

**E20B
State Treasurer**

Operating Budget Data

(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 03 - 04</u>	<u>FY 03 - 04</u>
	<u>Actual</u>	<u>Approp.</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
General Funds	\$4,166	\$4,036	\$3,768	-\$267	-6.6%
FY 2003 Cost Containment	0	-200	0	200	
Contingent & Back of Bill Reductions	0	-1	-22	-21	
Adjusted General Funds	\$4,166	\$3,834	\$3,747	-\$88	-2.3%
Special Funds	483	492	619	127	25.7%
Reimbursable Funds	22,865	19,415	28,115	8,700	44.8%
Contingent & Back of Bill Reductions	0	-1	-10	-9	
Adjusted Reimbursable Funds	\$22,865	\$19,414	\$28,105	\$8,692	44.8%
Adjusted Grand Total	\$27,514	\$23,740	\$32,471	\$8,730	36.8%

- The fiscal 2003 adjusted working appropriation reflects cost containment actions totaling \$200,000. The adjustments were to reduce contractual banking fees and to capitalize bond sale expenses. The working appropriation also reflects the proposed contingent reduction for employee transit expenses in fiscal 2003.
- The fiscal 2004 allowance includes an \$8.7 million increase over the adjusted fiscal 2003 working appropriation. Most of this increase is attributable to the State's insurance coverage program. Costs are expected to rise 46% from \$18.8 million in fiscal 2003 to \$27.5 million for fiscal 2004.
- General funds for the Treasurer's Office decline by 2.3% in fiscal 2004 due to the continuation of the substitution of special funds to cover bond sale expenses which was initiated as part of cost containment in fiscal 2003.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	52.00	53.00	53.00	0.00
Contractual FTEs	1.00	0.00	0.00	0.00
Total Personnel	53.00	53.00	53.00	0.00

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	2.55	4.82%
Positions Vacant as of 12/31/02	2.50	4.72%

Analysis in Brief

Major Trends

Reconciliation of the State's Main Accounts: In fiscal 2002, the average number of days to reconcile accounts was 30 days; however, only half of the months were completed on time. The Treasurer's Office is in the process of implementing a new reconciliation system that is expected to improve upon the fiscal 2002 performance

Administration of the State Insurance Program: The reported performance measures show increasingly more new claims being submitted and processed by the Insurance Division with a substantial increase occurring between fiscal 2002 and 2003 (150 more claims). It also shows an upward trend in the number of claims remaining open at year's end, however, not exceeding the office's stated goal.

Debt Issuance Services: The State's expenses per bond sale rose 10% from fiscal 2002 to 2003. The office anticipates holding expenses for fiscal 2004 to the fiscal 2003 level.

Issues

State Insurance Coverage on the Rise: The fiscal 2004 allowance for the State's insurance protection includes an \$8.5 million increase over the fiscal 2003 working appropriation. This increase is attributable to various factors. **The States Treasurer should brief the committees on the factors and discuss plans to mitigate the financial impact (cost management efforts) of these factors over the next several years to ensure that the State receives cost-effective insurance protection.**

Capitalization of Bond Sale Expenses: The fiscal 2004 allowance provides special funds, in lieu of general funds, to cover bond sale expenses. These special funds are derived from bond sale proceeds. **The State Treasurer should comment on this change in the current practice and discuss the impact it will have on making funds available for authorized projects.**

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Recommended Actions

	<u>Funds</u>
1. Modify language to reduce the appropriation for tort claims and to lower the tort claim limit.	
2. Reduce funds for out-of-state travel	\$ 5,000
3. Reduce funds for motor vehicle gas and oil expenses	1,500
4. Reduce funds for management studies and consultants	4,000
5. Reduce funds for office assistance	2,500
6. Reduce funds for library supplies	2,000
7. Add language to reduce the authorization to expend reimbursable funds received from other agencies.	
Total Reductions	\$ 15,000

Updates

New Automated Account Reconciliation System: The Treasurer's Office has completed the procurement of the new Automated Account Reconciliation System and fully expects, once implemented, to correct the audit items related to the reconciliation of its disbursement and depository accounts.

State Treasurer's Office Legislative Package: The office's legislative package for the 2003 session includes bills to more efficiently manage and control capital debt and a bill to expand from fixed rate financing.

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Operating Budget Analysis

Program Description

The State Treasurer is responsible for the management and protection of State funds and property. To carry out these responsibilities, the State Treasurer selects and manages the depository facilities for State funds, issues or authorizes agents to issue payments of State funds, invests excess funds, safeguards all State securities and investments, and provides insurance protection against damage to State property and liability of State employees. The State Treasurer also administers the sale of Maryland general obligation bonds and serves as a member of the Board of Public Works. The State Treasurer's Office consists of four programs: treasury management; insurance management; insurance coverage; and bond sale expenses.

Performance Analysis: Managing for Results

The Treasurer's Office is tasked with providing cash management including the reconciliation of the State's main accounts (depository and disbursement) and working funds. In fiscal 2002, the average number of days to reconcile accounts was 30 days; however, only half of the months were completed on time. The Treasurer's Office is in the process of implementing a new reconciliation system that is expected to improve upon fiscal 2002 performance. With the new system, it is expected that the office will not only reduce the average days to reconcile to 20 days, but more importantly ensure that for each month, the State is meeting the goal of reconciling within 30 days of receipt of the bank statement.

The Treasurer's Office is also responsible for the efficient and cost-effective administration of the State Insurance Program that includes self-insurance and procurement of commercial insurance. As shown in **Exhibit 1** the reported performance measures show increasingly more new claims being submitted and processed by the Insurance Division with a substantial increase occurring between fiscal 2002 and 2003 (150 more claims). It also shows an upward trend in the number of claims remaining open at year's end, however, not exceeding the office's stated goal of 1,500. The office is estimating much improved performance starting in fiscal 2003 and continuing to fiscal 2004, including increasing the number of claims closed and increasing the amount of funds recovered through subrogation investigations.

Exhibit 1

Insurance Division				
	FY 2001	FY 2002	FY 2003	FY 2004
	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
New Claims Processed	2,938	2,994	3,150	3,200
Claims Closed	3,087	2,924	3,125	3,175
Pending Claims	970	1,040	1,065	1,090
Subrogation Funds Recovered (\$ in Thousands)	\$919.5	\$551.6	\$1,100.0	\$1,125.0

Source: State Budget Books

The Treasurer's Office coordinates the State's debt issuance with the goal of keeping the State's borrowing costs low and minimizing the State's federal tax liability. The State's expenses per bond sale rose 10% from fiscal 2002 to 2003. A portion of the additional expense is due to the refunding of bonds. The office anticipates holding expenses for fiscal 2004 to the fiscal 2003 level. Also, in fiscal 2001 and 2002, the State was able to retain over 85% of the earnings on bond proceeds after making the required arbitrage payments. For fiscal 2003 and 2004, the office is projecting substantially higher earnings from bond proceeds, but it is expected that as a percentage the State will retain less than 80%. The anticipated higher earnings are from the increase in aggregate proceeds from sales.

Impact of Cost Containment

Cost containment actions approved by the Board of Public Works on January 8, 2003, reduced the State Treasurer's Office budget by \$200,000 in general funds. The reductions occur in two of the office's programs – Treasury Management and Bond Sale Expense. Due to a delay in implementing a new banking service, the office was able to negotiate a lower implementation fee that will provide \$75,000 of the cost containment amount. The remaining \$125,000 represents the use of special funds, in lieu of the budgeted general funds, for bond sale expenses. The special funds come from the bond proceeds.

It is anticipated that a Budget Reconciliation and Financing Act (BRFA) of 2003 will contain provisions to further reduce the State's Treasurer's Office's fiscal 2003 appropriation by approximately \$2,400. This reduction will occur in employee transit expenses (funds to support free transit ridership for State employees).

Governor's Proposed Budget

As shown in **Exhibit 2**, the fiscal 2004 allowance increases the State's Treasurer's Office budget by \$8.7 million. General funds for the office decline by 2.3%. This decline primarily represents the continuation of the use of special funds to cover bond sale expenses (substitution noted above) which are reflected in the 26% increase in special funds. Most of the budgeted increase occurs in reimbursable funds and is attributable to the State's insurance program (includes the administration and insurance coverage). The program is expected to rise 46% from \$18.8 million in fiscal 2003 to \$27.5 million in fiscal 2004. Reasons for the increase are discussed in Issue 1.

Exhibit 2

**Governor's Proposed Budget
State Treasurer
(\$ in Thousands)**

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Approp.</u>	<u>FY 04</u> <u>Allowance</u>	<u>FY 03 - 04</u> <u>Change</u>	<u>FY 03 - 04</u> <u>% Change</u>
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Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$50
Retirement (includes deferred comp.)	-40
Turnover rate increased	-20
Transit expenses	2
Other adjustments.....	-12

Insurance Protection Expenses

8,500

Other Changes

Training for new Account Reconciliation System	5
Equipment for new Account Reconciliation System.....	21

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Where It Goes:

Out-of-state travel for conferences.....	14
Gas and oil expenses for vehicles	3
Information Technology services for the new claims tracking system	65
Claims data inquiry services with American Services Group.....	8
Net increase in banking services and investment management	13
Office supplies.....	10
Association dues.....	4
Other administrative adjustments.....	107
Total	\$8,730

Note: Numbers may not sum to total due to rounding.

Most of the remainder of the budgeted increase for the State Treasurer’s Office derives from costs associated with the implementation of the new Account Reconciliation System (training and equipment) and a new claims tracking system. Both systems are to improve the current handling of these respective functions.

Impact of Cost Containment

The BRFA of 2003 will provide a provision to eliminate the deferred compensation match for fiscal 2004. In the State Treasurer’s Office this amounts to \$31,701.

Issues

1. State Insurance Coverage on the Rise

The fiscal 2004 allowance of \$25.7 million for the State's insurance protection includes an \$8.5 million (49%) increase over the fiscal 2003 working appropriation of \$17.3 million. The State's insurance protection includes coverage for damage to State property or liability of State employees. The State provides for its insurance protection through a combination of self-insurance (trust fund) and the purchase of specific excess commercial insurance policies. Most of the State's losses are borne by the self-insured fund. This occurs due to the structure of most of the State's coverage which typically has the self-insurance fund covering the first dollars of a loss up to a prescribed limit (e.g., for property the first \$2.5 million). Once that limit is reached, the commercial insurance provides for the remaining balance of the loss.

The increase is attributable to the following factors:

- **Costs to procure excess commercial insurance blanket coverage increased dramatically in the past year** – In response to September 11, 2001, the insurance industry has increased the cost to purchase coverage. Moreover, the industry has attempted to further minimize its future liability by changing the policy provisions as well. For example in fiscal 2002, the State paid \$752,000 for its excess property coverage that included coverage for terrorism. The fiscal 2003 cost has increased to \$3.9 million (5 times greater) and it excludes terrorism coverage. The estimated fiscal 2004 costs are expected to increase 5% over the fiscal 2003 amount.
- **Claims experience driving up tort premiums** – The cost of tort premiums is increasing largely due to the State's recent losses. In fiscal 2002, tort losses were \$3.3 million. It is expected that fiscal 2003 losses will rise above the actual for 2002 by about \$900,000. Also adding to the cost of the premium is the increase in the cap from \$100,000 to \$200,000 on tort claims.
- **Increase in liability losses** – The State's payout under coverage for Officers and Employees increased from \$1 million in fiscal 2002 to an estimated \$3.1 million in fiscal 2003. Several large settlements awarded by the Board of Public Works are under this liability section. These awards are not capped. Similarly, motor vehicle losses were \$738,000 in 2002 and are expected to rise to \$1.5 million in fiscal 2003.
- **Transfer of \$5 million from the Insurance Trust Fund in fiscal 2002** – The BRFA of 2002 transferred \$5 million from the available fund balance to the general fund.

These factors combine to create an Insurance Trust Fund projection with fund balances decreasing over the next several years unless the premiums are increased. The estimated balance at the end of fiscal 2003 is \$15 million. This is projected to decline to \$11 million at the end of fiscal 2004. The Insurance Fund's actuary recommended a fund balance of \$23 million. The current fund balance of approximately \$19 million is below this level. Moreover, a number of these factors fall within the purview of State

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government administration. For example, the State could (re-) initiate aggressive risk management that makes use of detailed claims loss data to reduce risk and paid losses.

The State Treasurer should discuss with the committees each of the factors contributing to the rise in the State's cost for insurance. The discussion should also include how the Insurance Division plans to mitigate the financial impact (cost management efforts) of these factors over the next several years to ensure that the State receives cost-effective insurance protection. As a cost containment measure, it is recommended that State tort liability limits be lowered, effective with the passage of the budget bill, to \$100,000 and that State contributions be reduced to reflect savings from that action. The limit can be increased in the next budget if fiscal conditions improve.

2. Capitalization of Bond Sale Expenses

The fiscal 2004 allowance provides a total of \$290,000 to cover the bond sale expenses including legal and administrative expenses (attorney fees, printing, and consulting services). The allowance is primarily made up of special funds. These special funds are to derive directly from the bond sale proceeds.

A review of appropriations from the early 1990s to the present shows that bond sale expenses have been met through the provision of general funds. The fiscal 2003 appropriation for bond sale expenses is \$290,000 in general funds. The State Treasurer's Office has used a portion of these appropriated funds to cover the July 2002 bond sale expenses; however, due to cost containment, the office intends to use bond sale proceeds (\$125,000) in lieu of general funds to meet the next bond sale expenses.

The use of bond sale proceeds to cover these expenses is a change in the current practice. Although this expense is minimal, when taken in the context of the amount of proceeds resulting from the State's bond sales (\$200 to \$500 million), the use of these special funds will either result in a reduction in the proceed funds available for authorized capital projects or it will necessitate a higher State issuance. Moreover, the State will pay for a one-time expense over the entire life of that bond.

The State Treasurer should comment on this change in the current practice and discuss the impact it will have on making funds available for authorized projects.

Recommended Actions

1. Modify the following language:

SECTION 9. AND BE IT FURTHER ENACTED, That ~~\$11,899,495~~ \$10,899,495 is appropriated in the various agency budgets for tort claims (including motor vehicles) under the provisions of the State Government Article, Title 12, Subtitle 1, the Maryland Tort Claims Act (MTCA). These funds are to be transferred to the State Insurance Trust Fund; these funds, together with funds appropriated in prior budgets for tort claims but unexpended, are the only funds available to make payments under the provisions of the MTCA. Tort claims are limited as follows:

- (A) Tort claims for incidents or occurrences occurring after July 1, 2003, paid from the State Insurance Trust Fund, are limited hereby and by State Treasurer's regulations to payments of no more than \$100,000 to a single claimant for injuries arising from a single incident or occurrence.
- ~~(A)~~(B) Tort claims for incidents or occurrences occurring after October 1, 1999, paid from the State Insurance Trust Fund, are limited hereby and by State Treasurer's regulations to payments of no more than \$200,000 to a single claimant for injuries arising from a single incident or occurrence.
- ~~(B)~~(C) Tort claims for incidents or occurrences occurring after July 1, 1996, and before October 1, 1999, paid from the State Insurance Trust Fund, are limited hereby and by the State Treasurer's regulations to payments of no more than \$100,000 to a single claimant for injuries arising from a single incident or occurrence.
- ~~(C)~~(D) Tort claims for incidents or occurrences resulting in death on or after July 1, 1994, and before July 1, 1996, paid from the State Insurance Trust Fund, are limited hereby and by State Treasurer's regulations to payments of no more than \$75,000 to a single claimant. All other tort claims occurring on or after July 1, 1994, and before July 1, 1996, paid from the State Insurance Trust Fund, are limited hereby and by State Treasurer's regulations to payments of no more than \$50,000 to a single claimant for injuries arising from a single incident or occurrence.
- ~~(D)~~(E) Tort claims for incidents or occurrences occurring prior to July 1, 1994, paid from the State Insurance Trust Fund, are limited hereby and by State Treasurer's regulations to payments of no more than \$50,000 to a single claimant for injuries arising from a single incident or occurrence.

Explanation: Modify Section 9 language to reduce the appropriation for tort claims by \$1 million and to lower the tort claim liability limit to \$100,000. The reduction is a cost containment measure to reflect the savings from lowering the limit. The limit can be increased in the next budget if fiscal conditions improve.

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	<u>Amount Reduction</u>	<u>Position Reduction</u>
2. Reduce funds for out-of-state travel. The remaining allowance of \$25,000 is an increase of 60% or \$9,350 over the fiscal 2003 working appropriation.	\$ 5,000	GF
3. Reduce funds for motor vehicle gas and oil expenses. The remaining allowance of \$4,820 is an increase of 29% or \$1,080 over the fiscal 2003 working appropriation.	1,500	GF
4. Reduce funds for management studies and consultants. The remaining allowance of \$50,000 is an increase of 69% over the fiscal 2002 actual of \$30,000. The additional funds recognize the need for more studies in support of the Insurance program	4,000	GF
5. Reduce funds for office assistance. The remaining allowance of \$7,500 is an increase of 50% or \$2,500 over the fiscal 2003 working appropriation. The funds can provide for temporary assistance in peak times.	2,500	GF
6. Reduce funds for library supplies. The remaining allowance of \$11,500 is an increase of 56% over the fiscal 2002 actual of \$7,400. The funds recognize the need to expand subscriptions to publications in support of new functions.	2,000	GF
7. Add the following language:		

Authorization to expend reimbursable funds received from other agencies is reduced by \$1,000,000.

Explanation: The State Treasurer's fiscal 2004 allowance includes an authorization to expend the funds received from other state agencies for insurance coverage. This language reduces the authorization by \$1 million to reflect the cost containment action taken to reduce the State's tort claim liability limit to \$100,000.

Total General Fund Reductions

\$ 15,000

Updates

1. New Automated Account Reconciliation System

The Treasurer's Office has completed the procurement of the new Automated Account Reconciliation System. Implementation is underway with the vendor. Testing of the installed configured software with R*Stars interface is planned for early April 2003. Employee training is to be completed by the end of April 2003 and full system launch is anticipated during June 2003. The office intends to run parallel systems for two months.

With this new system the Treasurer's Office fully expects to correct the audit items related to the reconciliation of its disbursement and depository account.

2. State Treasurer's Office Legislative Package

The State Treasurer's Office's legislative package for the 2003 session includes proposals to more efficiently manage and control capital debt and capital appropriations. The package also includes a proposal to expand from fixed rate financing. The legislative package has been sponsored by the Joint Committee on the Management of Public Funds.

One of the proposals (HB 444/SB 316) seeks to place a seven-year limitation on the authority to spend funds for capital projects, with certain exceptions. The bill also provides for the disposition of terminated State debt authorizations. This bill is proposed to prevent the current occurrence where the State has outstanding debt authorizations dating back to 1968. This is debt authorized but unissued. These old authorizations reduce the State's overall debt capacity.

Another proposal (HB 434/SB 319) seeks to allow the State to enter into nonfixed rate financing. Currently, the State is limited to issuing fixed rate debt in a public sale. The bill, specifically, would allow up to 15% of a State issue to be financed under a variable rate (at a private negotiated sale) with approval from the Board of Public Works. It also allows the State to enter into interest rate exchange agreements.

Current and Prior Year Budgets

Current and Prior Year Budgets State Treasurer (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$4,492	\$424	\$0	\$18,078	\$22,994
Transfer from Insurance Trust Fund	0	0	0	4,875	4,875
Budget Amendments	0	116	0	0	116
Reversions and Cancellations	-326	-57	0	-88	-471
Actual Expenditures	\$4,166	\$ 483	\$ 0	\$22,865	\$27,514
Fiscal 2003					
Legislative Appropriation	\$4,036	\$360	\$0	\$19,415	\$23,811
Budget Amendments	0	132	0	0	132
Cost Containment	-201	0	0	-1	-202
Working Appropriation	\$3,835	\$ 492	\$ 0	\$19,414	\$23,740

Note: Numbers may not sum to total due to rounding.

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Fiscal 2002

In fiscal 2002 the State's Treasurer's Office spent \$4.5 million more than its legislative appropriation of \$23 million. The increase occurred mainly in reimbursable funds and was due to a rise in both claim losses and the cost for commercial coverage. The additional funds were transferred from the Insurance Trust fund balance. General funds were reduced for cost containment purposes. A budget amendment increased special funds to reflect proceeds received from a bond sale (refunding sales). Those proceeds are used to cover expenses.

Fiscal 2003

Similar to the budget amendment for fiscal 2002, special funds have been increased to recognize proceeds received during the bond sale.

Object/Fund Difference Report
State Treasurer

Object/Fund	FY 02	FY 03	FY 04	FY 03 - FY 04	Percent Change
	Actual	Working Appropriation	Allowance	Amount Change	
Positions					
01 Regular	52.00	53.00	53.00	0	0%
02 Contractual	1.00	0	0	0	0.0%
Total Positions	53.00	53.00	53.00	0	0%
Objects					
01 Salaries and Wages	\$ 3,255,417	\$ 2,998,396	\$ 3,413,359	\$ 414,963	13.8%
02 Technical & Spec Fees	86,451	21,000	26,000	5,000	23.8%
03 Communication	117,604	127,509	54,142	-73,367	-57.5%
04 Travel	35,646	29,950	40,792	10,842	36.2%
07 Motor Vehicles	17,016	17,891	11,744	-6,147	-34.4%
08 Contractual Services	2,661,329	2,905,185	2,795,749	-109,436	-3.8%
09 Supplies & Materials	248,826	249,361	247,866	-1,495	-0.6%
10 Equip - Replacement	44,517	310,696	130,849	-179,847	-57.9%
11 Equip - Additional	128,952	5,671	2,998	-2,673	-47.1%
13 Fixed Charges	20,918,517	17,276,951	25,778,726	8,501,775	49.2%
Total Objects	\$ 27,514,275	\$ 23,942,610	\$ 32,502,225	\$ 8,559,615	35.8%
Funds					
01 General Fund	\$ 4,166,459	\$ 4,035,820	\$ 3,768,463	-\$ 267,357	-6.6%
03 Special Fund	483,089	492,154	618,780	126,626	25.7%
09 Reimbursable Fund	22,864,727	19,414,636	28,114,982	8,700,346	44.8%
Total Funds	\$ 27,514,275	\$ 23,942,610	\$ 32,502,225	\$ 8,559,615	35.8%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary
State Treasurer

<u>Unit/Program</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 03</u>	<u>FY 02 - FY 03</u>	<u>FY 04</u>	<u>FY 03 - FY 04</u>
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>% Change</u>	<u>Allowance</u>	<u>% Change</u>
01 Treasury Management	\$ 4,650,878	\$ 4,766,158	\$ 4,779,438	2.8%	\$ 4,748,808	-0.6%
01 Insurance Management	1,584,848	1,504,215	1,504,215	-5.1%	1,714,307	14.0%
02 Insurance Coverage	20,882,702	17,250,000	17,250,000	-17.4%	25,749,110	49.3%
01 Bond Sale Expenses	395,847	290,000	408,957	3.3%	290,000	-29.1%
Total Expenditures	\$ 27,514,275	\$ 23,810,373	\$ 23,942,610	-13.0%	\$ 32,502,225	35.8%
General Fund	\$ 4,166,459	\$ 4,035,820	\$ 4,035,820	-3.1%	\$ 3,768,463	-6.6%
Special Fund	483,089	359,917	492,154	1.9%	618,780	25.7%
Total Appropriations	\$ 4,649,548	\$ 4,395,737	\$ 4,527,974	-2.6%	\$ 4,387,243	-3.1%
Reimbursable Fund	\$ 22,864,727	\$ 19,414,636	\$ 19,414,636	-15.1%	\$ 28,114,982	44.8%
Total Funds	\$ 27,514,275	\$ 23,810,373	\$ 23,942,610	-13.0%	\$ 32,502,225	35.8%

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