

Changes in levels of expenditures for major functions from the previous year (excluding capital projects) are shown in the following tabulation (amounts expressed in thousands):

Function	Amount	Percent of Total	Increase (Decrease) Over 1987 Actual	
			Amount	Percent
Current:				
General government	\$ 410,519	5.3%	\$144,268	54.2%
Education	1,759,450	22.5	137,653	8.5
Economic and employment development	113,605	1.5	113,605	100.0
Human resources	669,341	8.6	(11,067)	(1.6)
Health and mental hygiene	1,609,327	20.5	41,915	2.7
Environment	37,140	.5	37,140	100.0
Transportation	537,686	6.9	51,135	10.5
Public safety and judicial	559,804	7.2	23,537	4.4
Housing and community development	52,273	.7	12,383	31.0
Natural resources and recreation	98,541	1.3	4,287	4.5
Agriculture	30,626	.4	(827)	(2.6)
Personnel and retirement			(21,773)	(100.0)
Intergovernmental	631,162	8.1	79,366	14.4
Debt service	435,886	5.6	(8,193)	1.8
Capital outlays for transportation	856,738	10.9	130,393	18.0
Total	<u>\$7,802,098</u>	<u>100.0%</u>	<u>\$733,822</u>	<u>10.4%</u>

The State reorganized some of its functions during the 1988 fiscal year resulting in a reclassification of expenditure data for some categories. The Juvenile Services Administration and its institutions were removed from health and mental hygiene and placed under the executive department which is included in the general government category. Functions relating to the environment were placed under a new Department of Environment which were primarily under health and mental hygiene. Functions relating to economic development, formerly under the Department of Economic and Community Development, were merged with the former Department of Employment and Training to create the new Department of Economic and Employment Development. As a result, expenditures for economic and employment development which were included as part of human resources are now shown as a separate category. The remaining functions under the Department of Economic and Community Development remained under the newly named Department of Housing and Community Development which is shown as a separate category.

Beginning in fiscal year 1988, the general government category includes expenditure data formerly categorized as personnel and retirement.

After excluding the changes for the above, other changes in expenditures for 1988 when compared to 1987 were as follows:

Expenditures for housing and community development increased \$12,383,000 or 31.0 percent over 1987 primarily due to the initiation of the State weatherization program.

Expenditures for capital outlays for transportation increased \$130,393,000 or 18.0 percent over 1987 which is primarily attributable to the construction of new highways resulting from the additional fuel tax and vehicle registration revenue increase.

Operating transfers in from the capital projects fund and enterprise funds (State Lottery and Higher Education Loan Corporation) totaled \$2,847,000 and \$337,107,000 respectively. This represents an increase of \$4,873,000 over the previous year. Operating transfers out to the capital projects fund, enterprise funds, and higher education funds totaled \$535,189,000 for an increase of \$45,928,000 over the preceding year.

The general fund unreserved fund balance at June 30, 1988 was \$544,855,000 which represents an increase of \$202,997,000 over the previous year's balance. This improvement was the result of revenues exceeding estimates and expenditures being less than appropriated.