

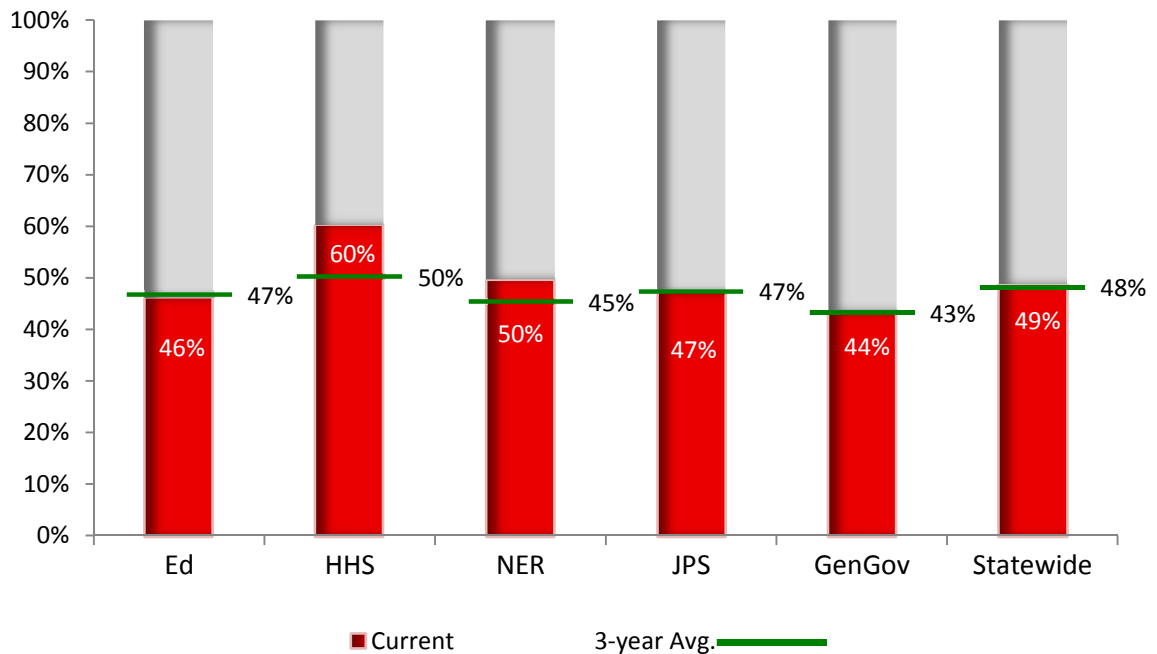
## FY 2011-12 Expenditure Update (First Half of Year: July - December 2011)

Percentage of net General Fund appropriations expended in the current fiscal year compared to the three prior fiscal years

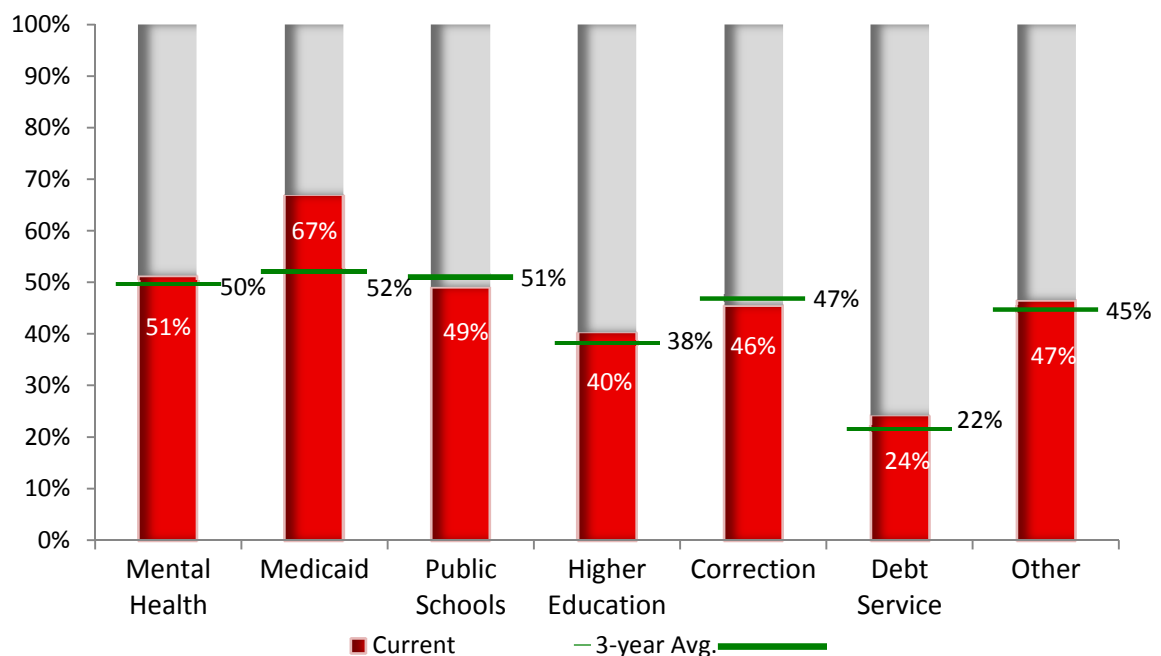
### Notes

1. The average of the 3 prior years reflects historical spending trends within agencies. Because most agencies do not spend on a one-twelfth per month (or straight-line) rate, staff finds this to be a more relevant comparison of expenditure rates.
2. This analysis shows percent, not amount, of appropriations spent. Therefore, the same dollar amount deviation from historical spending trends will show up as a more significant change in smaller agencies than larger ones.

### Appropriations Subcommittees (General Fund)



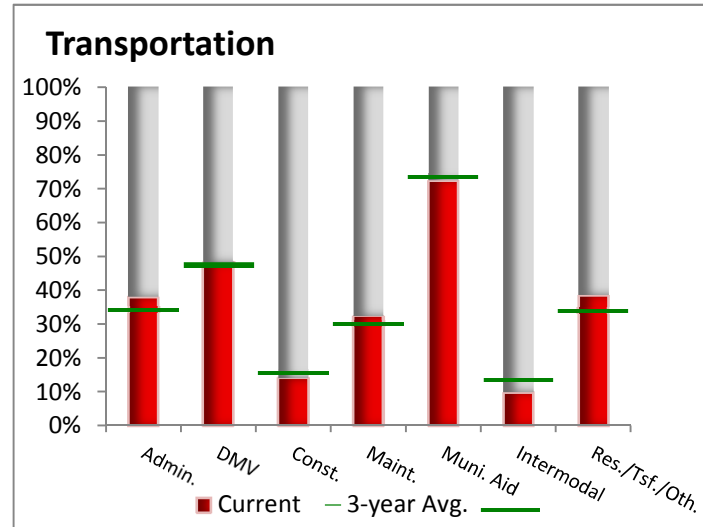
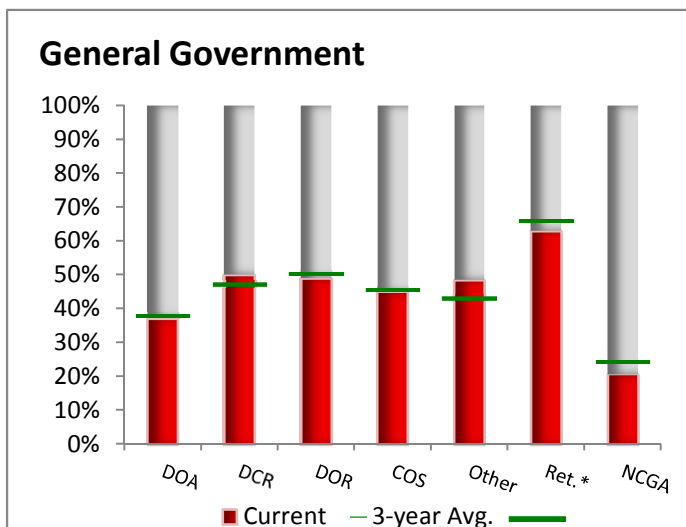
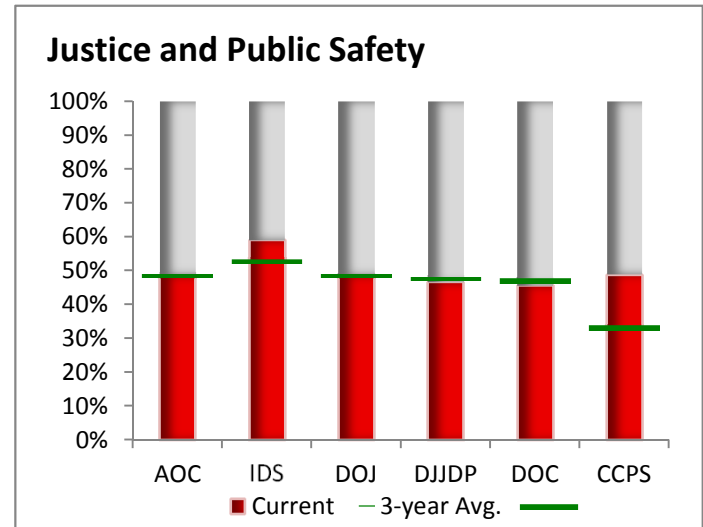
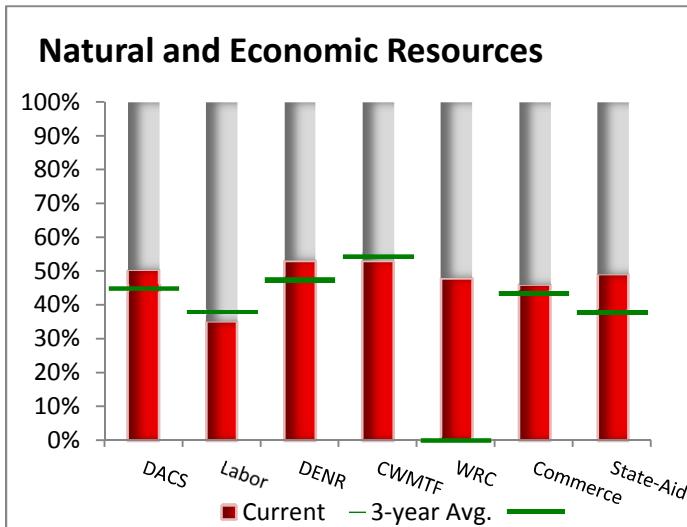
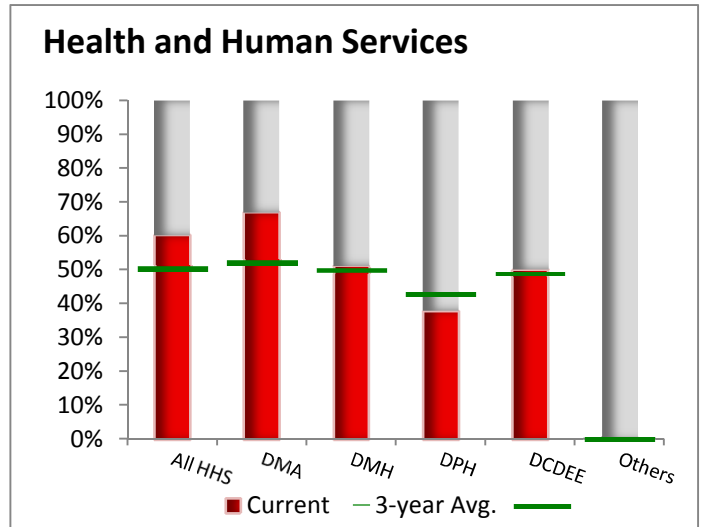
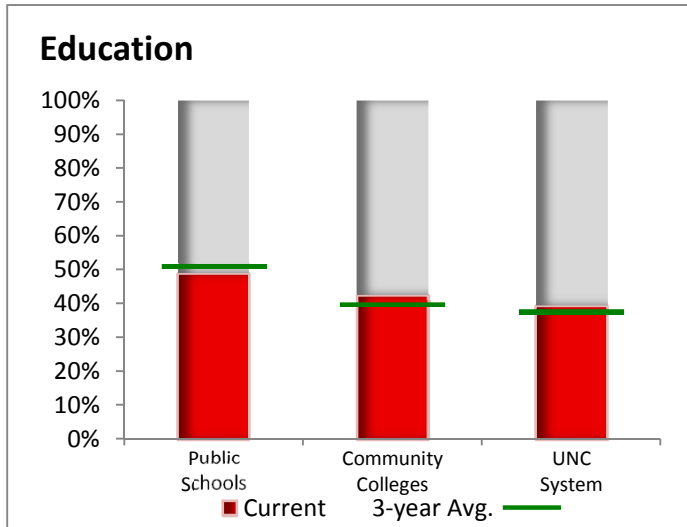
### General Fund Major Budget Drivers



# FY 2011-12 Expenditure Update

## First Half of Year: July - December 2011

Percentage of net General Fund appropriations expended in the current fiscal year compared to the three prior fiscal years



## Notes and Additional Information

**General Note:** Data source is NCAS DSS system. Certified budget is as of November 30 each fiscal year.

### 1. Education

The Education agencies' spending rates are consistent with prior year averages.

### 2. Health & Human Services

The Division of Medical Assistance (DMA) repaid federal liabilities/drug rebates in the amount of \$99M during the first half of FY 2011-12. These repayments have increased the rate of expenditure for Division of Medical Assistance for the first two quarters.

The Department of Health and Human Services is also overspending in the Medicaid program due to slow implementation of budget reductions/program adjustments. The provider rate reduction was approved by the federal government in October and implemented in November (2nd quarter). In particular, there was a reduction in the budget of \$60 million in anticipation of the hospital/provider assessment; that amount has not come in yet; which causes DMA to have to spend State cash (that were already cut from the budget) which also contributes to the expenditure rate (that is \$30 million for the first part of the year).

These repayments and delayed reductions of budget cuts have increased the expenditure rate for Division of Medical Assistance for the first 2 quarters. The General Assembly will need to continue to closely monitor quarterly expenditures within the Medicaid program.

### 3. Natural & Economic Resources

**Acronyms:** DACS (Agriculture & Consumer Services); DENR (Environment & Natural Resources); CWMTF (Clean Water Management Trust Fund); WRC (Wildlife Resources Commission)

WRC: FY 2011-12 is the first year that WRC has received a General Fund appropriation; there is no 3 year history.

Commerce State-Aid: In FY 2008-09 and FY 2009-10 certified revenues for the fiscal year (carryforward) exceeded expenditures in the first month of the quarter, resulting in a negative net General Fund expenditure for June and lowering the quarter's total expenditure. There was no carry forward budgeted in FY 2011-12.

### 4. Justice & Public Safety

Indigent Defense Services - The first quarter of FY 2011-12 includes almost \$10 million in carry-over debt, while the previous fiscal year had no carry-over debt.

Crime Control and Public Safety - Support for the State Highway Patrol (SHP) was transferred from the Highway Fund to the General Fund for the first time in FY 2011-12, accounting for the increased expenditure rate in the Department of Crime Control and Public Safety.

### 5. General Government

DOA = Dept. of Administration, including State Personnel and State Ethics Commission

COS = Governor's Office, OSBM, and other Council of State (Auditor, Insurance, Lieutenant Governor, Treasurer except Ret. Div.)

Other = Controller, Housing Finance Agency (HFA), Office of Administrative Hearings, State Board of Elections (SBOE)

Ret.\* = State Treasurer Retirement for Fire and Rescue

Notes on anomalies:

NCGA: In FY2011-12, certified revenues (carryforward) for the fiscal year exceeded expenditures in the first quarter.

Other: In FY2008-09 and FY2009-10, SBOE certified revenues for the fiscal year (carryforward and intragovernmental transfers) exceeded expenditures in the first quarter.

## 6. Transportation

Admin. = DOT Central Administration, Division of Highways, and Field Operations

Muni. Aid = State Aid to Municipalities (Powell Bill)

Intermodal = Ferry Operations, Rail, Airport, and Public Transportation Programs

Res./Tsf./Oth. = Transfers to the General Fund and other State agencies; debt service; reserves and other programs.

Notes:

\* Graph represents combined certified Highway Fund and Highway Trust Fund appropriations and expenditures for *certified* fund codes (inc. fund transfers). Off-budget outlays are not included.

\* Certified appropriation totals include authorized carry-forward of unallotted/unexpended funds from prior years.

\* NCDOT operates on an allotment and cash flow basis to facilitate funding of multi-year capital projects. Accordingly, year-to-date expenditures for the Construction, Maintenance, and Intermodal categories may appear low relative to accumulated appropriation authority.

\* Intermodal: FY2011-12 certified revenues include carry-forward from federal American Recovery and Reinvestment Act (ARRA) and discretionary grant awards (\$572.6M) for High Speed Intercity Passenger (HSIPR) rail projects.

\* Res./Tsf./Oth.: Includes \$15.2M in FY 2011-12 year-to-date expenditures classified as emergency-related, roughly \$14M above the 3-yr. average for this particular fund.