

**Major Features in Senate Substitute for HB 1600**  
**February 18, 2009**

- Reflects the revised general fund revenue forecast presented by the Governor on February 16, 2009, that reduces revenues by an additional \$821.5 million for the biennium.
  - This reduction is in addition to the \$2.9 billion reduction assumed in the budget as introduced, bringing the total downward revenue revision to \$3.7 billion.
- Reflects an increase in the Medicaid forecast of \$183.0 million.
- Reflects an increase in the federal Medicaid matching rate (total funds of about \$1.0 billion).
  - Instead of the current 50-50 match rate, the feds would match state Medicaid dollars at a rate of 56.2 percent.
  - This allows general funds to be “freed up” to help address the revenue shortfall.
- Reflects the appropriation of \$216.0 million in “flexible spending” fiscal stimulus dollars that can be used for a variety of government services.
- These flexible federal stimulus funds were used to restore specific spending reductions, primarily in the areas of health and human resources, public safety, and education.
  - About \$64.0 million was used for one-time capital outlay projects.
  - About \$40.0 million remains as part of the total \$46.0 million unappropriated balance.

- Finally, the amendments include an appropriation of nongeneral federal funds for further restoration of funding cuts in public and higher education, **contingent** upon the availability of fiscal stimulus funds earmarked specifically for education.
  - Specific details on how the funds may be used and maintenance of effort requirements have not been clearly defined.
- Similarly, the amendments include an appropriation of nongeneral federal funds for further restoration of funding cuts in public safety, contingent upon the availability of fiscal stimulus funds earmarked specifically for such purposes.
- These dollars will retain their identification as “nongeneral funds” so that their use can be tracked and certified for compliance purposes.