

**Six Year Financial Plan
Through FY 2015
General & Lottery Revenues**

(In Thousands)

FOR DISCUSSION ONLY	Actual 2009	Actual 2010	Budgeted 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015
Estimated Revenue							
General Revenue	\$3,901,552	\$3,758,372	\$3,741,680	\$3,887,555	\$3,991,760	\$4,210,815	\$4,324,610
General Revenue - Surplus from previous fy	44,107	9,320	0	0	0	0	0
Lottery	171,997	166,012	167,007	167,816	167,816	167,816	167,816
Excess Lottery	248,019	217,518	182,965	207,183	180,183	180,183	180,183
		<u>45,875</u>	<u>83,405</u>				
Total Available	<u>\$4,365,675</u>	<u>\$4,197,097</u>	<u>\$4,175,057</u>	<u>\$4,262,554</u>	<u>\$4,339,759</u>	<u>\$4,558,814</u>	<u>\$4,672,609</u>
Estimated Expenditures							
Base Budget	\$4,066,413	\$4,197,891	\$4,185,353	\$4,304,021	\$4,475,744	\$4,806,400	\$5,057,204
Expenditure Growth: *							
Retirement Systems	(9,648)	55,192	127,977	8,535	8,532	9,329	3,000
Medicaid	0	(45,167)	(23,444)	0	191,781	117,157	44,453
PEIA	0	15,654	16,146	48,507	53,842	59,765	66,339
Salary Enhancements	33,520	3,770	736	57,820	55,467	50,688	50,641
Other	107,606	(41,987)	(2,747)	56,861	21,034	13,865	27,170
Total Ongoing Base Budget	<u>\$4,197,891</u>	<u>\$4,185,353</u>	<u>\$4,304,021</u>	<u>\$4,475,744</u>	<u>\$4,806,400</u>	<u>\$5,057,204</u>	<u>\$5,248,807</u>
One Time Expenditures & Adjustments	138,659	(67,333)	(132,627)	5,000	5,000	5,000	5,000
Estimated Balance (Gaps)	\$29,125	\$79,077	\$3,663	(\$218,190)	(\$471,641)	(\$503,390)	(\$581,198)

Note: This six year financial plan is a tool for analyzing future budgets and any gaps must be balanced.

* FY 2009 - 2014 Expenditure Growth is the additional amount required annually to fund existing programs.

Prepared by the State Budget Office

06/30/2010

State of West Virginia

Higher Education

Summary - General & Lottery Appropriations and Federal Stabilization

<u>FY</u>	<u>State Appropriations</u>	<u>Federal Stabilization</u>	<u>Total</u>
2007	415,061,019	0	415,061,019
2008	566,736,265 *	0	566,736,265
2009	483,015,423 **	0	483,015,423
2010	453,156,040	21,944,441	475,100,481
2011	462,082,557	27,655,637	489,738,194

* Includes \$94,154,898 of one-time funding

** Includes \$7,580,000 of one-time funding



■ Current National Budget Notes:

- California – multi-billion \$ deficit for FY11 (even after extreme budget measures taken in their FY10 budget), mandatory furloughs, 22,000 teacher layoffs, state aid to university system cut.
- Illinois – large pension payments delayed until FY11 – FY11 budget gap of \$11B.
- New York – deficits larger than WV's entire governmental budget.
- Twelve States have exhausted their rainy day funds.
- States' revenue growth the next 5-10 years – 1/2 the average of the past 30 years.
- FY2009 & FY2010 - First time that state spending has declined in back to back years.
- Worst budget years for states are the 2 years after the national recession is over.