

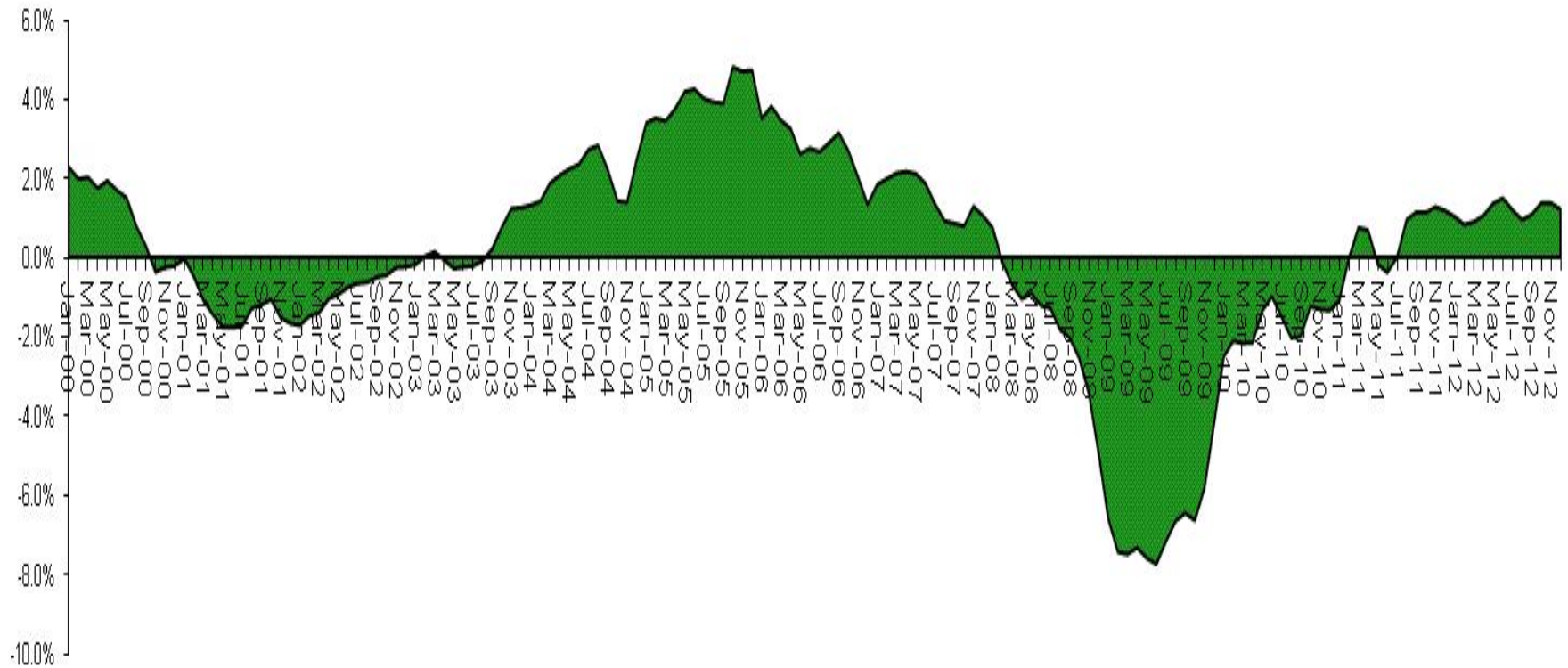
# **Alabama Legislative Joint Hearing: FY 2014**

## *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



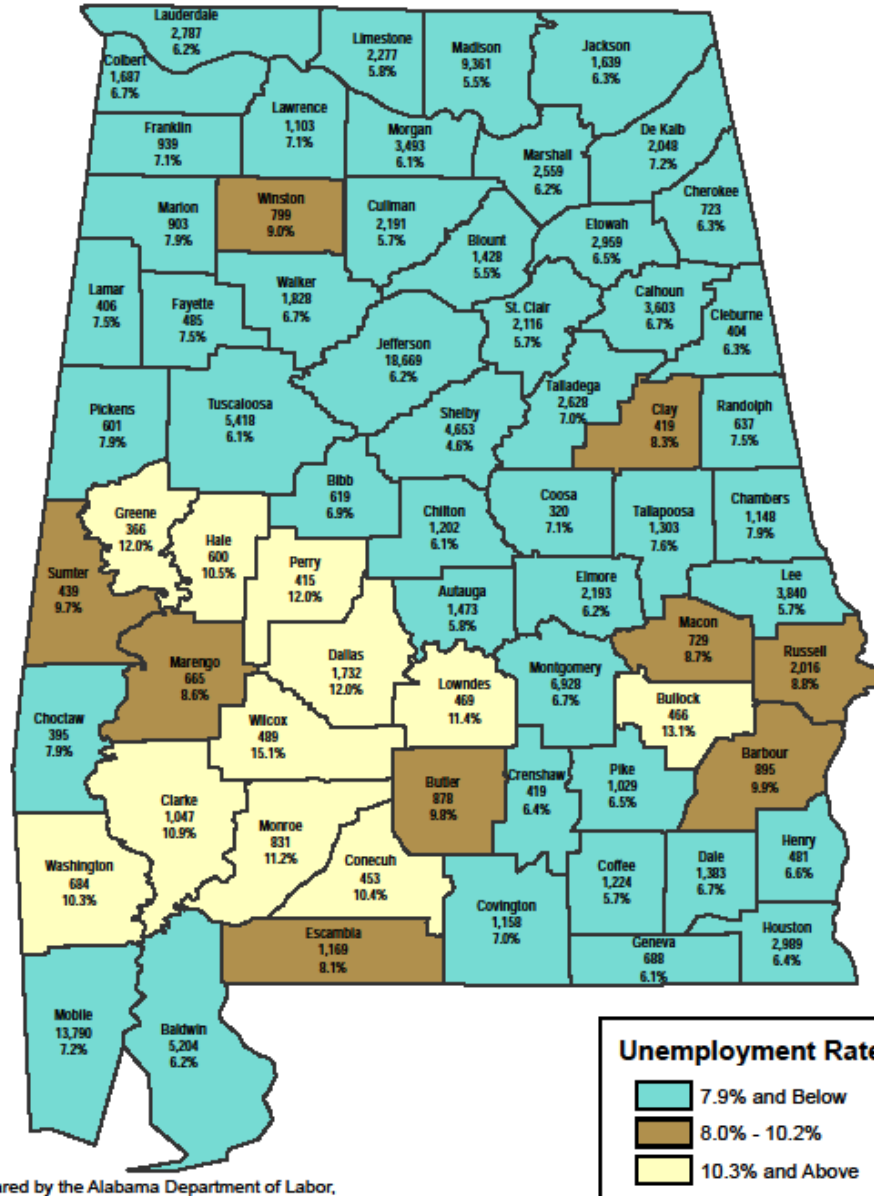
# ALABAMA UNEMPLOYMENT RATE AND NUMBER UNEMPLOYED

December 2012 Preliminary

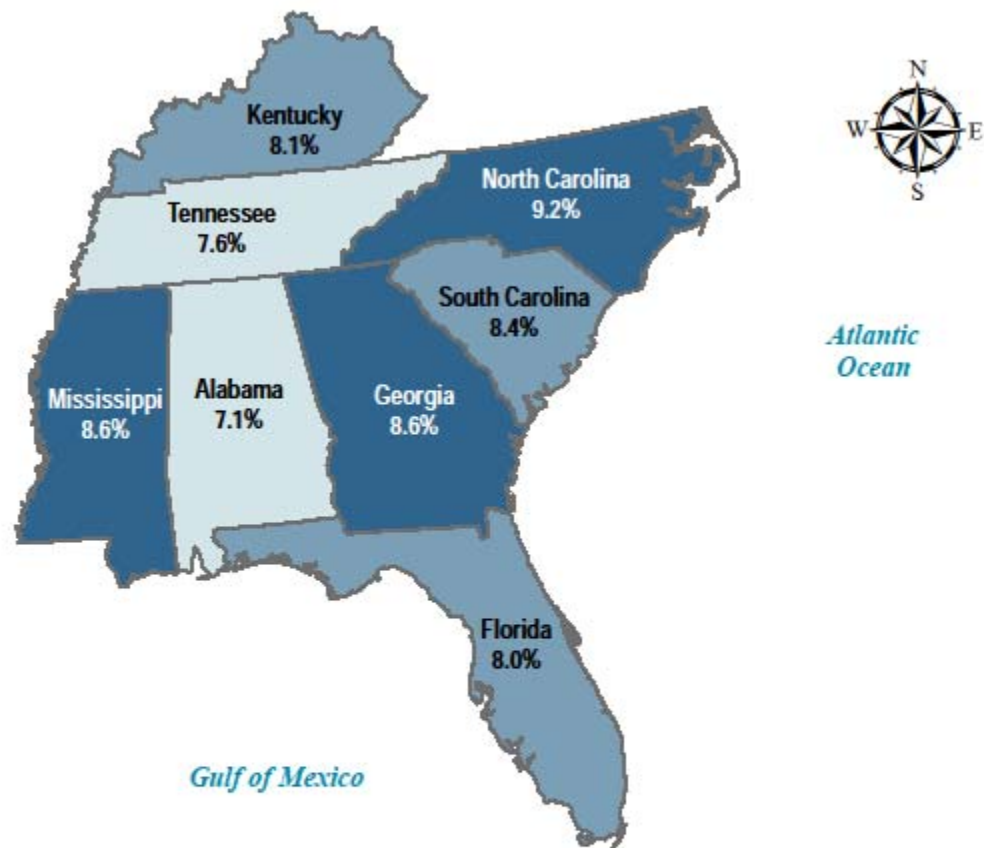
State Rate Seasonally Adjusted: 7.1%

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

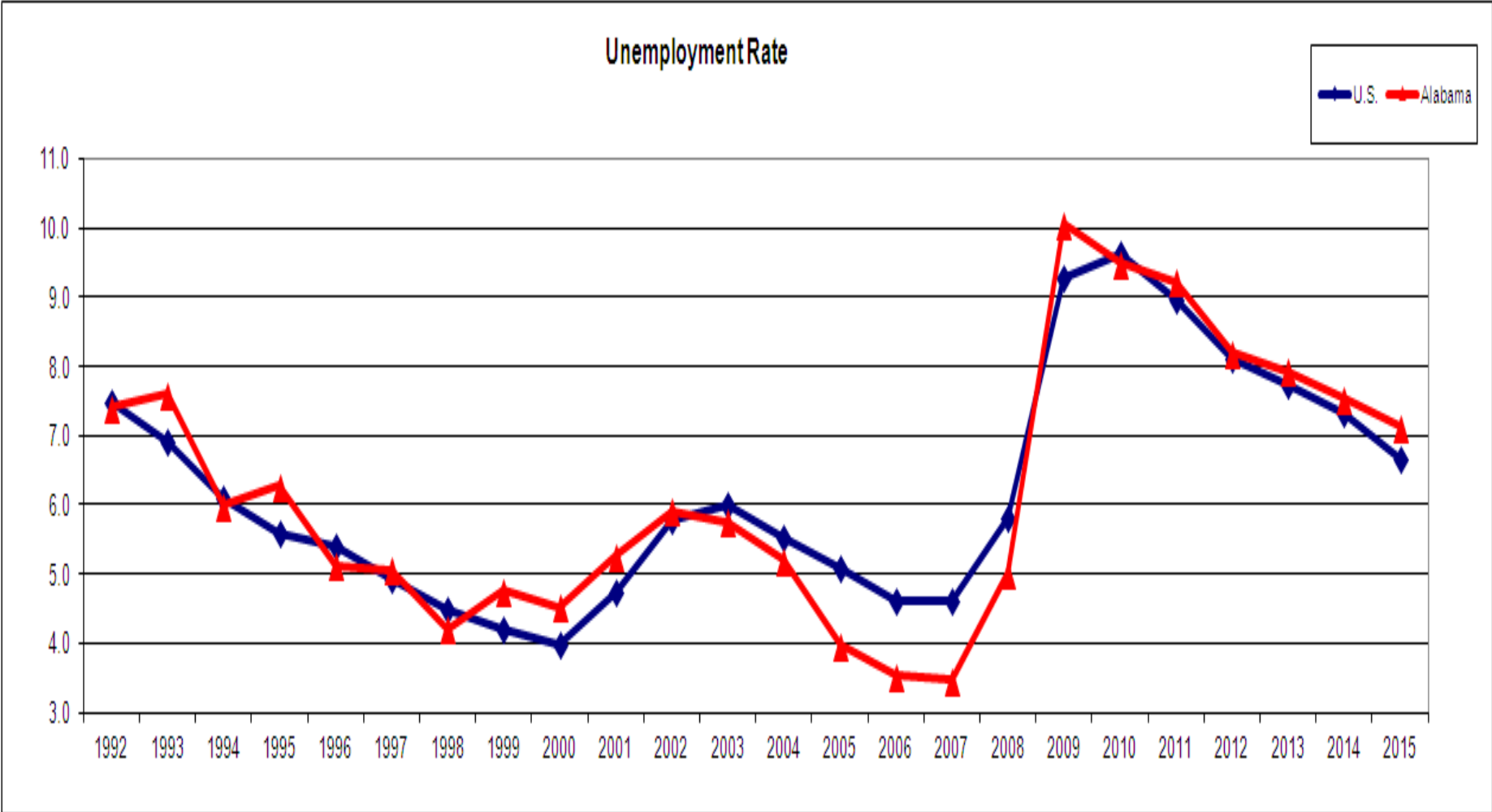
# **Alabama's Annual Unemployment Rate Seasonally Adjusted 2008-2012**

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

\*December 2012 data is preliminary.

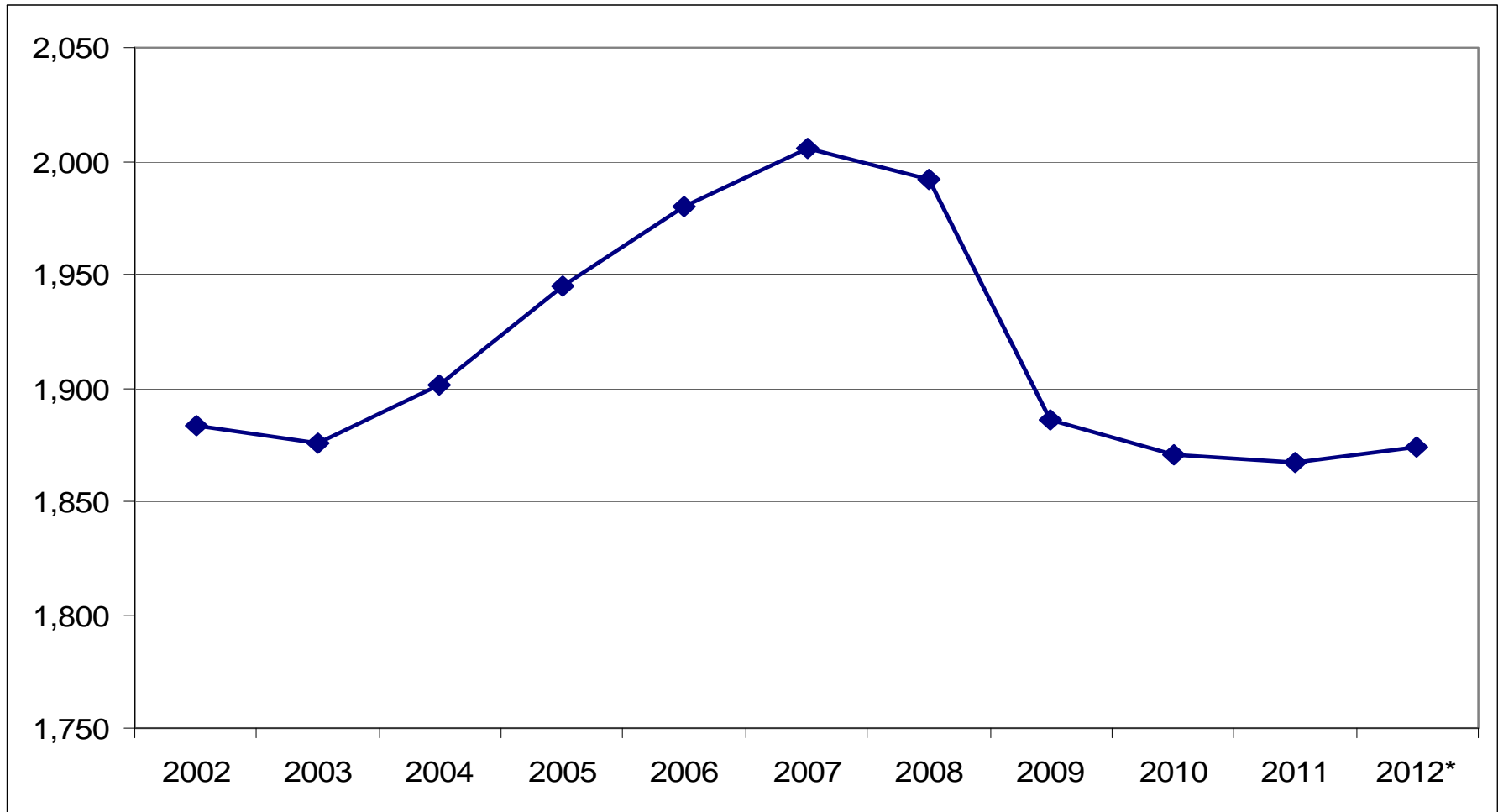
# Unemployment Rate

## Alabama vs. US



# Alabama's Total Employment

(In Thousands)



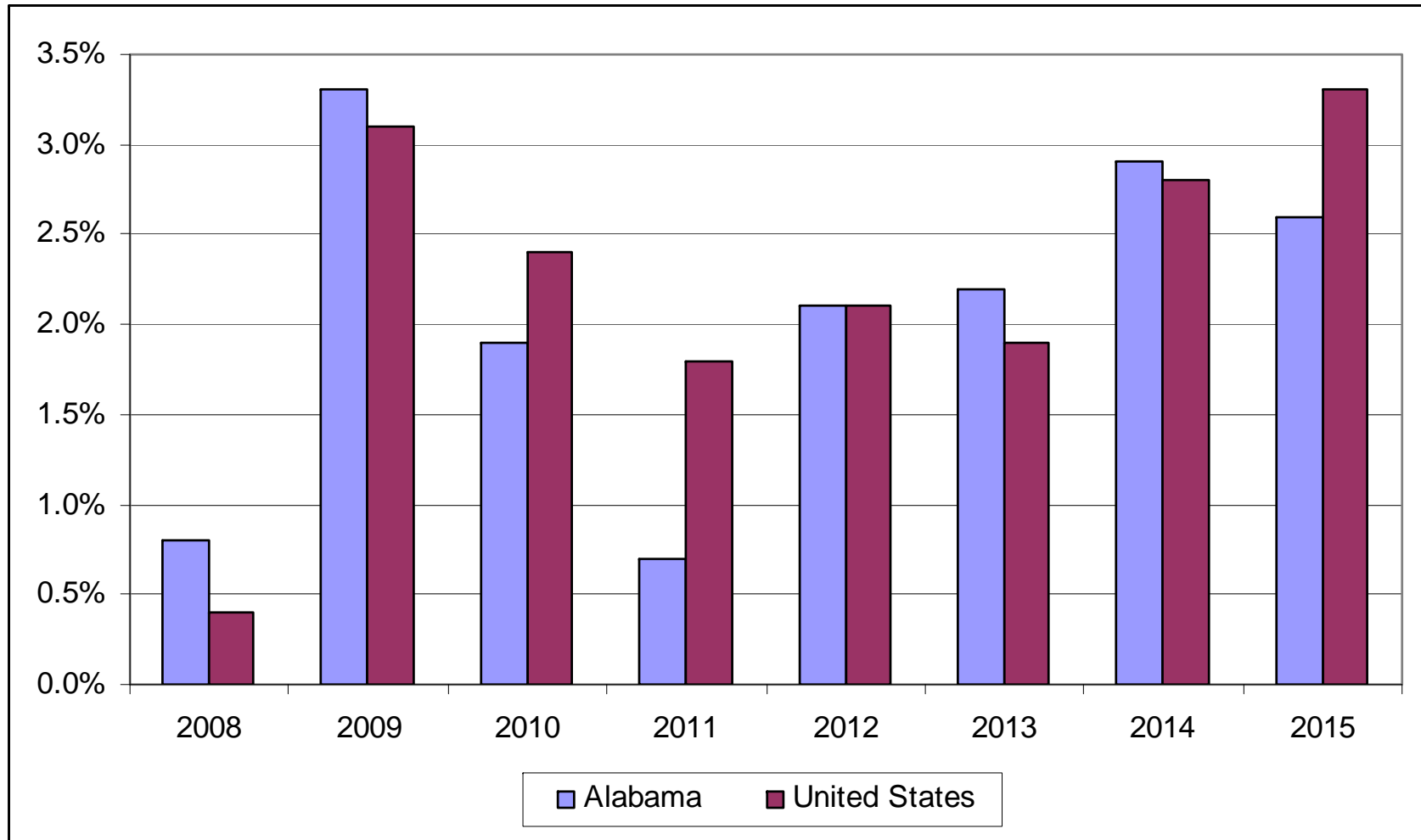
\*2012 Data is preliminary.



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

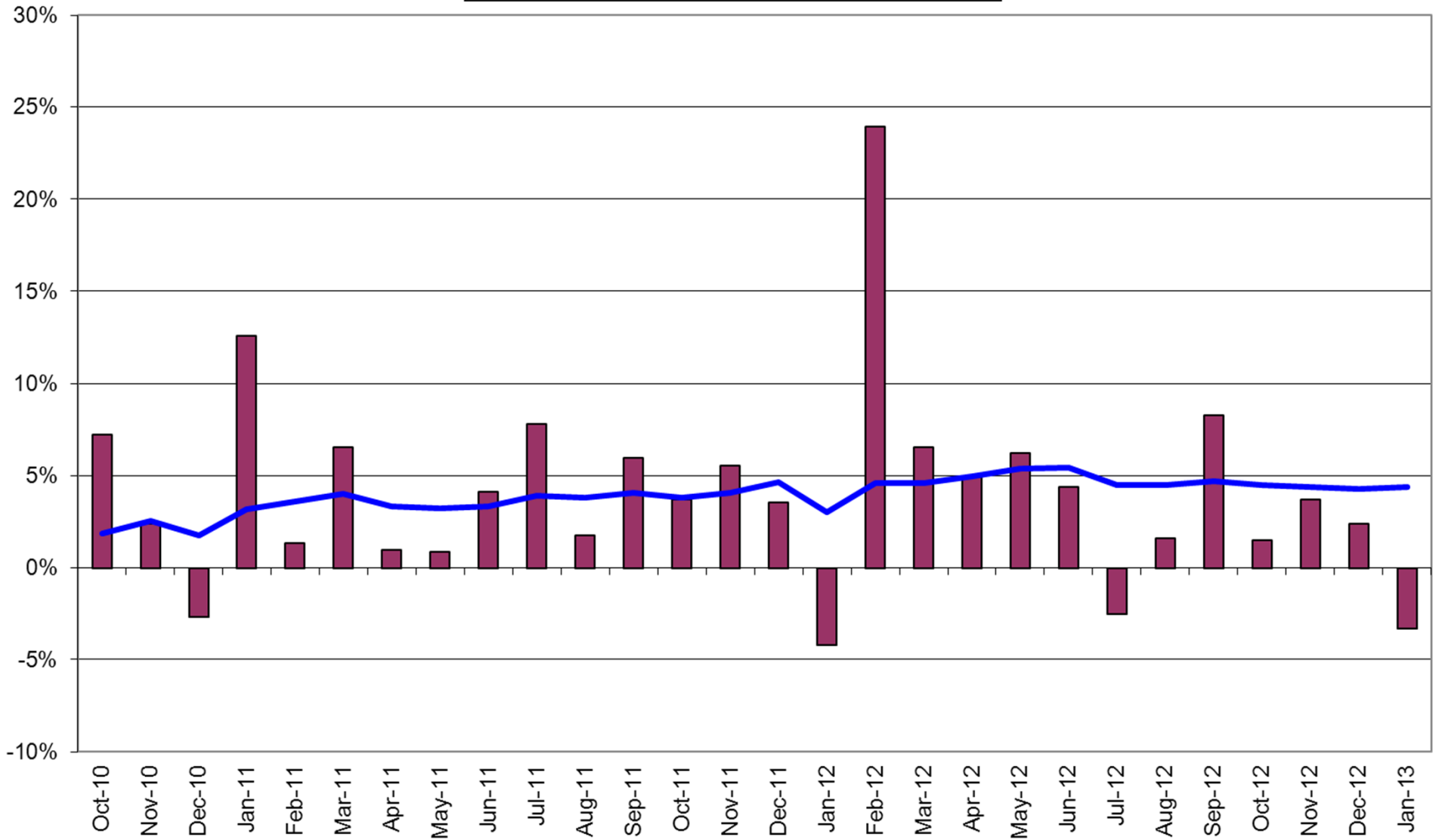
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Alabama	0.8%	3.3%	1.9%	0.7%	2.1%	2.2%	2.9%	2.6%
United States	0.4%	3.1%	2.4%	1.8%	2.1%	1.9%	2.8%	3.3%

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



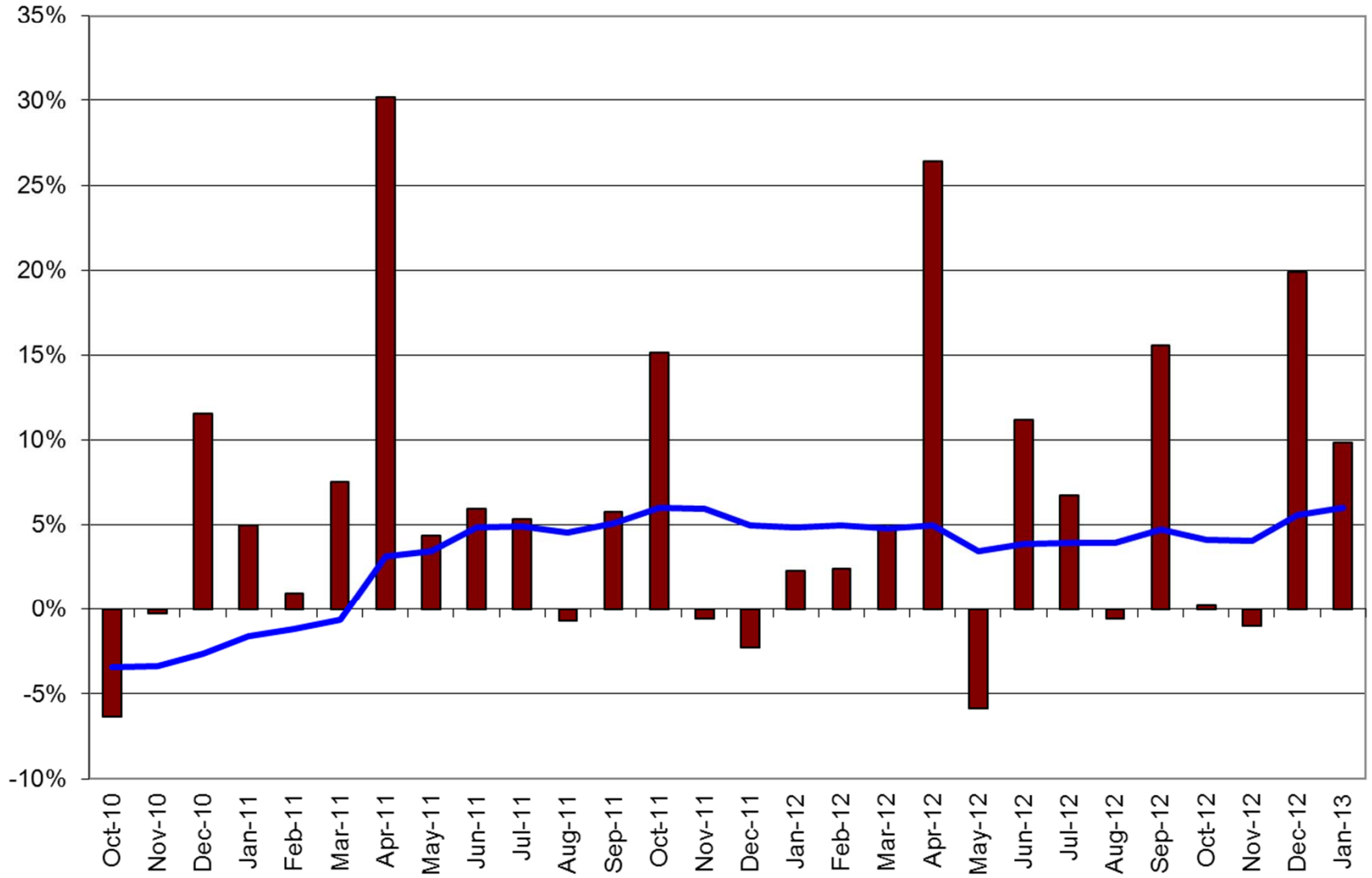
**GROSS SALES TAX  
MONTHLY % CHANGE OVER PRIOR YEAR  
AND  
12 MONTH ROLLING AVERAGE**

average monthly percentage increase over prior six



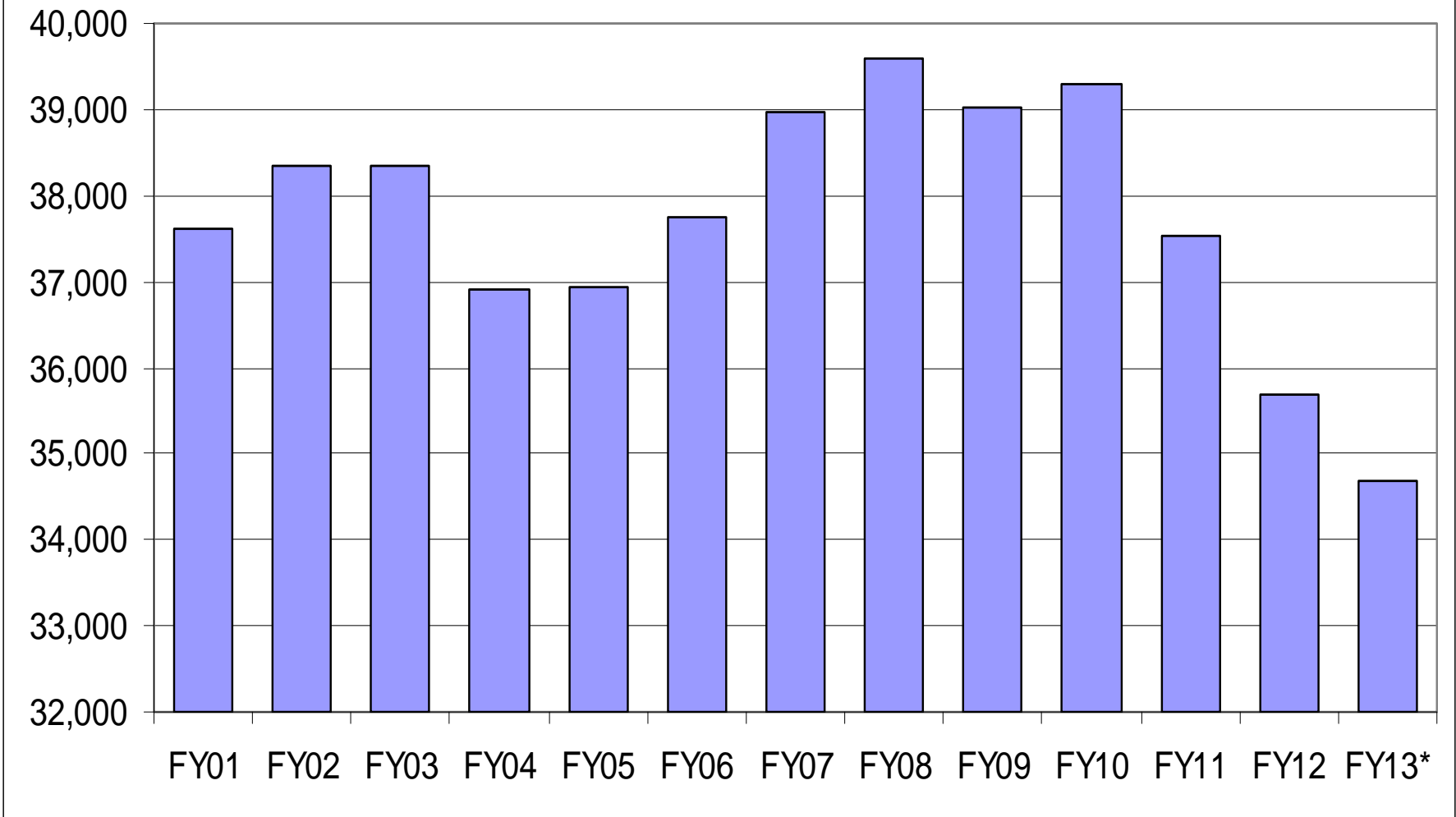
**GROSS INDIVIDUAL INCOME TAX  
MONTHLY % CHANGE OVER PRIOR YEAR  
AND  
12 MONTH ROLLING AVERAGE**

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**

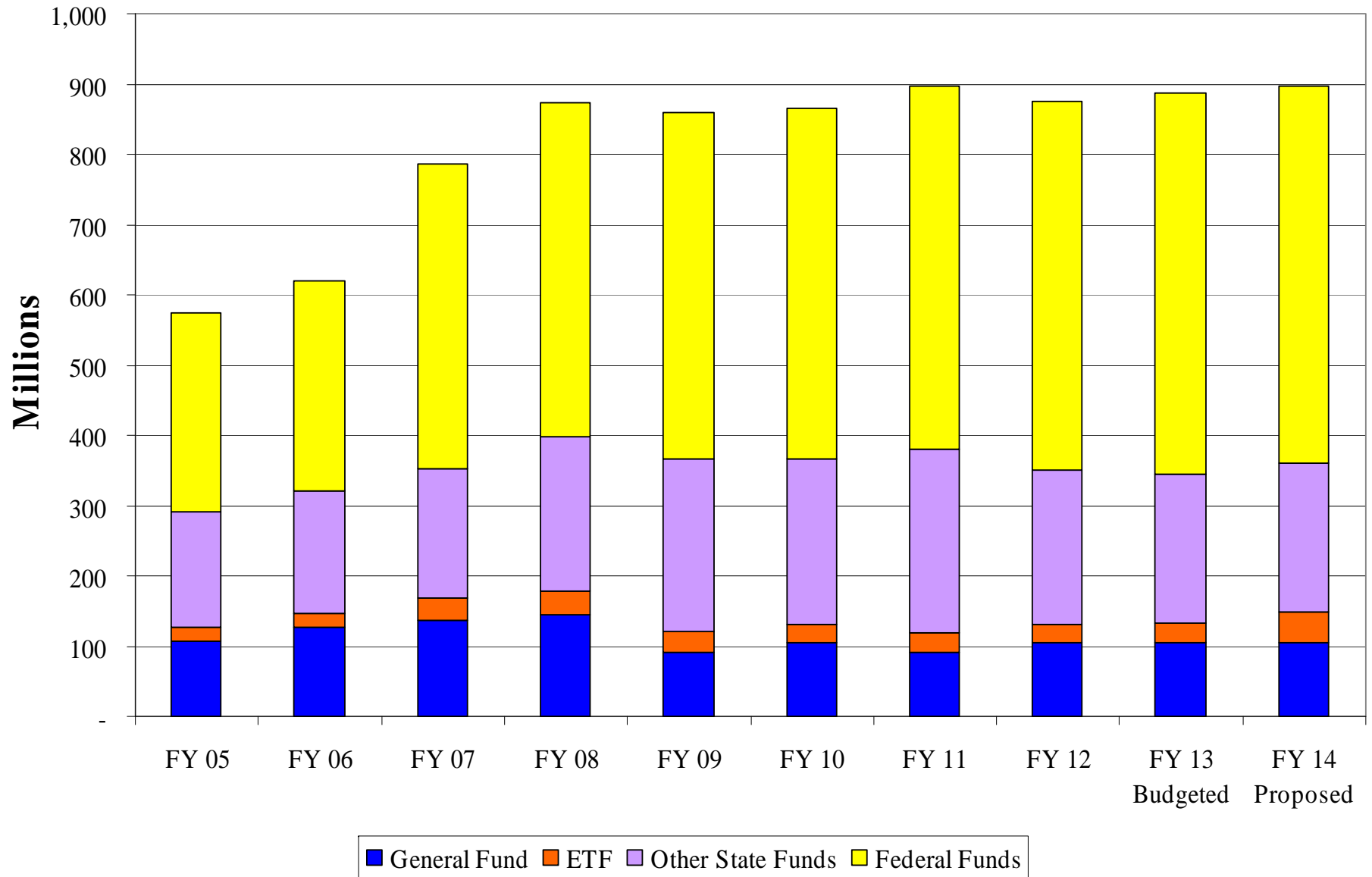
**Searcy Hospital  
(October 2012)**

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

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



# Mental Health Funding By Fiscal Year



# ALABAMA DEPARTMENT OF VETERANS AFFAIRS

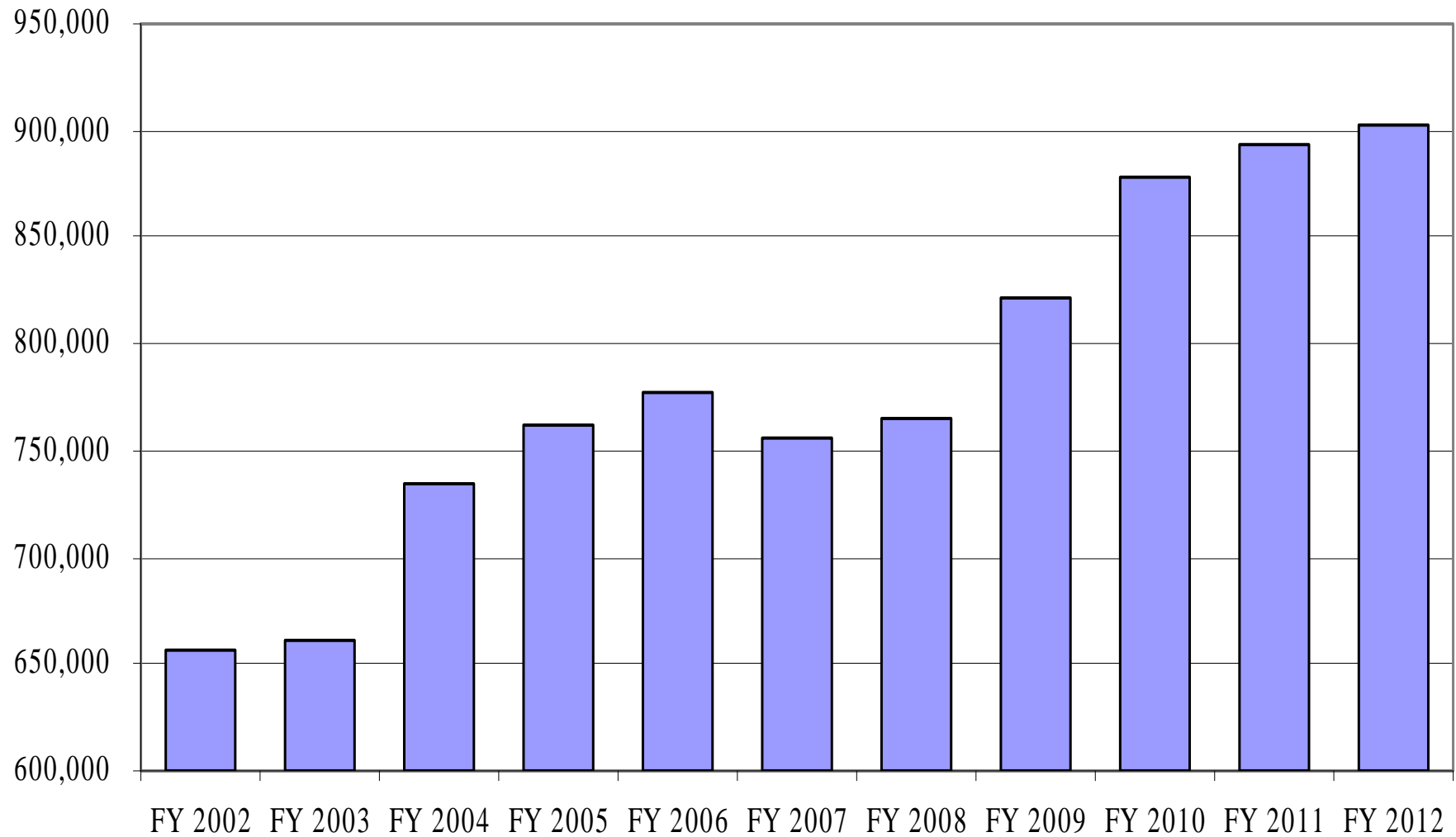
## Veterans Education Benefits Actual/Projected Expenditures

<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

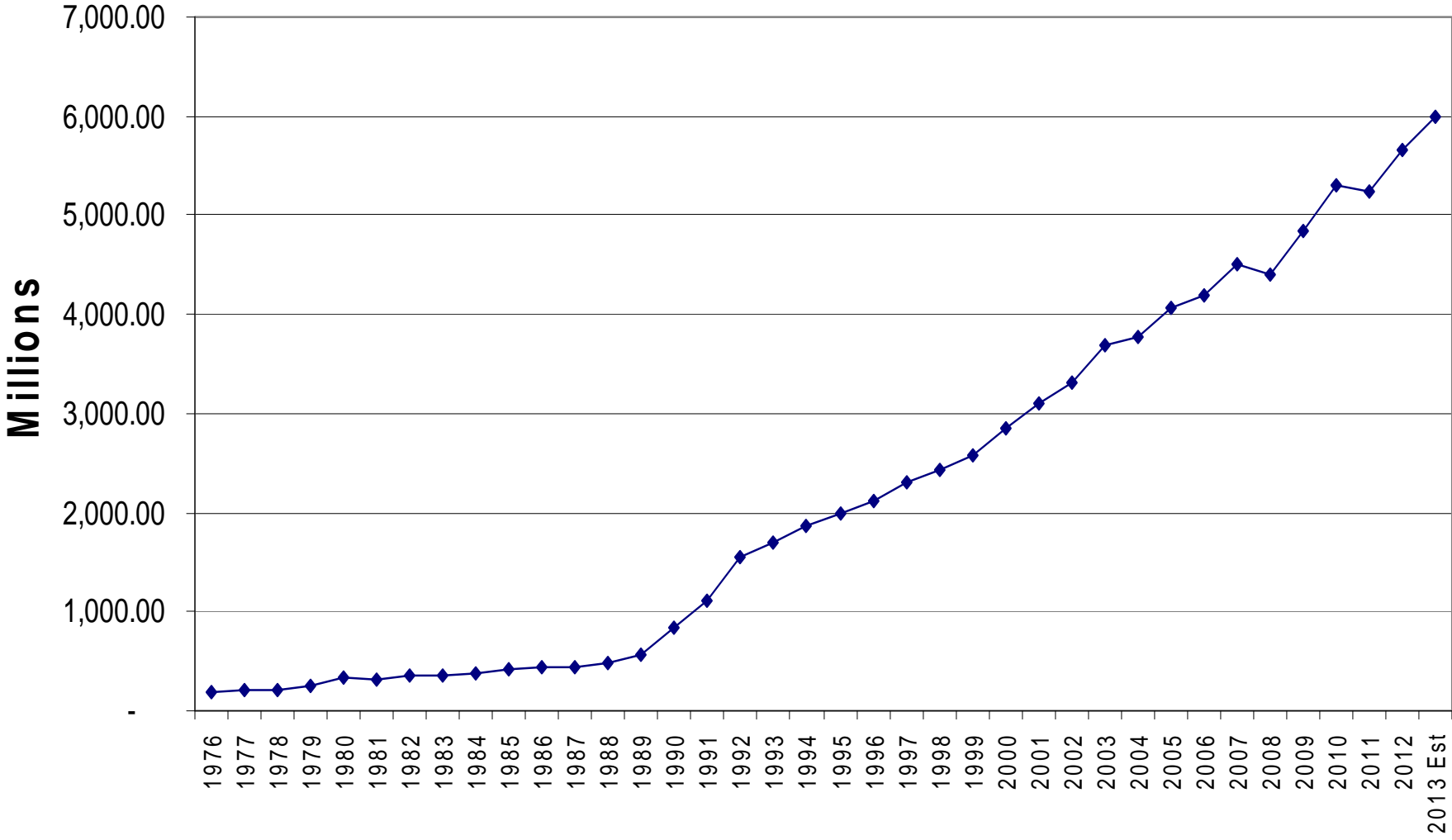
\* - Anticipated obligations for FY 13 exceed the FY 13 appropriation from ETF

\*\* - 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

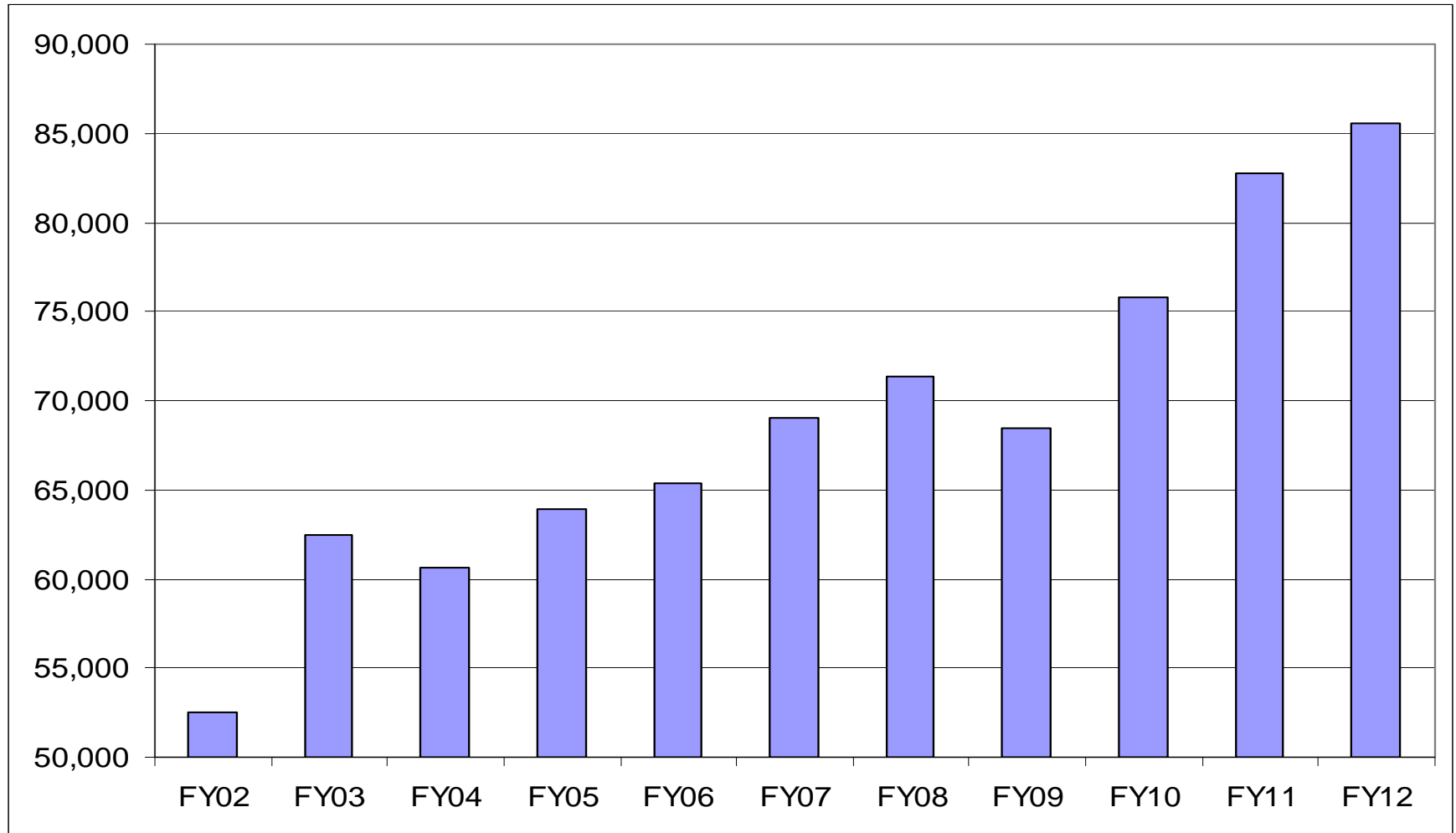
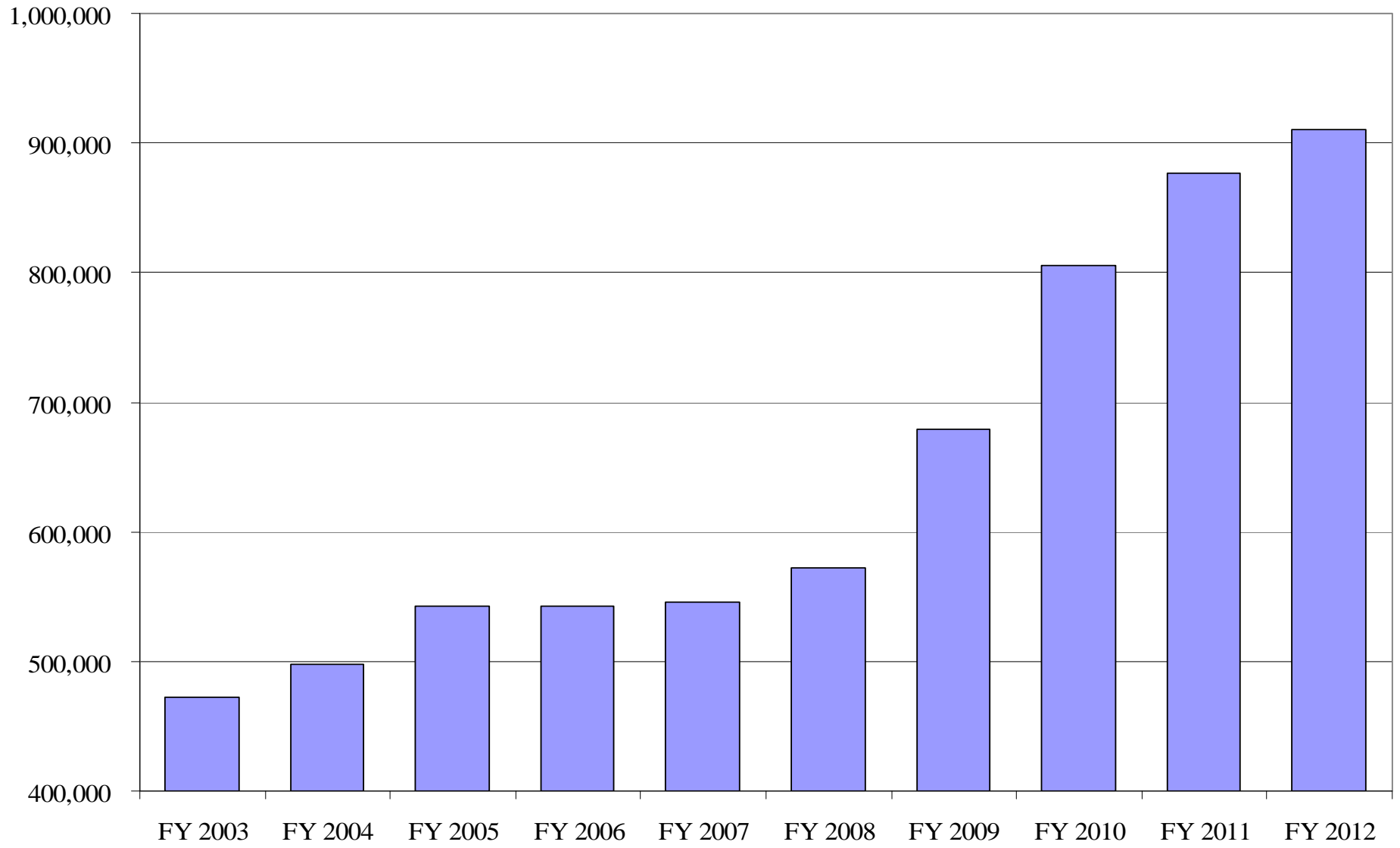
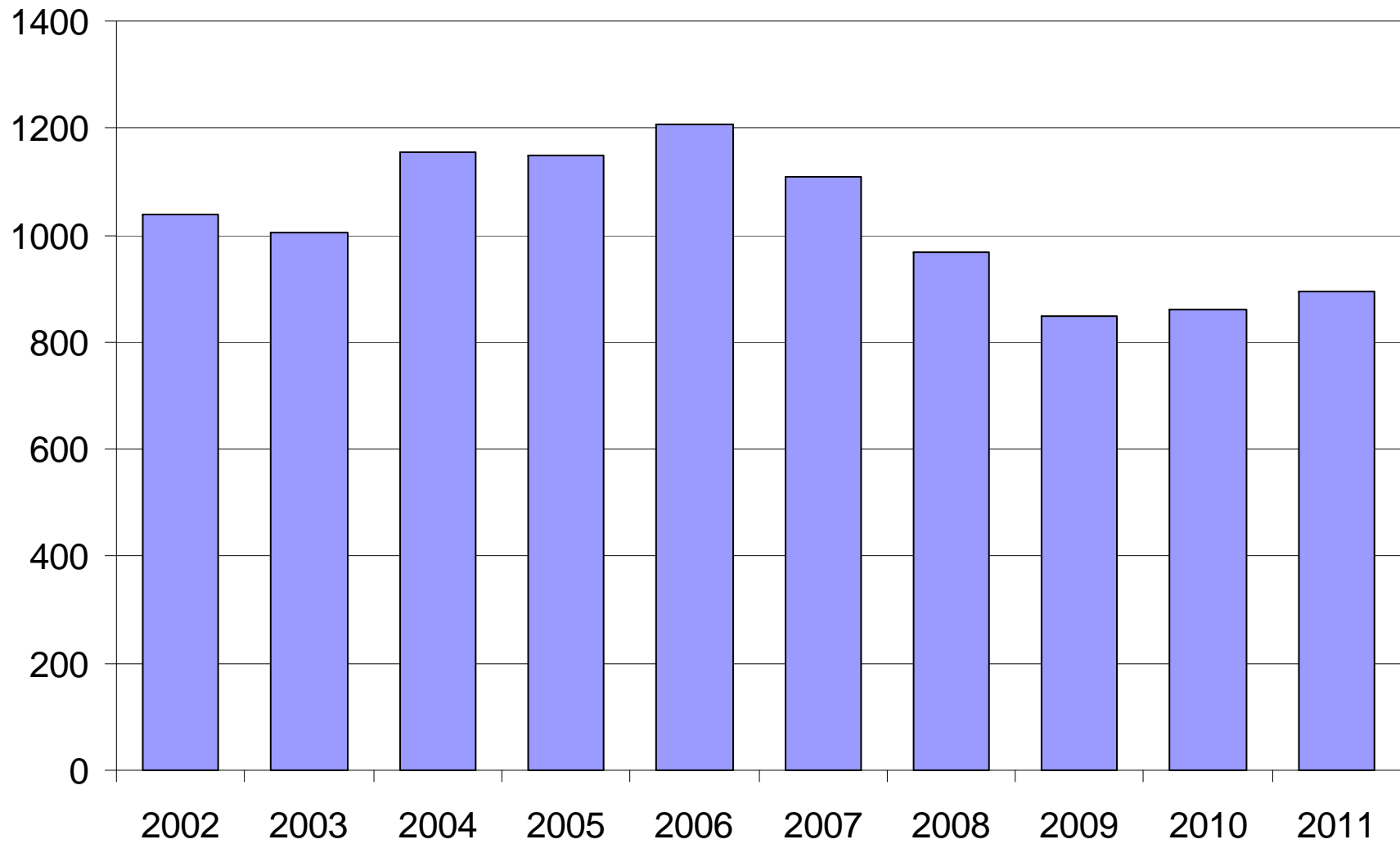


Chart represents enrollment at the end of the fiscal year.

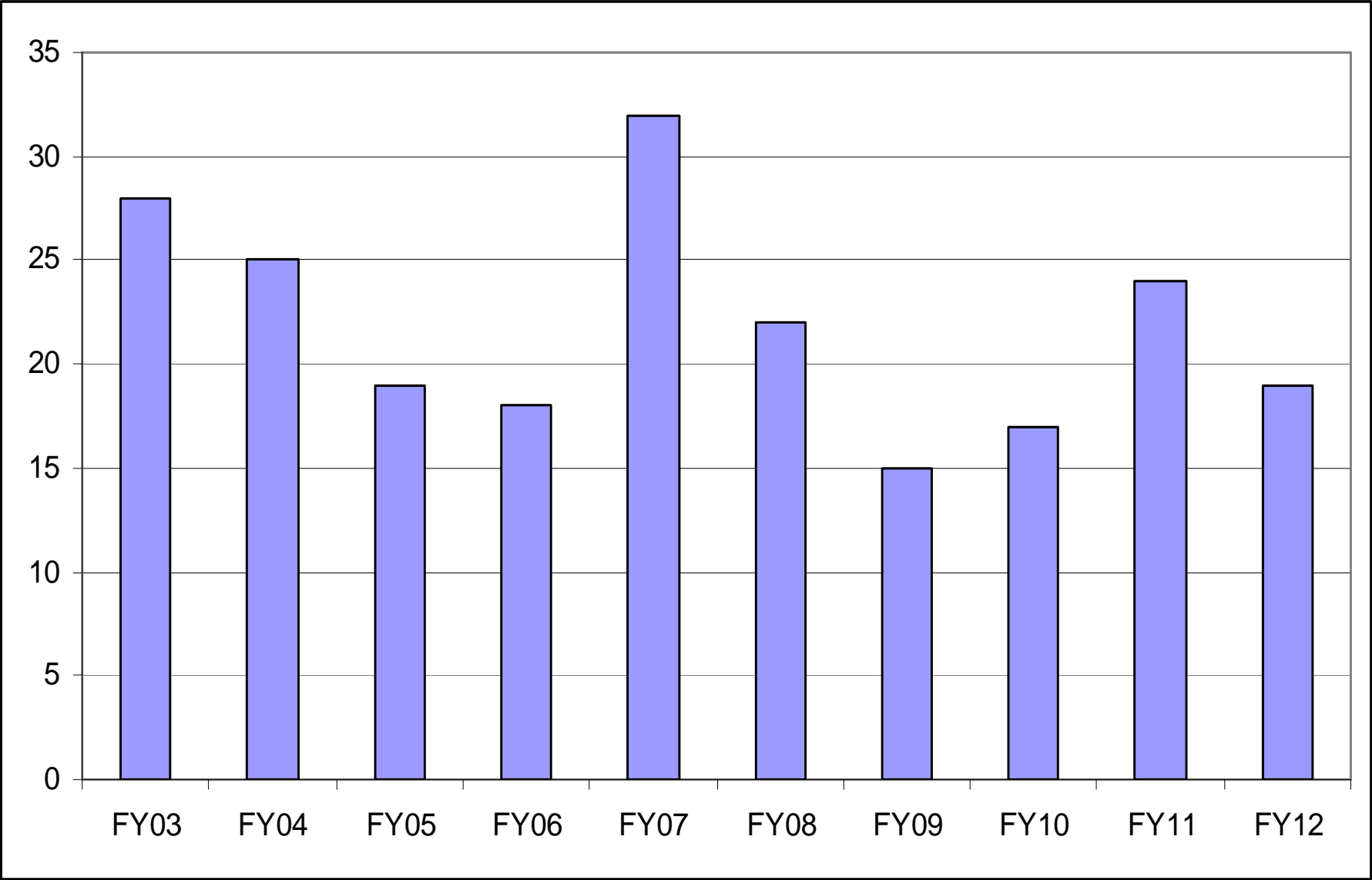
# Number of Food Stamp Recipients



# Alabama Traffic Fatalities

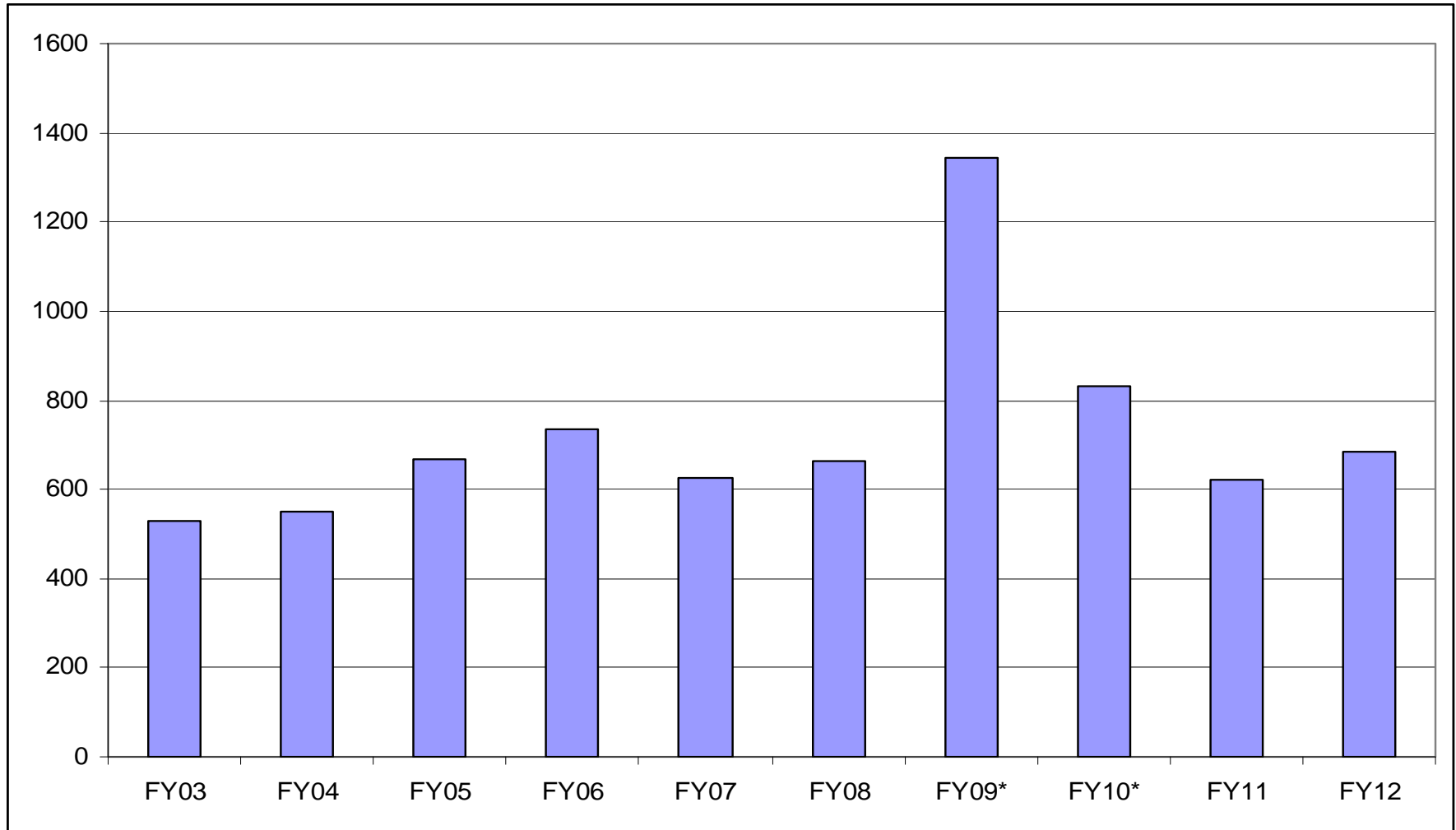


# Number of Bridges Repaired or Replaced





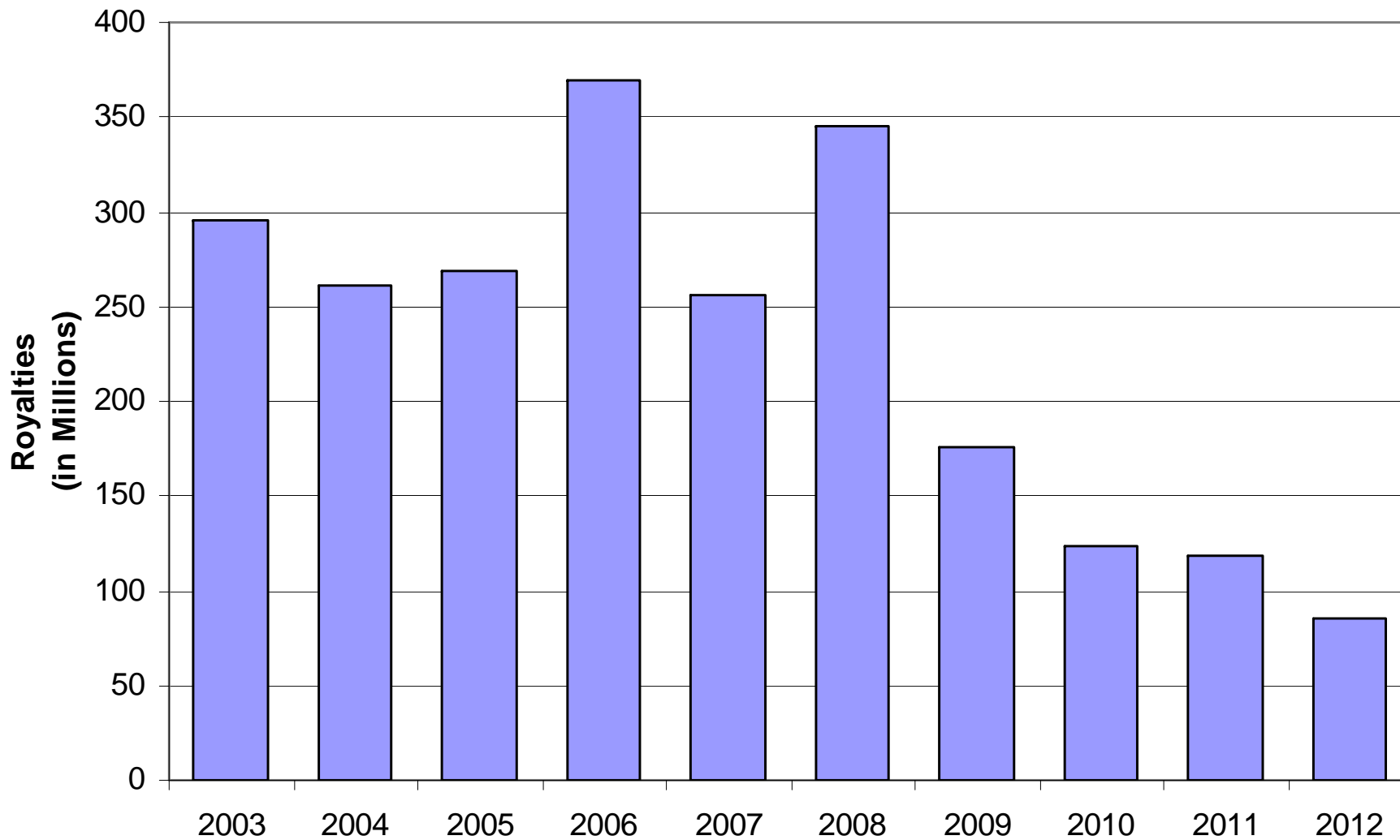
# ALDOT – Total Miles Resurfaced<sup>^</sup>



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

<sup>^</sup>Does not include Interstate miles.

# Alabama Trust Fund Royalty Receipts



# Repayments

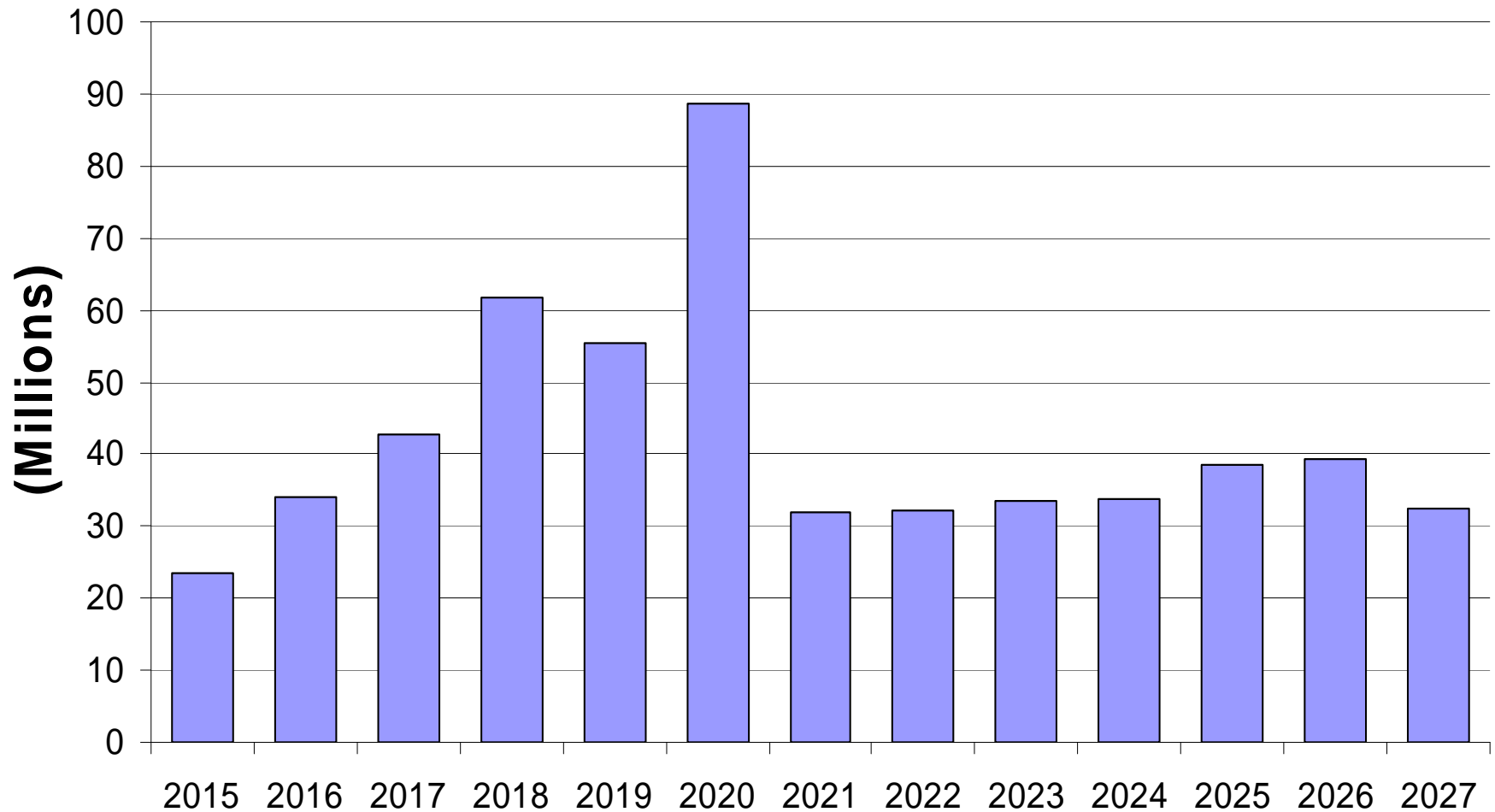
# **GENERAL FUND RAINY DAY ACCOUNT**

- **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**

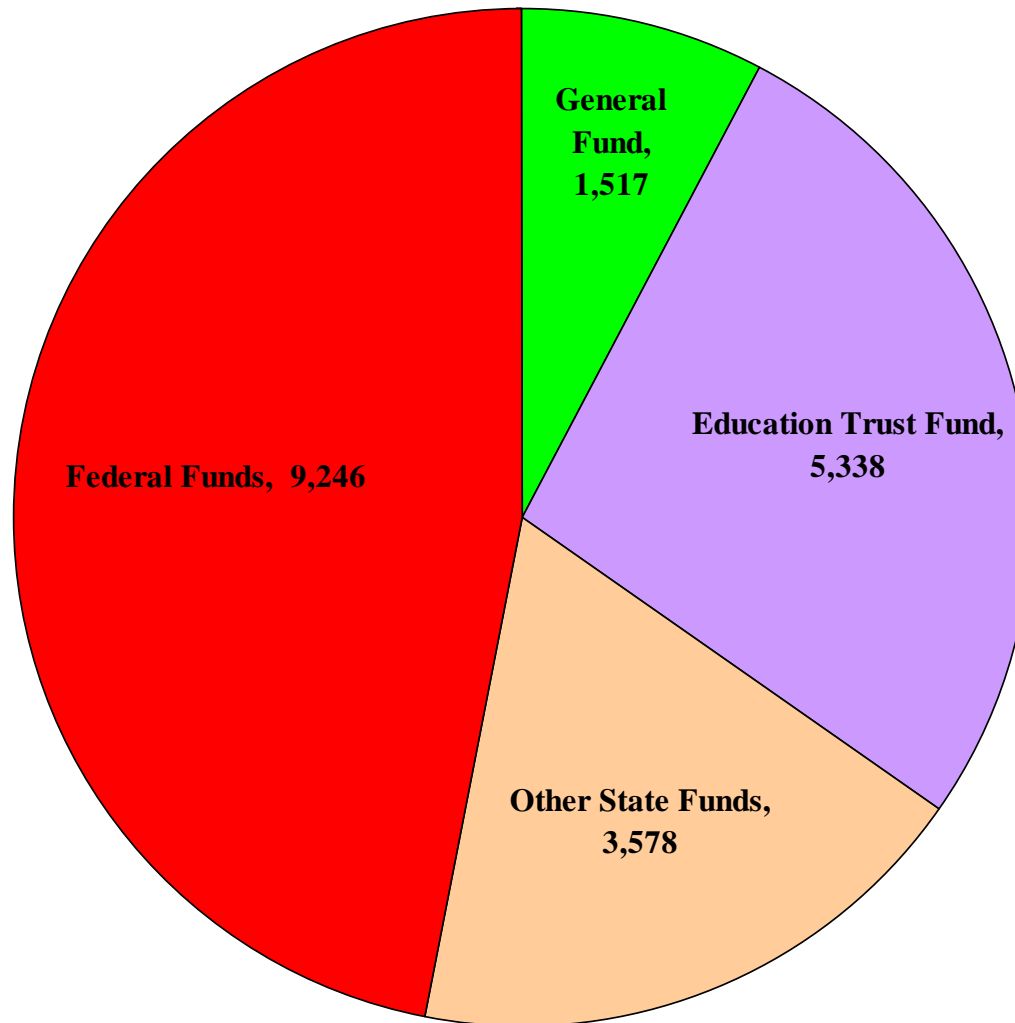
# ETF Dollars to be Appropriated to the PACT Program



# **Alabama's Financial Status**

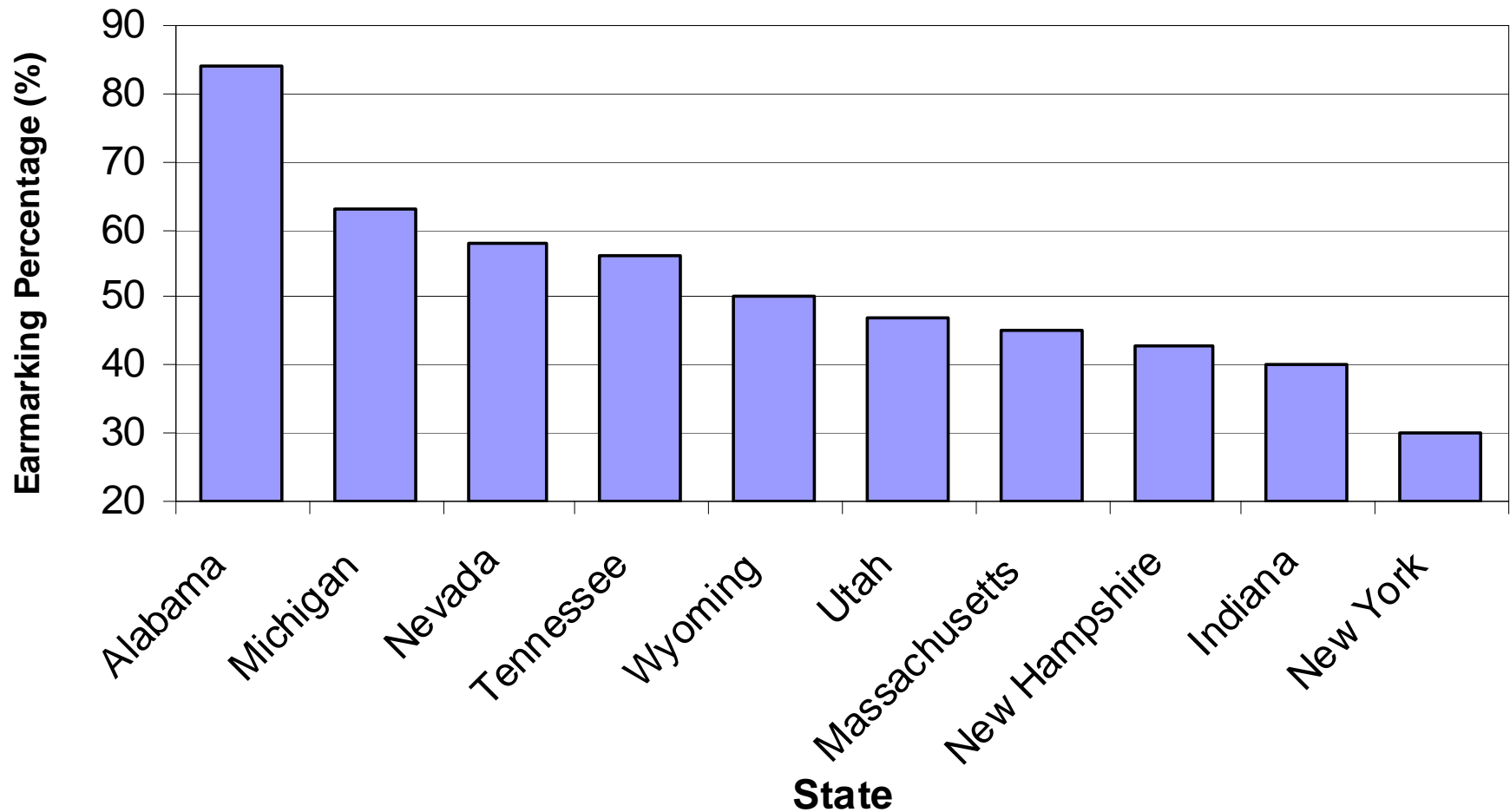
# FY 2011 REVENUES

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**

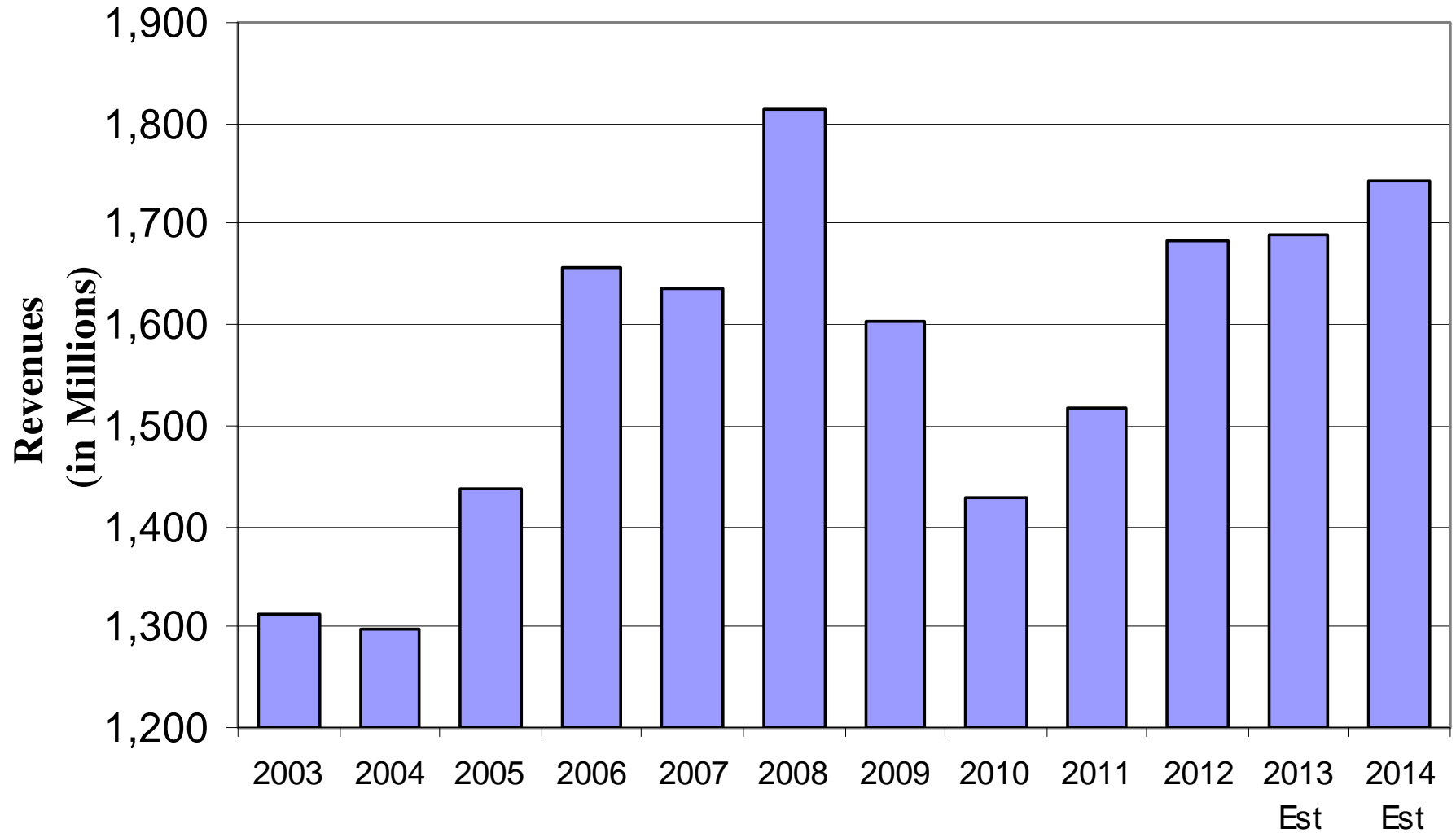
General Fund Total Estimated Revenue  
\$1.7 Billion

Education Trust Fund Total Estimated Revenue  
\$5.8 Billion

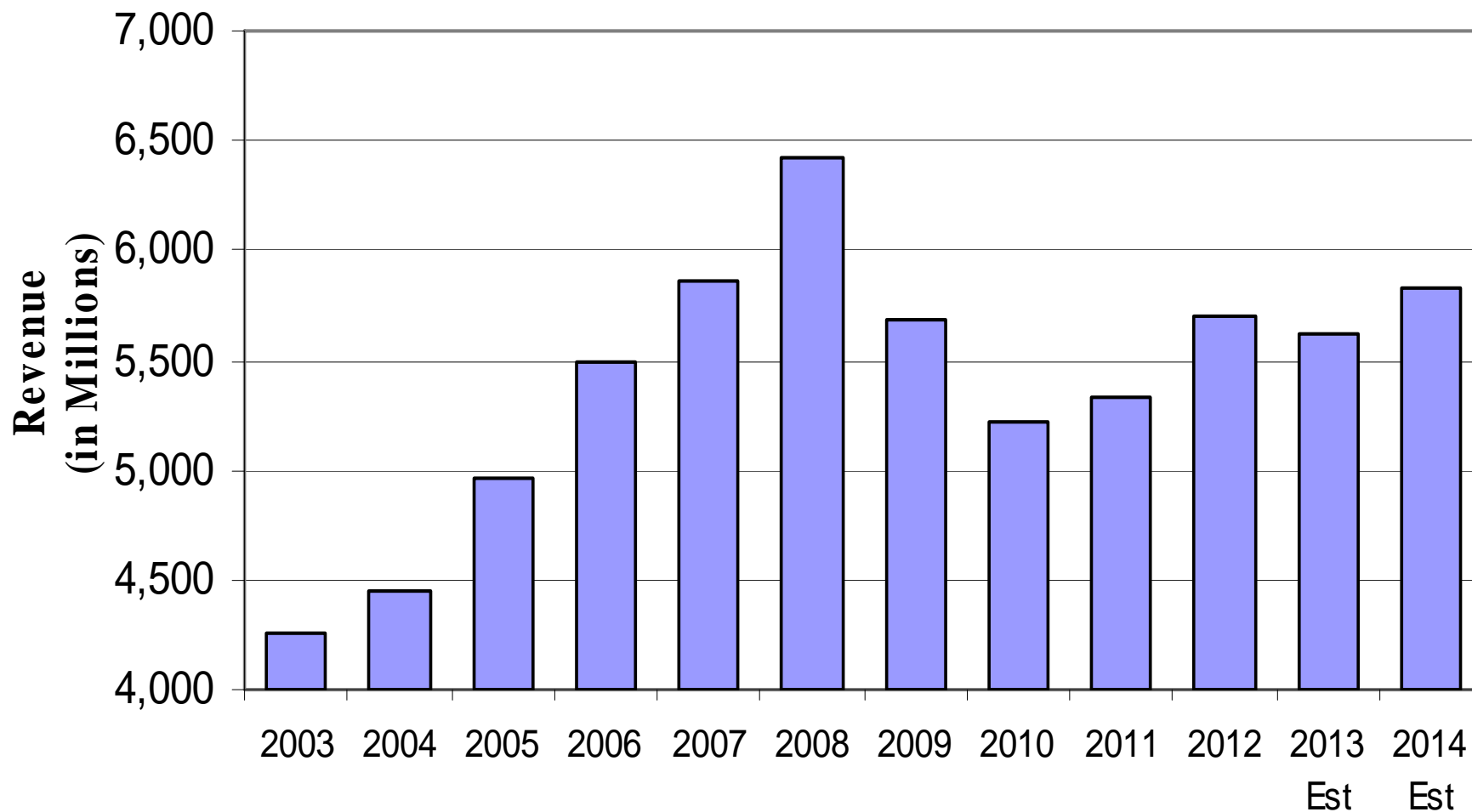
# GENERAL FUND REVENUES

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





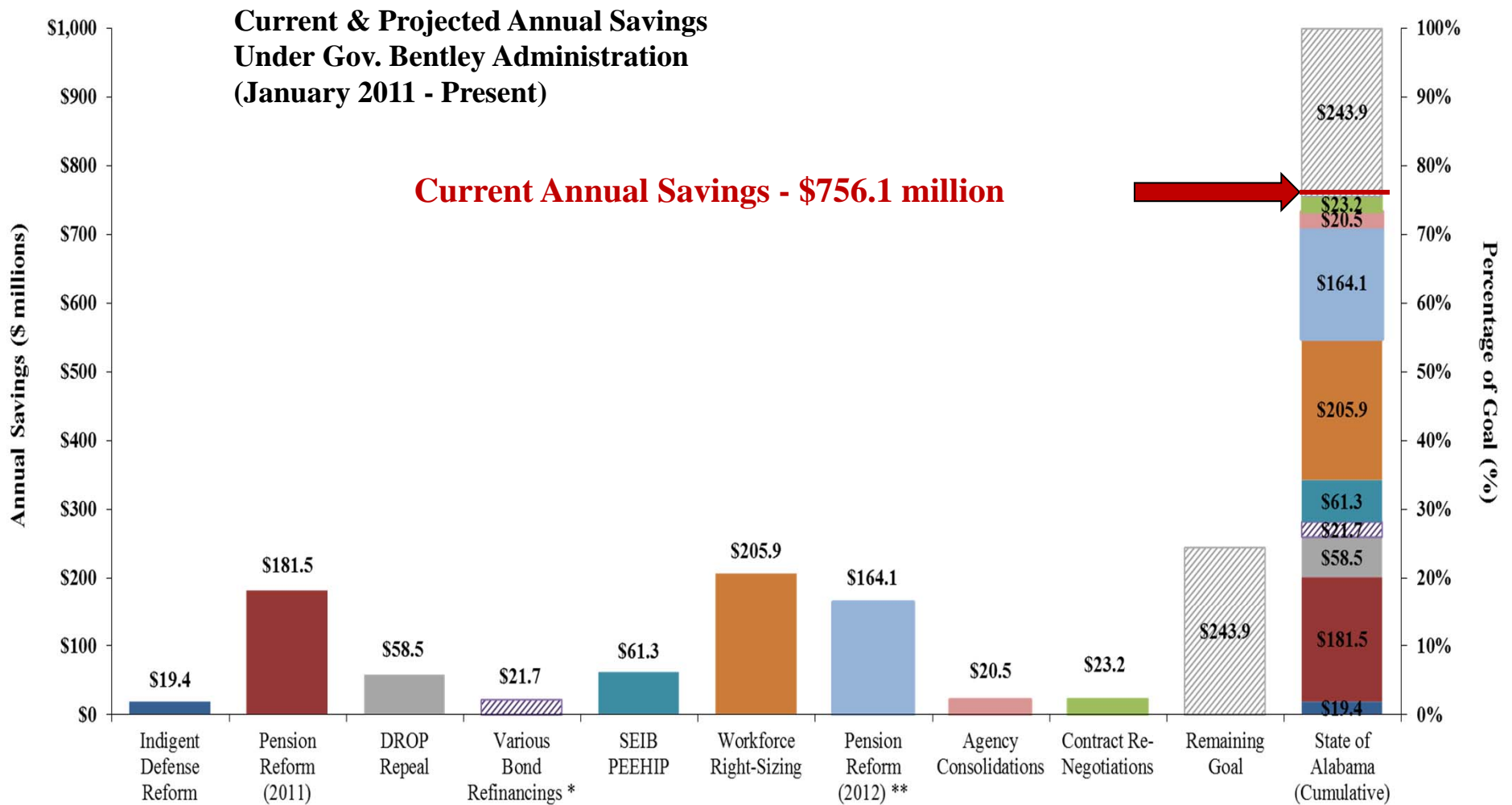


- Connecticut-Revenue shrinking faster than budget cuts
- Georgia-8 Public Colleges merged into one, spending cuts and no raises
- Illinois-Early inmate release planned
- Maine-Drug felons ineligible for TANF benefits
- New York-State Cut funding for children services
- Texas-Schools running \$1 billion 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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