

When HB 124 was passed, the fiscal note assumed that the costs accepted by the state would be slightly more than the new revenues, roughly \$2.0 million. Part of the reasoning behind the legislation was to provide a method to share state revenue growth with local governments.

In the first few years the difference hovered instead around \$10.0 million. However, beginning in FY 2008 the revenues decreased for multiple years and until recently had experienced slow growth. Expenditures however, continued to grow.

This trend is expected to continue in future years, as entitlement share payments will likely grow by its historical rate of approximately 3.0% per year. Growth in public defender costs are not forecast to slow either. In contrast, revenues are forecast to experience slow growth, $\frac{dR}{dt} \approx 0.03R$.