

BUDGETS

Table 7.31
BUDGET OVERRUNS: FISCAL YEAR 2003

State	Budget Overruns		Programs
	No	Yes	
Alabama	★	★	Medicaid, roughly \$100 million; fire suppression, roughly \$20 million; other programs, \$20 million.
Alaska	★		
Arizona	★		
Arkansas	★		
California		★	Corrections, Medi-Cal and state operations costs. (a)
Colorado	★		
Connecticut		★	Of \$93.4 million in total net deficiencies currently projected, \$68.5 million is attributable to Medicaid.
Delaware	★		
Florida		★ (b)	
Georgia		★	Medicaid has a \$417 million shortfall.
Hawaii		★	Expenditures for Medicaid may run up to \$20 million over budget for FY 2003.
Idaho	★		
Illinois		★	Health care and human resources.
Indiana	★		
Iowa		★	Medicaid (\$50 million).
Kansas		★	Caseload costs for the state welfare agency and the state aging agency were revised upward by \$21.7 million (4.1%). The school finance estimates were revised upward by \$35 million.
Kentucky		★	Medicaid and the education equalization funding formula.
Louisiana	★		
Maine	★ (c)		
Maryland		★	Legislative Services estimates \$100 million in deficiencies: mental health services (\$36 million), foster care (\$16 million), overestimated reversions (\$25 million), human resources under attainment of federal funds (\$13 million) and other (\$10 million).
Massachusetts		★	Despite having restricted Medicaid eligibility, which will include cutting 50,000 recipients (effective April 1, 2003), the state is facing a gross Medicaid deficit of at least \$300 million. Other anticipated deficiencies are expected to range from \$100 million to \$150 million.
Michigan	★		
Minnesota	★ (d)		
Mississippi		★	Medicaid, corrections and human services.
Missouri		★	Medicaid.
Montana		★	Medicaid overruns primarily hit the budget FY 2002, although there will be effects in FY 2003 and a supplemental appropriation is anticipated. The state does not budget for fire costs, which are traditionally funded through supplementals. A concern in corrections was addressed through early release.
Nebraska		★ (e)	Corrections medical costs, Medicaid, public assistance.
Nevada		★	Lower than budgeted sales tax revenues (which supported K-12 education) mean that an additional estimated \$40.1 million will be required from the general fund. Medicaid and welfare-related cost overruns are currently estimated to require additional \$14.7 million from the general fund. Medicaid provider payments.
New Hampshire		★	
New Jersey	★ (f)		
New Mexico		★	Medicaid is currently \$28 million over budget. Corrections inmate growth is running at 8%.
New York		★	Medicaid and pension costs.
North Carolina	★		
North Dakota		★	Medicaid.
Ohio	★		
Oklahoma		★	Corrections and Medicaid.
Oregon	★ (g)		
Pennsylvania	★		
Rhode Island	★		
South Carolina		★	Higher education scholarships and the property tax relief fund (both open ended accounts).
South Dakota	★		
Tennessee	★		
Texas		★	Medicaid and CHIP.
Utah	★ (h)		
Vermont		★	Corrections appears to be the most pressing area and could be 2% to 3% over budget. Child welfare caseloads are reported up, but no cost figures have been released yet. Medicaid appears on track for FY 2003 due to changes made in the August reduction plan.
Virginia		★	Personal property tax relief, Medicaid, CSA (services for at-risk youth), state employee health care and loss of revenue from out-of-state prisoners.
Washington		★	Human services, primarily health care.
West Virginia		★	Medicaid (supplemental appropriation of \$40 million made in September).
Wisconsin	★ (i)		
Wyoming		★	Medicaid is likely to exceed original appropriated levels. This past session the state encumbered \$25 million for a supplemental appropriation if necessary. At this point, the agency is asking for the \$25 million (mostly because of a match rate difference between what it based its original request on and what it actually turned out to be), but it is too early to tell yet whether the \$25 million will suffice.

See footnotes at end of table.

BUDGET OVERRUNS: FISCAL YEAR 2003 — Continued

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Key:

(a) The Department of Corrections had a deficiency because of (1) higher compensation costs of correctional officers, (2) higher health care costs for inmates, and (3) lower than expected reimbursements from the federal government for the incarceration of undocumented felons. Medi-Cal is up because of lack of federal funds assumed in the budget and lower than expected savings from fraud detection. State operations costs will be higher than budgeted because of reduced savings from unspecified cuts that were authorized by the Legislature, plus no savings from a retirement incentive program that had been expected to save \$285 million. Caseloads in most major programs (Medi-Cal, CalWORKs, SSI/SSP, etc) are not exceeding estimates at this time.

(b) \$1.1 billion of recurring program costs in the 2003 budget are financed with nonrecurring general revenue.

(c) Medicaid spending appears a little tight.

(d) Unknown until new budget forecast on Dec. 4, 2002.

(e) Based on preliminary estimates and early deficit requests, overruns are occurring in corrections (medical costs), Medicaid and public assistance.

(f) Not yet, but New Jersey usually has \$200 million to \$300 million of supplemental appropriations in any given year. In addition, there is a potential to incur large unbudgeted expenses for Medicaid nursing home reimbursements (up to \$330 million) and prescription drug assistance program for seniors and disabled (up to \$148 million) if pending appeals and waiver applications to the federal government are not approved.

(g) All areas of the state budget have experienced spending reductions of some magnitude; human service costs continue to rise, primarily due to Oregon health plan expenditures; latest rebalance plan for the department of human services required management actions and program reductions of \$24 million.

(h) There are concerns with Medicaid.

(i) There is pressure on the medical assistance budget.