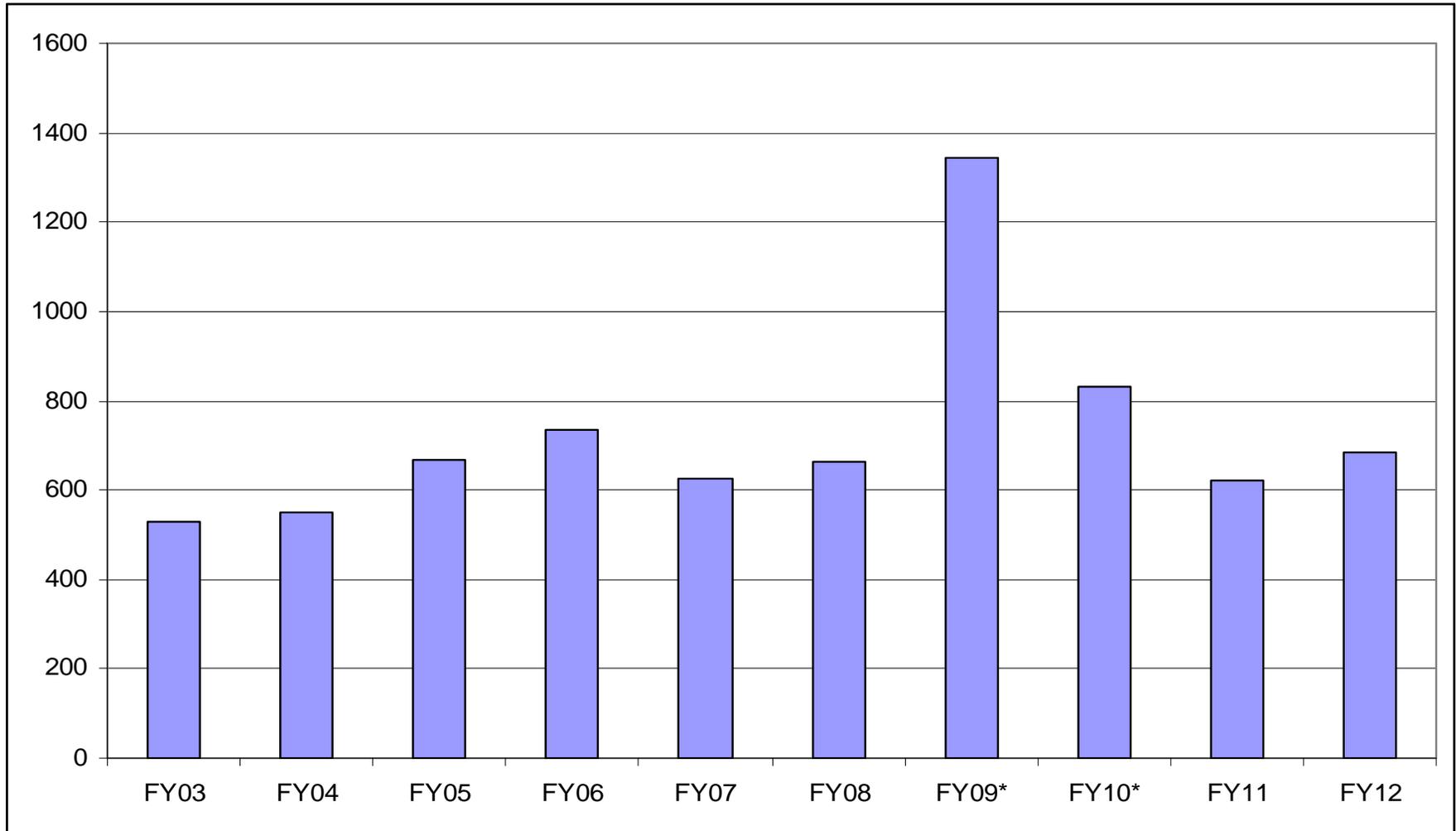
Alabama Traffic Fatalities



Number of Bridges Repaired or Replaced



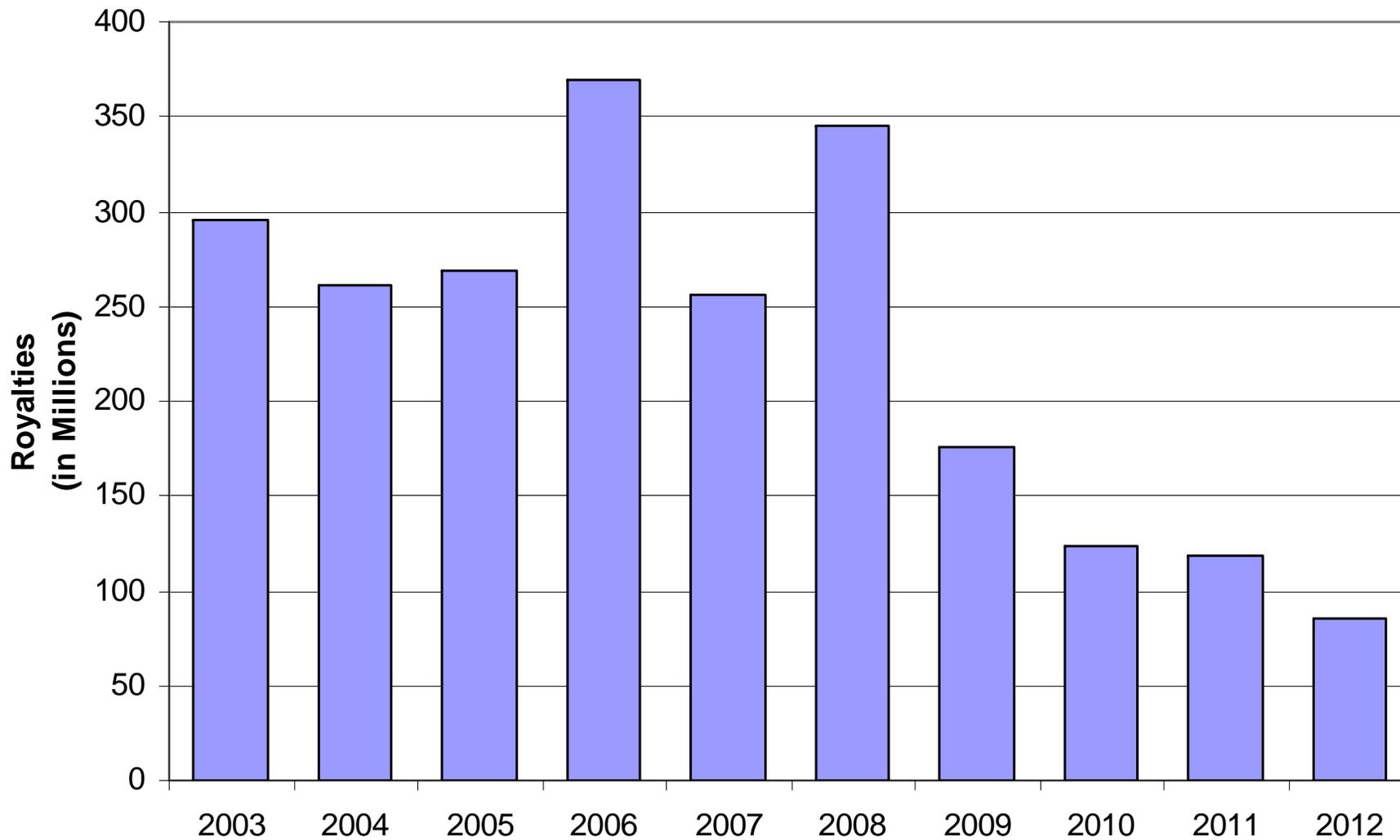
ALDOT – Total Miles Resurfaced[^]



*ARRA funds were used in FY09 to resurface 648 miles, and in FY10 to resurface 200 miles.

[^]Does not include Interstate miles.

Alabama Trust Fund Royalty Receipts



Repayments

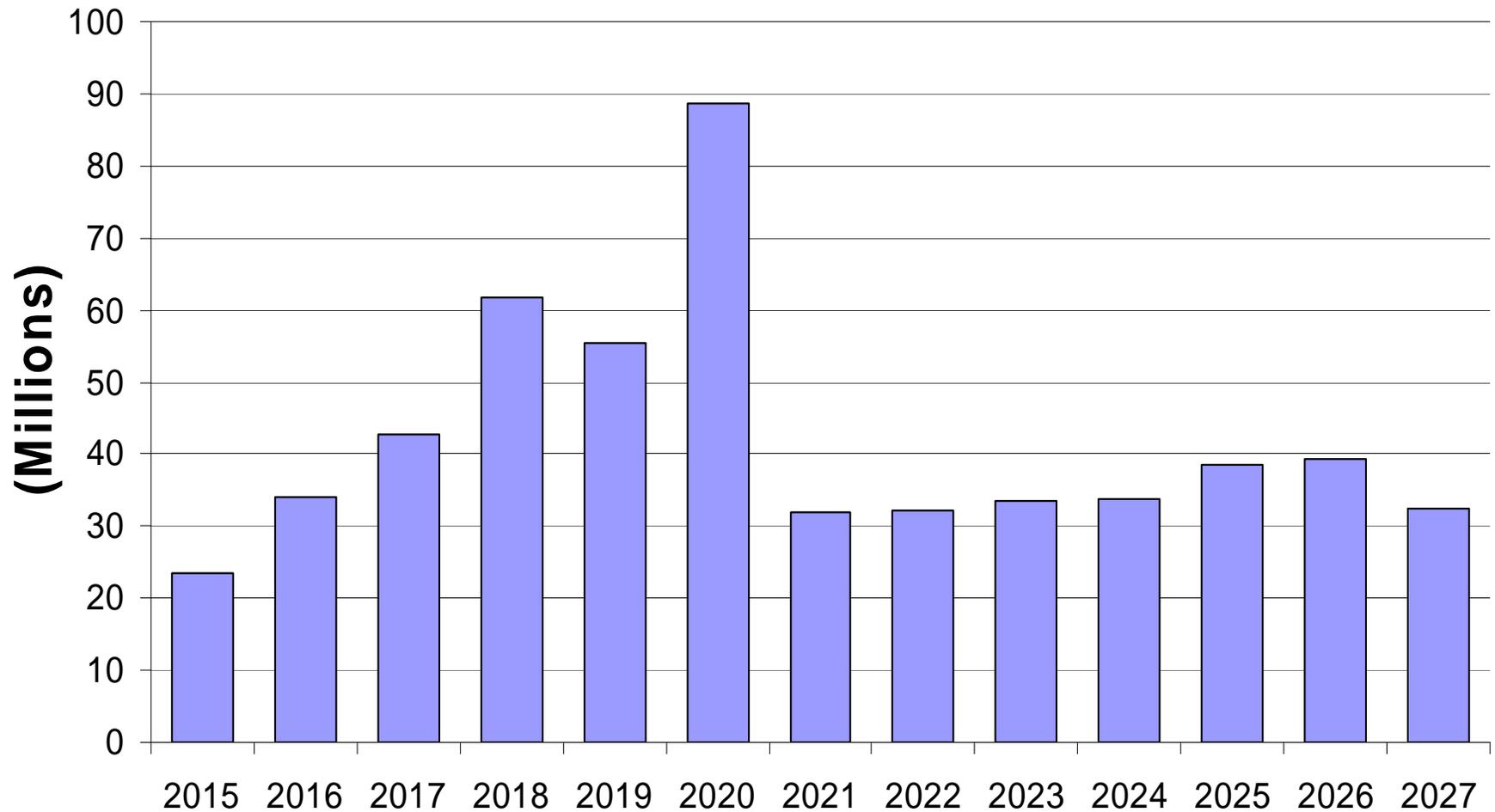
GENERAL FUND RAINY DAY ACCOUNT

- **FY 2010 – Transferred \$161,565,874**
- **FY 2020 – Deadline for repayment**

ETF RAINY DAY ACCOUNT

- **FY 2009 – Transferred \$437,390,828**
- **FY 2012 – Repaid \$14,412,984**
- **FY 2015 – Deadline for repayment**

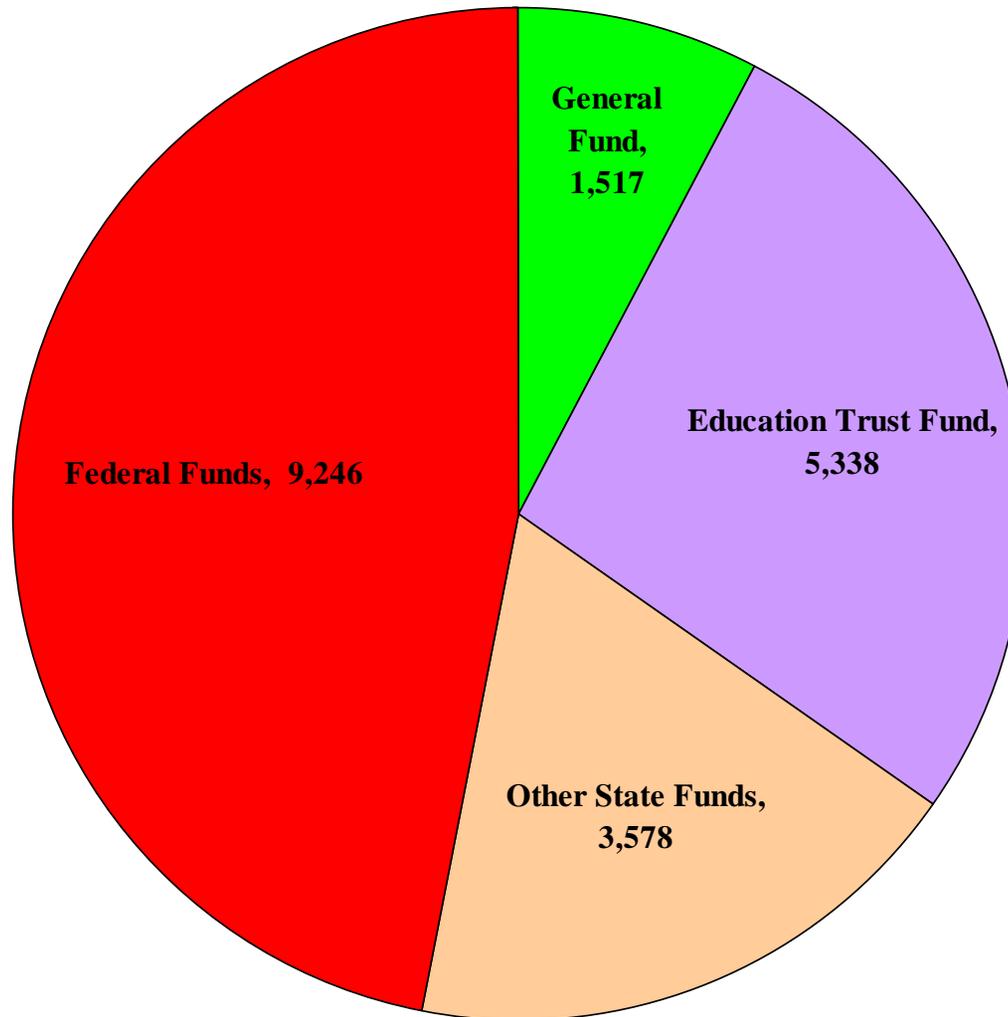
ETF Dollars to be Appropriated to the PACT Program



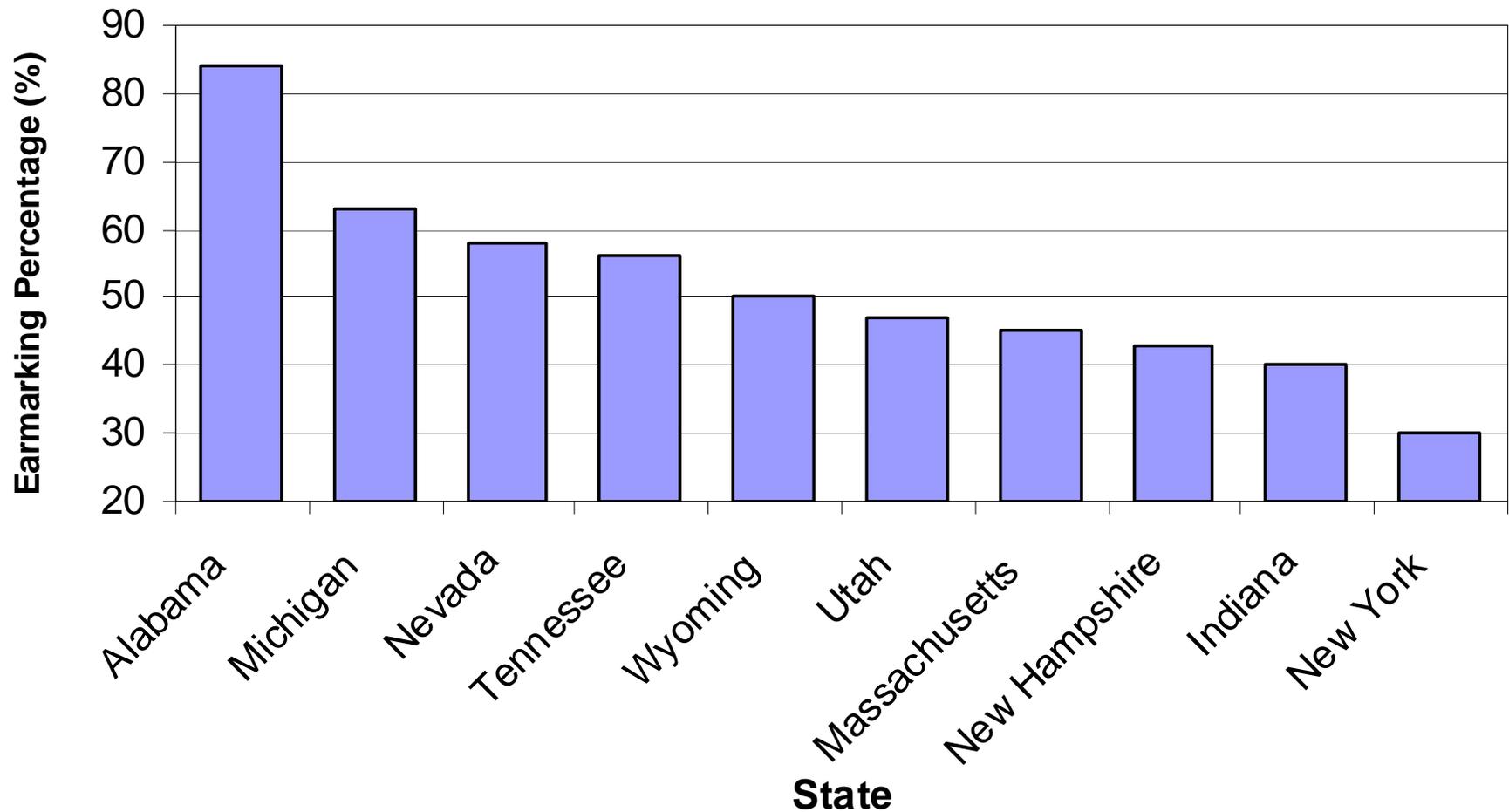
Alabama's Financial Status

FY 2011 REVENUES

Amounts in Millions



Top Ten Earmarking Revenue States as of 2005



What Did Departments Request in FY 2014?

General Fund Request for FY 2014
\$2 Billion

Education Trust Fund Request for FY 2014
\$6.4 Billion

Estimated FY 2014 Revenues

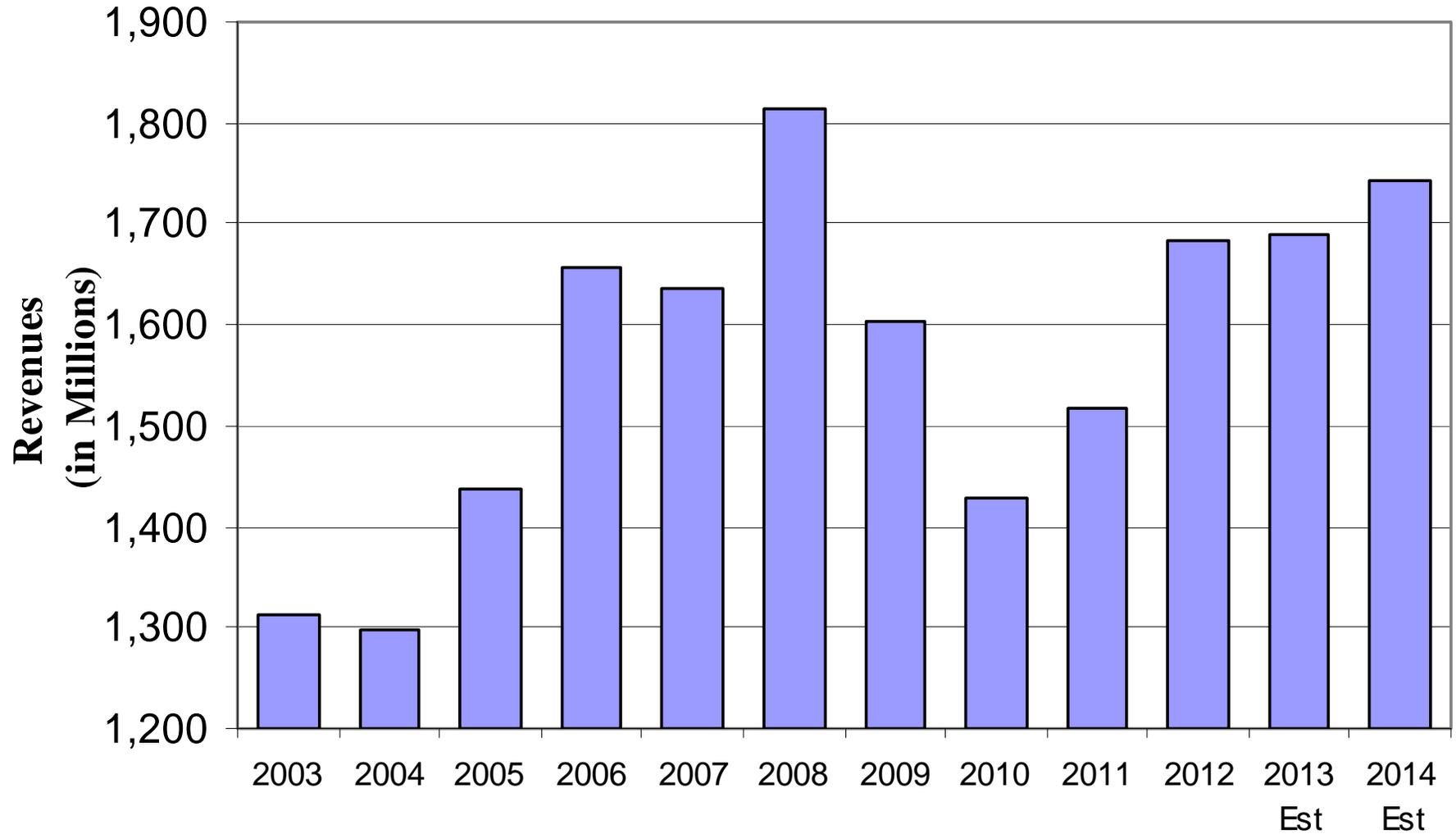
General Fund Total Estimated Revenue
\$1.7 Billion

Education Trust Fund Total Estimated Revenue
\$5.8 Billion

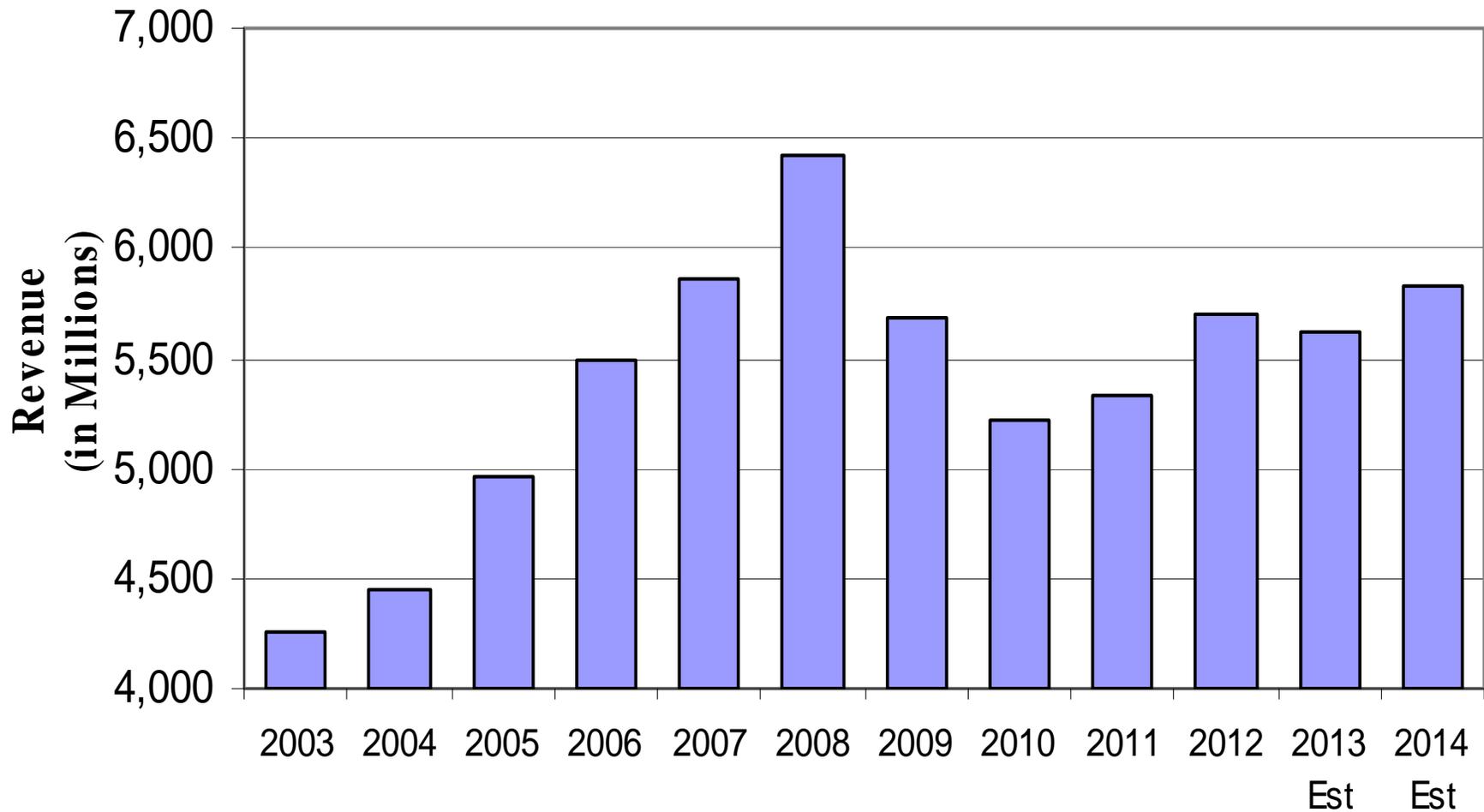
GENERAL FUND REVENUES

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
CONTINUING REVENUES	1,623,509,522	1,427,046,235	1,259,312,661	1,372,559,738	1,374,356,230	1,480,326,185
ONE TIME REVENUES	190,803,081	175,525,421	168,775,874	144,532,686	309,508,964	208,706,841
TOTAL GENERAL FUND REVENUES	1,814,312,603	1,602,571,656	1,428,088,535	1,517,092,424	1,683,865,194	1,689,033,026
GROWTH CONTINUING REVENUES	0.89%	-12.10%	-11.75%	8.99%	0.13%	7.71%

Total General Fund Revenues



Total Education Trust Fund Revenues



What Else?



What Are Other States Doing?



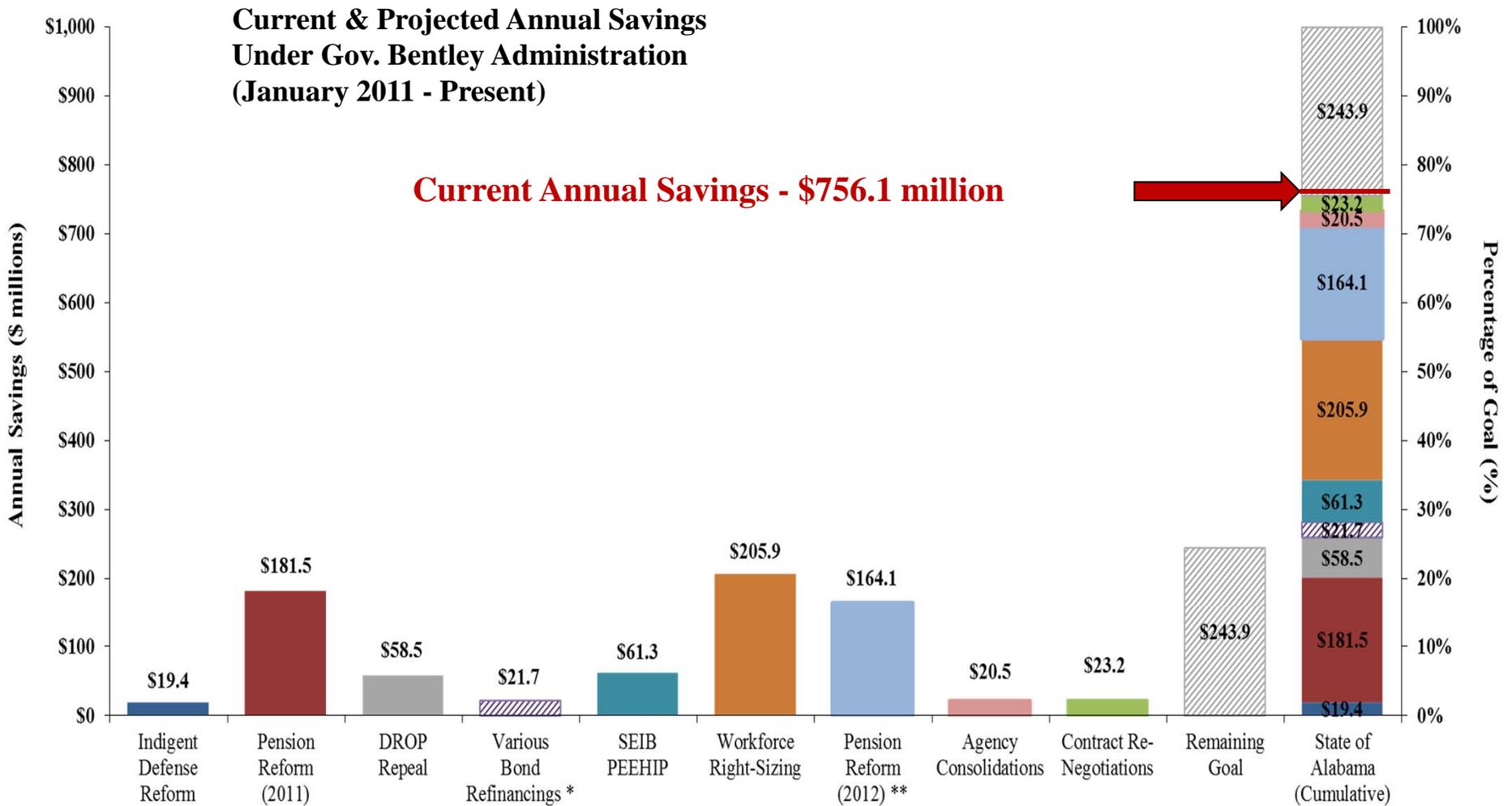


- Connecticut-Revenue shrinking faster than budget cuts
- Georgia-8 Public Colleges merged into one, spending cuts and no raises
- Illinois-Early inmate release planned
- Maine-Drug felons ineligible for TANF benefits
- New York-State Cut funding for children services
- Texas-Schools running \$1 billion short
- Indiana-Government layoffs top 400
- Kentucky-Workers take six unpaid furlough days
- Louisiana-Corrections may sell off prisons
- Nebraska-Education employees take 240 furlough days
- Virginia-Looks to privatize the state liquor system
- South Carolina-Push to increase gasoline tax
- 14 States raised cigarette taxes
- Kansas and New Mexico-Increased sales taxes
- Washington State-Taxing sodas

What Is Alabama Doing?



Road to a \$Billion in Savings – as of December 31, 2012



* Includes pending. \$92.6 million of total realized savings. For consistency, average annual savings calculation assumes equally spread over remaining life of bonds

** Average annual savings over life of project

Thank You!

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