

Function	Amount	Percent of Total	Increase (Decrease) Over 1982 Actual	
			Amount	Percent
Current:				
General government	\$ 217,869	4.3%	\$ 11,897	5.8 %
Education	956,799	18.8	22,636	2.4
Human resources	521,613	10.3	56,314	12.1
Health and mental hygiene	1,025,195	20.1	128,452	14.3
Transportation	324,910	6.4	(341,160)	(51.2)
Public safety and judicial	333,387	6.5	47,164	16.5
Economic and community development	21,137	.4	3,899	22.6
Natural resources and recreation	59,487	1.2	5,513	10.2
Agriculture	18,655	.4	1,993	12.0
Personnel and retirement	414,860	8.1	80,135	23.9
Intergovernmental	310,674	6.1	44,509	16.7
Debt service	441,680	8.7	30,367	7.4
Capital outlays for transportation	445,538	8.7	445,538	—
Total	<u>\$5,091,804</u>	<u>100.0%</u>	<u>\$537,257</u>	<u>11.8 %</u>

Expenditures that were previously reported exclusively for transportation in prior years were divided in fiscal year 1983 between transportation and capital outlays. As a result, expenditures reported only for transportation declined 51.2 percent from 1982. However, expenditures for transportation and capital outlays combined increased \$104,378,000 or 15.7 percent over transportation expenditures for 1982. Also, intergovernmental expenditures increased \$44,509,000 or 16.7 percent over 1982. These increases were attributable to additional funds provided for transportation related expenditures as a result of the rise in the motor vehicle fuels tax rate and additional motor vehicle titling tax revenues dedicated for such purposes.

Public safety and judicial expenditures increased \$47,164,000 or 16.5 percent over 1982. The increase was primarily attributable to increased costs in the operation and expansion of the prison system.

Economic and community development expenditures increased \$3,899,000 or 22.6 percent over 1982. The increase was primarily attributable to a \$2,500,000 contribution for the establishment of a revolving long-term loan guarantee fund for small business development.

Personnel and retirement expenditures include costs of all benefits for State employees and social security, pension and retirement costs for certain employees of local public schools. In general, the increase in expenditures of \$80,135,000 or 23.9 percent over 1982 is attributable to the increase in fringe benefit costs.

Operating transfers in of \$208,436,000 increased \$95,000 from the preceding year, and operating transfers out of \$365,138,000 increased \$7,590,000 from the preceding year.

The general fund unreserved fund deficit at June 30, 1983 was \$102,314,000 compared to an unreserved fund balance at June 30, 1982 of \$91,267,000, a decline of \$193,581,000 during the year. This decline was the result of a planned reduction in the budgetary fund balance of \$119,091,000 plus growth in the timing differences between budgetary practices and generally accepted accounting principles.

Differences in accounting treatment between generally accepted accounting principles and the legally mandated budget have usually produced an adverse effect upon the general fund operating results and fund balances when they are reported under generally accepted accounting principles. These differences were greater for the general fund in 1983 than those historically experienced. The increase in the difference was attributable to an unanticipated growth in the dollar amount in expected areas such as income tax accruals and accounts payable, rather than to an increase in the number of departures in the budgetary system from generally accepted accounting principles.