

**Three Year General Fund Financial Outlook**  
**FY 2006-07 to FY 2008-09**

Prepared Pursuant to Act 156 of 2005  
§11-11-350

State Budget and Control Board  
Office of State Budget

December 2005

**Three Year General Fund Financial Outlook**  
**FY 2006-07 to FY 2008-09**  
**Based on Enacted FY 2005-06 Budget**  
(Dollars in Millions)

	Projections			
	FY 2005-06 "Base Year"	FY 2006-07	FY 2007-08	FY 2008-09
<b>Resources:</b>				
Beginning Balance	\$13.0	\$288.9	\$163.7	\$0.0
Adjustments	157.8			
Revenue (BEA Long Range Revenue Forecast, 11/10/2005)	6,241.5	6,432.8	6,600.0	6,802.7
Tax Relief Trust Fund Transfers	(506.3)	(504.6)	(534.0)	(553.2)
<b>Total Revenue/Resources</b>	<b>\$5,906.0</b>	<b>\$6,217.1</b>	<b>\$6,229.7</b>	<b>\$6,249.5</b>
<b>Expenditures and Reserve Fund Contributions:</b>				
Baseline (Enacted FY 05-06 Budget)	\$5,617.1	\$5,617.1	\$5,617.1	\$5,617.1
<b>Constitutional/ Statutory Items:</b>				
Reserve Funds: General Reserve and Capital Reserve (CRF)		23.7	31.6	40.5
Local Government Fund		19.1	28.5	36.0
Debt Service		0.0	4.4	0.7
<b>Major Expenditure Categories:</b>				
K-12 Education		146.8	241.9	314.0
Medicaid		109.0	228.0	322.9
Health, Social Services and Corrections		24.6	24.8	37.6
Higher Education Scholarship Growth (LIFE & Palmetto Fellows)		17.3	26.2	36.5
Increase in Employer Retirement Contribution Rate		15.0	30.0	30.0
State Employee Compensation Changes (2.0% per year)		34.5	69.8	105.8
State Employee Health Plan-retiree growth + rate increase		28.1	60.2	110.4
<b>Total Expenditures</b>	<b>\$5,617.1</b>	<b>\$6,035.2</b>	<b>\$6,362.5</b>	<b>\$6,651.5</b>
<b>Balance (Deficit Indicates Potential Budget Gaps)</b>	<b>\$288.9</b>	<b>\$181.9</b>	<b>(\$132.8)</b>	<b>(\$402.0)</b>
Act 156: Repayment of Trust Funds		18.2		
<b>Ending Balance</b>	<b>\$288.9</b>	<b>\$163.7</b>	<b>(\$132.8)</b>	<b>(\$402.0)</b>
Projected CRF Funds Available for Nonrecurring Expenditures		\$102.3	\$111.8	\$114.7

*The Notes and Assumptions are an integral part of this Financial Outlook.*

## **Notes**

The three year General Fund Outlook is prepared by the Office of State Budget in consultation with the Board of Economic Advisors in accordance with Section 11-11-350 of the S. C. Code of Laws, 1976. The Outlook is a three-year revenue and spending projection based on the enacted FY2005-06 budget.

The spending projections are cumulative and the estimates are based on the FY2005-06 enacted budget and major expenditure categories contained therein. Unless noted below, future years do not include any increases over the baseline expenditures (FY2005-06 enacted budget).

This document is intended to be used for planning purposes only and should not be viewed as requiring that the major expenditure items listed must be funded by the General Assembly. The Outlook does not attempt to capture every agency's needs or budget requests.

## **Resource/Revenue Assumptions**

- ❖ The beginning balance for each fiscal year equals the ending balance of the prior fiscal year (difference between Revenue and Expenditures). If the balance for the prior fiscal year is less than zero, the beginning balance for the next fiscal year is assumed to be zero.
- ❖ The FY2005-06 beginning balance includes a \$13 million surplus from FY2004-05. This balance however, does not include \$104.9 million of additional FY2004-05 unobligated surplus revenues. At the close of FY2004-05, the

Comptroller General allocated \$104.9 million of unobligated surplus against net revenue accruals recorded in prior years. The General Assembly will address in the 2006 legislative session the accounting treatment recommended by the Comptroller General.

- ❖ The adjustments of \$157.8 million in FY2005-06 reflect the nonrecurring revenue sources included in the enacted budget.
  
- ❖ The Board of Economic Advisors (BEA) long range general fund revenue forecast is based upon the November 10, 2005 forecast for FY2006-07 adopted by the BEA. The FY2006-07 revenue estimate serves as the base for the long range forecast. The latest completed 10-year compound average growth rate of personal income was applied to the FY2006-07 estimate. The historical annual growth rate of personal income between FY1994-95 and FY2004-05 averaged 5.3% per year. This process was repeated for each revenue category in the General Fund. The long range forecast methodology is summarized as follows:
  - The BEA adopted personal income growth rates of 5.7% in FY2005-06 and 4.7% in FY2006-07 on November 10, 2005.
  - Actual growth in the sales tax averaged 4.9% from FY1994-95 to FY2004-05 and is forecast to increase at its 10-year average growth rate. The sales tax is expected to increase less than personal income with an elasticity of 0.92 throughout the forecast period.
  - The individual income tax is forecast to grow faster than personal income at 5.8% with an elasticity of 1.1 throughout the forecast period.
  - The long range revenue forecast incorporates all legislative changes enacted in 2005 that affect general fund revenue collection. The detailed ten year general fund revenue forecast by revenue category is included on page 9.

## Expenditure Assumptions

### K-12 EDUCATION

- ❖ **Education Finance Act (EFA)** – The Base Student Cost was estimated to be \$2,367 in FY 2006-07, \$2,438 in FY 2007-08, and \$2,511 in FY 2008-09. The corresponding inflation factors are 3.36% for FY 2006-07 and 3.0% for FY 2007-08 and FY 2008-09. The Weighted Pupil Units growth rate was estimated at 0.5% annually over the FY2006-07 estimate. Estimated incremental cost: FY2006-07 \$58.1 million, FY2007-08 \$58.3 million, FY2008-09 \$60.3 million.
  
- ❖ **School Bus Maintenance** - To replace nonrecurring funding. Estimates are for operating expenses and fuel costs at \$2.25/gallon, plus all other operating costs at FY2004-05 levels. Future years include a 5% inflation rate for fuel only. Estimates do not include any additional funds for bus purchases and assumes \$10.6 million of existing bus purchase funds will continue to be used for operating purposes. Estimated incremental cost: FY2006-07 \$24 million, FY2007-08 \$1.2 million, FY2008-09 \$1.3 million.
  
- ❖ **National Board Certification** - Based on the State Department of Education's estimate of 4,950 certified teachers for FY2006-07, an additional 600 in FY2007-08, and an additional 550 in FY2008-09 will become certified. Estimated incremental cost: FY2006-07 \$4.6 million, FY2007-08 \$5.1 million, FY 2008-09 \$4.7 million.
  
- ❖ **Education and Economic Development Act (EEDA)** – Enacted in May 2005, this Act requires the K-12 public education system to develop curriculum centered on career clusters (Agriculture, Science, Health, Business, etc.) and requires that middle and high schools have a student to guidance counselor ratio of at least 300 to 1 by FY2007-08. For FY2007-08 and FY2008-09, it was assumed that funds appropriated for Tech Prep (\$4,064,483)

will be used to implement provisions of the EEDA. Estimated incremental cost: FY2006-07 \$15.0 million, FY2007-08 \$6.4 million, FY2008-09 \$0.3 million.

- ❖ **Student Health and Fitness Act** – Enacted in June 2005, this Act designates the amount of physical education that students in grades K-5 receive each week, and requires that by FY2008-09 the physical education teacher to student ratio shall be at least 500 to 1 in elementary grades. Estimated incremental cost: FY2006-07 \$4.0 million and FY2007-08 \$24.1 million, FY2008-09 \$5.5 million.
- ❖ **Technology** – To replace nonrecurring funding in FY2005-06. The estimate assumes funding technology at \$15.9 million as it was in the FY2004-05 Appropriation Act.
- ❖ **Summer School** – To replace nonrecurring funding. The estimates for FY2006-07 through FY2008-09 represent the \$25.2 million portion of the program that was funded with nonrecurring Education Improvement Act (EIA) funds in the FY2005-06 Appropriation Act.

### MEDICAID

- ❖ **Medicaid Program** – The estimate assumes 8% growth in FY2006-07 with a .3052 State match rate; 8% growth in FY2007-08 with a .3046 State match rate; with 9% growth in FY2008-09 with a .3041 State match rate. Funding was included for prescription medication co-payments of currently waived individuals who would otherwise lose this benefit as a result of the Medicare Modernization Act. Estimated incremental cost: FY2006-07 \$109 million, FY2007-08 \$119 million, FY 2008-09 \$ 94.9 million.

- ❖ **Medicaid Waiver Proposal** - In November of 2005, the Department of Health and Human Services (DHHS) requested a 1115 Demonstration Waiver from the Centers for Medicare and Medicaid Services. The waiver would allow DHHS to pursue a consumer-directed, market-based Medicaid model called South Carolina Healthy Connections which would allow Medicaid recipients to make choices from competing coverage options. The Outlook estimates for Medicaid do not include any adjustments for the waiver proposal.

### HEALTH, SOCIAL SERVICES, AND CORRECTIONS

- ❖ **Department of Mental Health Veterans Nursing Homes** – Operating costs for Colleton County nursing home. Estimated cost: FY2006-07 \$6 million.
- ❖ **Department of Social Services Child Support Enforcement** - Child Support Enforcement Statewide Automated System Development - Funding is required to develop and implement a federally mandated statewide automated system for Child Support Enforcement as well as to pay for penalties currently imposed on the state by the federal government. Estimated nonrecurring incremental cost: FY2006-07 \$16.5 million, FY2007-08 \$12.5 million, and FY2008-09 \$ 25.3 million.
- ❖ **Department of Corrections Inmate Population** - Estimate based on an average increase in the inmate population of 700 inmates per year. Estimated incremental cost: FY2006-07 \$2.1 million, FY2007-08 and FY 2008-09 \$4.2 million per year.

### HIGHER EDUCATION SCHOLARSHIP GROWTH

- ❖ **LIFE & Palmetto Fellows Scholarships** - Estimate assumes 5% and 7.5% annual growth rates over the previous year's estimates. Estimated incremental cost: FY2006-07 \$17.3 million, FY2007-08 \$8.9 million, FY2008-09 \$10.3 million.

### EMPLOYER RETIREMENT CONTRIBUTION RATE

- ❖ Act 153 (S618) of 2005 increased the employer contribution rate for the SC Retirement System by 1% over a two year period. Estimated incremental cost: FY2006-07 and FY2007-08 \$15.0 million per year.

### STATE EMPLOYEE COMPENSATION

- ❖ Estimate was based upon the salaries of agency heads, classified and unclassified positions, local health care providers and school bus drivers. 1% increase \$17.25 million.

### STATE EMPLOYEE HEALTH PLAN

- ❖ Retiree Growth and Rate Increase - Calendar Year 2006 employer base (State funds only) is \$499,088,302; Annualization involves funding final six months (Jul-Dec) of increase effective prior January; Employer rate increase involves funding first six months (Jan-Jun) of increase effective January of the fiscal year. Projected annual premium growth rate effective 1/2007 2.1%; 1/2008 8.0%; 1/2009 8.0%



- ❖ Employer pays in the same proportion that is in place in January 2006 for 2007, 2008, and 2009; Retiree enrollment growth for FY2006-07 based on recent experience plus projected persons completing "TERI" periods; Retiree enrollment growth for FY2007-08 and FY2008-09 estimated at 3.5%/year net growth. Estimated cost: FY2006-07 \$28.1 million, FY2007-08 \$32.1 million, FY2008-09 \$50.2 million.

### **REPAYMENT OF TRUST FUNDS**

- ❖ Pursuant to Act 156, the first ten percent of any surplus General Fund Revenues must be applied to fully restore all funds previously transferred and appropriated from earmarked or restricted accounts. The repayment applies to any surplus general fund revenues reported by the Comptroller General beginning in FY2006-07 and thereafter. Estimated Repayment: FY2006-07 \$18.0 million.



PERSONAL INCOME GROWTH  
 FY06 - 5.7%; FY07 - 4.7%  
 FORECAST PERIOD: FY08 to FY17- 5.3%

REVENUE CATEGORIES	PERCENT CHANGE FY03/FY04	PERCENT CHANGE FY04/FY05	PERCENT CHANGE FY05/FY06	PERCENT CHANGE FY06/FY07	PERCENT CHANGE FY07/FY08	PERCENT CHANGE FY08/FY09
RETAIL SALES TAX 1/	6.3	5.2	5.4	4.5	4.9	4.9
EXCISE, CASUAL SALES TAX	7.8	3.0	5.7	4.7	4.9	4.9
INDIVIDUAL INCOME TAX	4.5	10.4	4.6	2.8	2.0	1.0
CORPORATION INCOME TAX	17.2	23.2	2.0	2.0	-3.6	0.0
SALES AND INCOME TAXES	5.7	8.5	4.0	3.5	3.0	2.7
ADMISSIONS/BINGO TAX	0.5	-1.6	4.4	4.4	4.4	4.4
ADMISS. TAX TRANSFER TO COMMERCE						
AIRCRAFT TAX	128.6	-29.1	2.0	2.0	2.0	2.0
ALCOHOLIC LIQUOR TAX	2.5	4.4	3.0	3.0	3.0	3.0
BANK TAX	-14.8	58.7	2.5	2.5	2.5	2.5
BEER AND WINE TAX	3.5	0.5	2.2	2.2	2.2	2.2
BUSINESS LICENSE TAX	1.9	-0.4	-0.2	-0.2	-0.2	-0.2
COIN-OPERATED DEVICES	-22.5	1.1	10.8	-8.1	21.8	-16.3
CORPORATION LICENSE TAX	12.3	3.0	3.9	3.9	5.0	5.0
DEPARTMENTAL REVENUE 3/	-1.9	-7.4	-10.2	-2.2	0.0	0.0
DOCUMENTARY TAX	32.1	30.7	9.0	9.0	9.0	9.0
LESS: CONSERVATION BANK TRUST FUND						
EARNED ON INVESTMENTS	-27.5	66.3	95.6	0.0	0.0	0.0
ELECTRIC POWER TAX	4.7	1.3	3.4	3.4	3.3	3.3
LESS: TRANSFER TO NON-FED HGWY FUND						
ESTATE AND GIFT TAXES	0.9	-0.6	1.9	1.9	1.9	1.9
LESS: FEDERAL CHANGE TO ESTATE TAX						
INSURANCE PREMIUM TAX	10.1	6.4	4.7	5.4	5.7	5.7
INSURANCE LICENSE TAX	-49.8	108.9	-50.0	125.0	-50.0	125.0
INSURANCE RETALIATORY & OTHER TAX	-27.5	37.8	-25.6	6.8	-20.6	0.0
LESS: INSURANCE CREDITS	80.3	17.1	22.9	0.0	0.0	0.0
MOTOR TRANSPORT FEES	48.9	173.1	-49.0	80.0	-41.5	80.0
MOTOR VEHICLE LICENSES	2.6	6.6	2.0	2.0	2.0	2.0
LESS: INFRASTR. BANK TRANSFER-TRUCK						
LESS: HIGHWAY FUND TRANSFER-CAR						
LESS: TRANSFER TO NON-FED HGWY FUND						
PETROLEUM INSPECTION TAX	3.2	6.9	2.3	2.3	2.8	2.8
LESS: TRANSFER TO NON-FED HGWY FUND						
PRIVATE CAR LINES TAX	2.8	-11.0	1.9	1.9	1.9	1.9
PUBLIC SERVICE AUTHORITY	6.6	11.2	6.8	6.8	6.8	6.8
RETAILERS LICENSE TAX	1.7	0.5	1.0	1.0	2.0	2.0
SAVINGS & LOAN TAX	5.7	-23.2	3.5	3.5	3.5	3.5
WORKERS COMP. INSURANCE	4.6	10.5	4.9	4.9	4.2	4.2
CIRCUIT/FAMILY COURT FINES	-1.7	0.0	2.0	2.0	2.0	2.0
DEBT SERVICE TRANSFERS	-16.4	-6.5	-15.9	-8.6	0.0	0.0
INDIRECT COST RECOVERIES	2.1	-20.0	0.0	0.0	0.0	0.0
MENTAL HEALTH FEES	0.0	0.0	0.0	0.0	0.0	0.0
PAROLE / PROBATION FEES	0.0	-0.0	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY FUND	0.0	21.2	25.0	0.0	0.0	0.0
OTHER BASE SOURCES	0.6	3.3	-2.4	-0.1	-0.7	5.9
TOTAL GENERAL FUND REVENUE	5.0	7.8	3.9	3.1	2.6	3.1
PPROPRIATION ACT REVENUE	-6.1	1.8	6.6			
LESS: TAX RELIEF TRUST FUND	2.4	4.1	1.7	0.3	3.6	3.6
PLUS: TAX RELIEF FUND CARRYFORWARD						
EXCLUDING TRUST FUND	-6.8	1.6	7.3	8.4	2.5	3.0
CAPITAL RESERVE FUND (2%) - BEG. BAL.	-3.0	0.8	3.0	9.3	2.4	3.3
GENERAL RESERVE FUND (3%) - BEG. BAL.	27.1	52.4	104.2	9.3	2.4	3.3
TOTAL RESERVES	5.3	18.0	46.6	9.3	2.4	3.3
REVENUE EXCESS / SHORTAGE						
EDUCATION IMPROVEMENT ACT 2/	6.0	7.3	4.7	4.5	4.8	4.8
EIA FUND	6.1	7.2	4.6	4.5	4.9	4.9
EIA INTEREST	-7.1	151.3	89.0	-7.8	0.0	0.0
C. EDUCATION LOTTERY FUND (NET)	21.1	-10.2	9.1	-7.9		

1/ Excludes (1%) Education Improvement Act  
 2/ Includes interest earnings.  
 3/ Includes former Dept. of Agriculture agency  
 source: S. C. Board of Economic Advisors

PERSONAL INCOME GROWTH  
 Y06 - 5.7%; FY07 - 4.7%  
 FORECAST PERIOD: FY08 to FY17 - 5.3%

LONG RANGE GENERAL FUND REVENUE FORECAST  
 FISCAL YEARS 2003-04 TO 2016-17  
 (DOLLARS)

REVENUE CATEGORIES	FINAL FY 2003-04	FINAL FY 2004-05	11/10/05 ESTIMATE FY 2005-06	11/10/05 ESTIMATE FY 2006-07	WORKING ESTIMATE FY 2007-08	WORKING ESTIMATE FY 2008-09	WORKING ESTIMATE FY 2009-10	WORKING ESTIMATE FY 2010-11	WORKING ESTIMATE FY 2011-12	WORKING ESTIMATE FY 2012-13	WORKING ESTIMATE FY 2013-14	WORKING ESTIMATE FY 2014-15	WORKING ESTIMATE FY 2015-16	WORKING ESTIMATE FY 2016-17
<b>OFFSETS TO GENERAL FUND REVENUE ESTIM</b>														
RETAIL SALES TAX														
LESS: SALES TAX HOLIDAY	(2,756,234)	(2,838,921)	(2,994,089)	(3,083,911)	(3,176,429)	(3,271,722)	(3,369,873)	(3,470,969)	(3,575,098)	(3,682,351)	(3,792,822)	(3,906,807)	(4,023,805)	(4,144,519)
LESS: SPRINGS LAWSUIT		(10,000,000)	(2,000,000)											
LESS: EXEMPT ARTHRITIS DRUG			(1,710,000)	(1,838,452)	1,977,890	2,128,317	2,290,069	2,464,115	2,651,387	2,852,893	3,069,713	3,303,011	3,554,040	3,824,147
INDIVIDUAL INCOME TAX														
LESS: MARRIAGE PENALTY		(39,029,820)	(39,615,064)	(40,209,290)	(40,812,430)	(41,424,616)	(42,045,985)	(42,676,675)	(43,316,825)	(43,966,578)	(44,626,078)	(45,295,467)	(45,974,898)	(46,664,523)
LESS: SMALL BUSINESS RATE REDUCTION			(2,250,000)	(2,250,000)	(54,500,000)	(85,900,000)	(128,900,000)	(128,900,000)	(128,900,000)	(128,900,000)	(128,900,000)	(128,900,000)	(128,900,000)	(128,900,000)
LESS: TAX CREDIT TO DAIRY PRODUCERS			(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)	(3,140,000)
LESS: 2005 JOBS CREATION ACT				(1,330,000)	(13,330,000)	(13,529,950)	(13,732,899)	(13,938,893)	(14,147,876)	(14,360,196)	(14,575,599)	(14,794,233)	(15,016,146)	(15,241,388)
LESS: REBATE WITHHOLDINGS - MOVIES			(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)	(2,790,000)
LESS: TAX CONFORMITY			896,140	(1,275,079)										
CORPORATE INCOME TAX														
LESS: CREDIT FOR STATE PORTS USE					(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
LESS: EXTEND 10-YEAR CARRYFORWARD					(150,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
ADMISSIONS/BINGOTAX														
ADMISS. TAX TRANSFER TO COMMERCE (14		(4,167,958)	(3,907,701)	(4,079,639)	(4,259,144)	(4,446,546)	(4,642,194)	(4,846,450)	(5,059,894)	(5,282,321)	(5,514,743)	(5,757,392)	(6,010,717)	(6,275,188)
ADMISS. TAX TRANSFER TO COMMERCE (13			(3,425,850)	(3,788,237)	(3,954,919)	(4,128,935)	(4,310,609)	(4,500,275)	(4,698,288)	(4,905,012)	(5,120,833)	(5,346,149)	(5,581,380)	(5,826,961)
ALCOHOLIC LIQUOR TAX														
LESS: COUNTY DISTRIBUTION	(3,129,022)	(860,928)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
LESS: ANNUAL SUNDAY SALES LICENSE	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
DOCUMENTARY STAMP TAX														
LESS: CONSERVATION BANK TRUST FUND		(14,834,804)	(17,802,087)	(19,404,275)	(21,150,660)	(23,054,219)	(25,129,099)	(27,390,718)	(29,855,883)	(32,542,912)	(35,471,774)	(38,664,234)	(42,144,015)	(45,936,976)
ELECTRIC POWER TAX														
LESS: TRANSFER TO NON-FED HGWY FUND			(7,000,000)	(14,000,000)	(28,152,543)	(29,081,576)	(30,041,268)	(31,032,630)	(32,056,707)	(33,114,578)	(34,207,360)	(35,336,202)	(36,502,297)	(37,706,873)
ESTATE AND GIFT TAXES														
LESS: FEDERAL CHANGE TO ESTATE TAX	(27,000,000)	(40,300,000)	(59,200,000)	(61,714,707)	(62,887,286)	(64,082,145)	(65,299,705)	(66,540,400)	(67,804,687)	(69,092,956)	(70,405,722)	(71,743,431)	(73,106,558)	(74,495,581)
MOTOR VEHICLE LICENSES														
LESS: INFRAST. BANK TRANSFER-TRUCK	(54,597,105)	(56,464,620)	(58,100,000)	(59,790,000)	(58,802,828)	(57,144,228)	(57,938,885)	(57,487,094)	(59,097,862)	(57,832,016)	(60,279,816)	(58,179,008)	(61,485,208)	(58,528,082)
LESS: HIGHWAY FUND TRANSFER-CAR	(8,611,058)	(8,703,933)	(6,900,000)	(7,100,000)	(8,270,246)	(8,714,563)	(9,078,520)	(9,702,204)	(9,924,083)	(10,732,084)	(10,806,534)	(11,805,945)	(11,733,540)	(12,925,577)
LESS: TRANSFER TO NON-FED HGWY FUND			(15,571,467)	(40,511,423)	(48,322,109)	(46,121,117)	(46,593,296)	(47,525,162)	(48,475,665)	(49,445,179)	(50,434,082)	(51,442,764)	(52,471,819)	(53,521,052)
PLUS: TEN-YEAR DRIVER'S LICENSES			2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
PETROLEUM INSPECTION TAX														
LESS: TRANSFER TO NON-FED HGWY FUND			(3,690,738)	(6,746,949)	(9,501,841)	(9,767,687)	(10,041,182)	(10,181,759)	(10,324,303)	(10,468,844)	(10,615,408)	(10,764,023)	(10,914,720)	(11,067,526)
<b>TOTAL OFFSETS TO REVENUE ESTIMATES</b>	<b>(96,893,419)</b>	<b>(178,000,784)</b>	<b>(230,900,856)</b>	<b>(295,001,963)</b>	<b>(388,922,244)</b>	<b>(405,669,007)</b>	<b>(455,963,447)</b>	<b>(482,859,116)</b>	<b>(471,715,465)</b>	<b>(478,802,134)</b>	<b>(488,812,858)</b>	<b>(495,762,444)</b>	<b>(507,440,862)</b>	<b>(514,540,098)</b>

BEARW/11/22/05