

PRESENT LAW ADJUSTMENTS

The legislature added \$329.1 million general fund and \$802.5 million total funds in present law adjustments in HB 2.

Present Law Adjustments by Functional Area 2015 Biennium In Millions				
Functional Area	General Fund	Percent of Total	Total Funds	Percent of Total
Education	\$204.0	62.0%	\$247.9	30.9%
Human Services	84.4	25.6%	336.1	41.9%
Corrections	14.4	4.4%	17.0	2.1%
All Other	<u>26.3</u>	8.0%	<u>201.5</u>	25.1%
Total	<u>\$329.1</u>		<u>\$802.5</u>	

Present law is defined in statute as "...that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

- Changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;
- Changes in funding requirements resulting from constitutional or statutory schedules or formulas;
- Inflationary or deflationary adjustments; and
- Elimination of nonrecurring appropriations."

Statewide present law adjustments (SWPLAs) are made to account for three factors:

- Fully funding all personal services costs at the annualized total, and then applying a vacancy savings rate (the rate in the SWPLA is 4 percent)
- Inflation on selected items, including gasoline and diesel
- Fixed costs so agencies receiving those services can pay for them

There are three main themes in the HB 2 budget:

- The legislature generally funds anticipated caseload and utilization increases in human services, including changes in the federal Medicaid matching rate, population increases in corrections, and an inflationary increase for K-12 education
- The legislature funds all statewide present law adjustments, including 4% vacancy savings for most positions (an additional vacancy savings rate was taken as a new proposal)
- There are a number of other individual adjustments, which for many agencies are minimal. Statewide present law adjustments are the largest present law adjustment provided for most agencies

The following shows the major present law adjustments by general fund and total funds appropriated by the legislature. Please note that all of the figures in the present law and new proposal tables are compared to the doubled FY 2012 base. Consequently, they may differ from the changes compared to the 2013 biennium, which includes actual FY 2012 base and FY 2013 appropriations.

General Fund

The following shows the significant general fund present law adjustments. General fund present law increases are dominated by the adjustments shown, with over 82% of the total.

Significant Present Law Adjustments General Fund - 2015 Biennium In Millions	
Agency/Adjustment	2015 Biennium
Various	
Statewide Present Law Adjustments	\$23.7
Overtime/Holidays/Differential Pay*	10.0
Public Health and Human Services	
Caseload/Utilization Adjustments	25.4
Corrections	
Annualize Beds	6.0
Outside Medical	2.1
Office of the Public Defender	
Workload/Career Ladder	3.6
Office of Public Instruction	
BASE Aid Guarantee Account	94.5
BASE Aid Annualization/Inflation	54.9
SB 372 Block Grant Reimbursements (K-12)	20.5
University System	
State Support University Units/Community Colleges	30.8
*Includes inmate pay.	

Total Funds

The following shows the significant present law adjustments for all funds by agency. The adjustments in the table represent over 75% of all present law adjustments.

Significant Present Law Adjustments Total Funds - 2015 Biennium In Millions	
Agency/Adjustment	2015 Biennium
Various	
Statewide Present Law Adjustments	\$71.1
Overtime/Holidays/Differential Pay*	25.5
Public Health and Human Services	
Caseload/Utilization Adjustments	141.5
Facilities Inflation/Maintenance	5.8
Systems M&O	7.5
Corrections	
Annualize Beds	6.0
Office of the Public Defender	
Workload/Career Ladder	3.9
Office of Public Instruction	
BASE Aid Guarantee Account	94.5
BASE Aid Annualization/Inflation	54.9
SB 372 Block Grant Reimbursements (K-12)	20.5
OPI Federal Grants	16.6
University System	
State Support University Units/Community Colleges	30.8
Guaranteed Student Loan Authority	21.2
Natural Resources and Conservation	
Loan Authority/Water Projects	12.6
Transportation	
MAP 21/Right of Way Acquisition	33.1
Environmental Quality	
Operations Adjustments	12.2
Hard Rock Mining	5.6
Commerce	
Administrative Costs and Federal Grants	18.0
Military Affairs	
Homeland Security Grants	22.0
*Includes inmate pay	