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Talking Points on House GOP Budget Targets

- House Republicans have proposed a budget that is honest, transparent, and sustainable. The budget does not spend more than we take in, and will provide for priority services in the areas of education, health and human services, and public safety. In addition, the Taxpayer First Act will provide for significant tax relief from one-time funding from the ending balance.
- The House Republican Budget Proposal spends \$347 million less than the current FY 2011 budget.
- The current FY 2011 budget spends \$6.347 billion in total. This total is comprised of general fund budget appropriations of \$5.279 billion, \$872 million of expenditure shifts, and \$196 million of purposely underfunded expenditures.
- House Republicans are using the December REC estimate for General Fund Receipts of \$6.031 billion. After revenue adjustments, the targets appropriate 98 percent of available revenue for a total of \$5.9 billion. \$100 million for the Health Care Trust Fund increases total spending to \$6 billion. This is \$347 million below adjusted FY 2011, \$386 million below the anticipated Senate Democrats and \$162 million below the Governor.

<u>FY 2011</u>	<u>Senate Democrats</u>	<u>Governor</u>	<u>House Republicans</u>
\$6.347 billion	\$6.388 billion	\$6.162 billion	\$5.900 billion (GF)
\$347 million higher	\$388 million higher	\$162 million higher	\$100 million (HCTF)

- Under current law, LSA estimates that the expenditure limitation is \$6.388 billion for FY 2012. This includes \$119.3 million from the extension of the federal tax rates and \$298.7 million from the FY 2011 ending balance. This is lower than House GOP number for FY 2011 of \$327 million because the cuts contained in Taxpayer First Act (HF 45) are not yet current law.
- The \$6.388 billion figure is what the Senate Democrats will use to set their budget targets. This does not accomplish the goal of aligning spending with revenue.
- The Governor uses \$6.338 billion as the expenditure limitation for FY 2012. However, he only appropriates \$6.162 billion and leaves an ending balance of \$249.4 million. The Governor is \$185 million below FY 2011 and also aligns ongoing spending with ongoing revenue.
- After the negotiations with the Governor and Senate on budget reforms and limitations on transfer authority are complete, House Republicans will release targets for the FY 2013 budget.