

Section III. Appropriations

The budget increases appropriations over FY 23 Original appropriations by \$574.4 million in FY 23. This increase is due to current service adjustments totaling \$210.2 million and policy adjustments totaling \$364.2 million in FY 23.

Current Service Adjustments

Table 3.1 Building the Biennial Budget
In Millions of Dollars

All Appropriated Funds	FY 23
FY 23 Original Appropriation	23,621.6
Current Services Adjustment	210.2
Policy Revisions	364.2
TOTAL	24,196.0

These are summarized into two categories, below, and in **Table 3.2** at the end of this section.

Fixed Costs

Current services net increases of \$102.9 million are in fixed cost accounts, which include: (1) state employee fringe benefits (e.g., State Employee Retirement System (SERS)), (2) debt service, (3) Teachers' Retirement System (TRS), and (3) entitlements (e.g., Medicaid).

Non-Fixed Costs

Non-fixed costs increases are primarily the result of requirements in statute or previously negotiated labor contracts. Typically, in a budget revision year, the non-fixed cost updates are the result of adjustments to accounts to reflect cost and caseload trend adjustments.

Table 3.2 Summary of Current Service Adjustments
In Millions of Dollars

Description	FY 23
Fixed Costs	
ARPA Home and Community-Based Services Reinvestment Plan (Medicaid)	102.8
SERS Actuarially Determined Employer Contribution (ADEC)	40.6
Other Current Service Updates	(40.5)
Fixed Costs - Subtotal	102.9
Non-Fixed Costs	
ARPA Home and Community-Based Services Reinvestment Plan (Non-Medicaid)	41.4
Fund the Requirements of the Sheff Settlement	26.2
Other Current Service Updates	39.6
Non-Fixed Costs Subtotal	107.3
TOTAL	210.2

Policy Revisions

The FY 23 Revised Budget includes \$458 million in policy increases and \$93.8 million in policy reductions, for a net total of \$364.2 million in policy changes to the original FY 23 budget.

Table 3.3 Summary of Policy Adjustments

In Millions of Dollars

Description	FY 23
Policy Increases	
Reimburse Towns for a Reduction in the Motor Vehicle Mill Rate Cap	100.0
Funding for Private Provider COLA	52.0
Support for Early Child Care Providers	50.0
Funding for Anticipated Wage Increases	47.4
Funding to Increase Infant Toddler Rates and Increase Number of Slots	25.6
Funding to Support PCA Agreement	23.0
Other Policy Increases	160.0
Policy Increases Subtotal	458.0
Policy Reductions	
Reflect Additional Quarter of Enhanced Match due to the PHE	(70.0)
Other Policy Decreases	(23.8)
Policy Reductions Subtotal	(93.8)
TOTAL	364.2

Carryforward Funds

The FY 23 Revised Budget includes a total of \$368.9 million in various initiatives that are funded using carryforward funds. The source of these funds comes from: (1) \$136.8 million in FY 21 funds that were carry forward pursuant to PA 21-1, JSS, Section 308(a) but were not specified for use, and (2) \$232.0 million from various FY 22 accounts with projected lapsing balances.

Table 3.4 presents a summary of the carry forward funding by appropriated fund. **Appendix J** contains specific details of the carryforward funds and their purpose.

Table 3.4 Summary of Carry Forward Funding Sources

In Millions of Dollars

Fund	FY 21	FY 22	Total
General	136.9	128.0	264.9
Special Transportation	-	103.8	103.8
Workers' Compensation	-	0.2	0.2
TOTAL	136.9	232.0	368.9

American Rescue Plan Act Allocations

The revised FY 23 budget reallocates federal American Rescue Plan Act (ARPA) funding from the State and Local Fiscal Relief Fund (SLFRF) and allocates the unallocated balance of the ARPA Capital Projects Fund (CPF). This results in a total of \$1,750.3 million in new ARPA allocations for a variety of initiatives in FY 23 through FY 25.

The table below shows how the new allocation of \$1,750.3 is derived.

Table 3.5 ARPA Funds Allocated by PA 22-118

In Millions of Dollars

Allocation Description	Amount
Reallocated Revenue Replacement Funds	1,439.9
Unallocated State and Local Fiscal Relief Funds	310.3
Reallocations of Previously Allocated Funds	2.0
Allocations Reduced or Eliminated	(2.0)
TOTAL	1,750.3

The FY 23 Revised Budget results in the full allocation of the ARPA award. The table below incorporates the FY 23 Revised Budget changes and shows the total award allocation.

Table 3.6 Full ARPA Allocation Plan

In Millions of Dollars

Use of ARPA Funds	Including PA 22-118, FY 23 Revised Budget				
	FY 22	FY 23	FY 24	FY 25	Total
Federal Allocation of State Fiscal Recovery					
Total Award					2,812.3
Revenue Allocation	0	314.9	0	0	314.9
Expenditure Allocation	654.8	1,761.3	77.7	3.6	2,497.4
Total SLFRF Allocations	654.8	2,076.1	77.7	3.6	2,812.3
Remaining State Funds for Allocation					0.0
Federal Capital Projects Fund					
Total Award					141.9
Capital Allocations	30	77.2	25.9	8.8	141.9
Remaining Capital Funds for Allocation					-
Total Remaining ARPA Funds to be Allocated					-
GRAND TOTAL ARPA	684.8	2,153.4	103.7	12.4	2,954.2