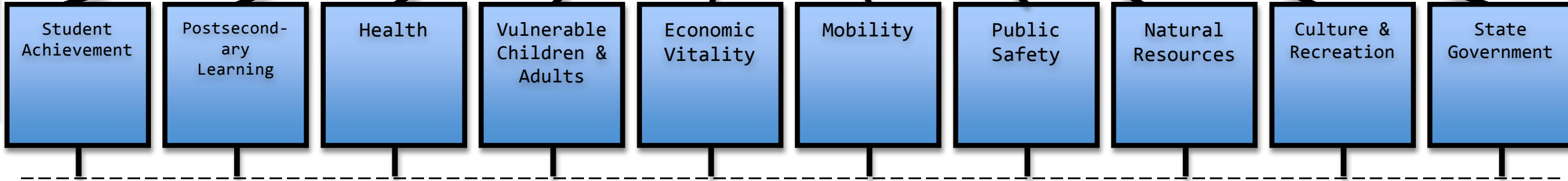


How to Build a Sustainable Budget:

Priorities of Government

Revenue Forecast: \$30.1 Billion

2% in reserves (\$602 million)



Buy Line: \$29.5 Billion

DO NOT BUY or requires TAX INCREASE

High Priority Buy List

Low Priority Do Not Buy List

Steps 1 and 2 necessary to create balanced budget (current and future)

Step 1: Place 2% of the latest revenue forecast into reserves.

Step 2: Set the buy line for all 10 Statewide Result Areas (POGs) at 98% of the latest revenue forecast (\$29.5 billion in this case).

Steps 3 through 6 Important for purchasing high priority needs with identified performance outcomes.

Step 3: Reorganize the current policy committees around statewide results areas (POGs).

Step 4: Allocate each POG a percentage of the budget based on prior spending history.

Step 5: POG committees hold hearings to review priorities and performance outcomes for past items purchased.

Step 6: Senate Ways & Means brings together all POG committees to discuss possible trade-offs.



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