

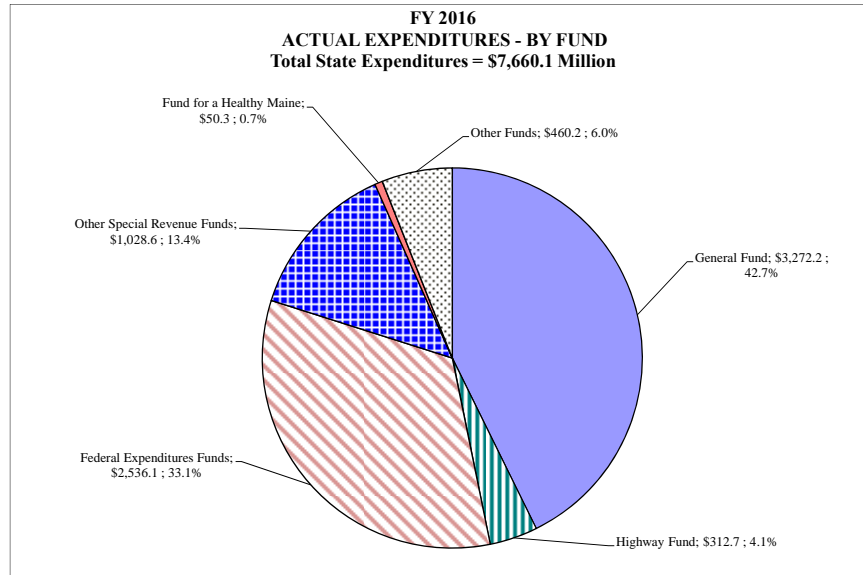
Overview of the State Budget

December 5, 2016
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Office of Fiscal and Program Review
OFPR

1. How Big is Maine's Budget?

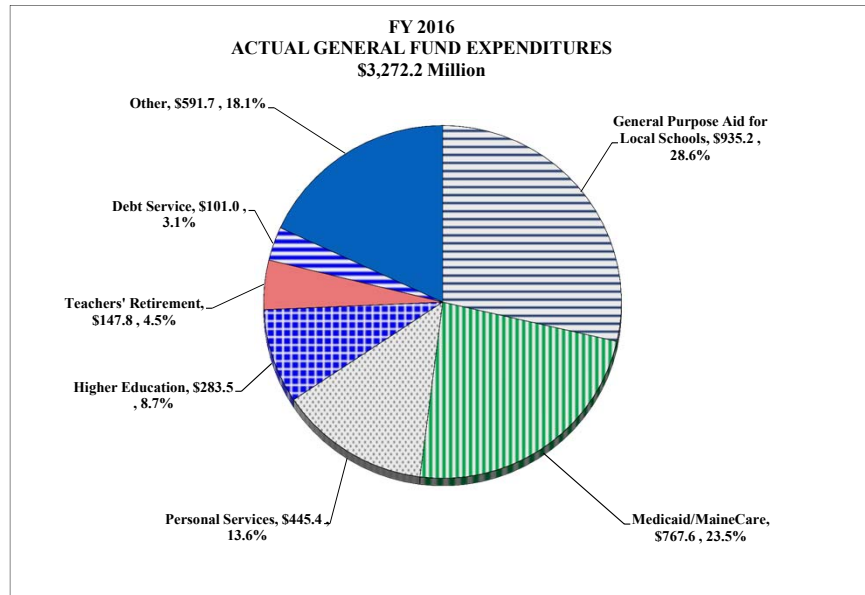
- The answer is “It depends on what you want to look at”
 - Complexity and multiple ways to present the Budget (General Fund vs. All Funds) create opportunities for confusion.
 - “Governor proposes, the Legislature disposes”, usually by supermajority two-thirds of each body.

Total State Expenditures – All Funds



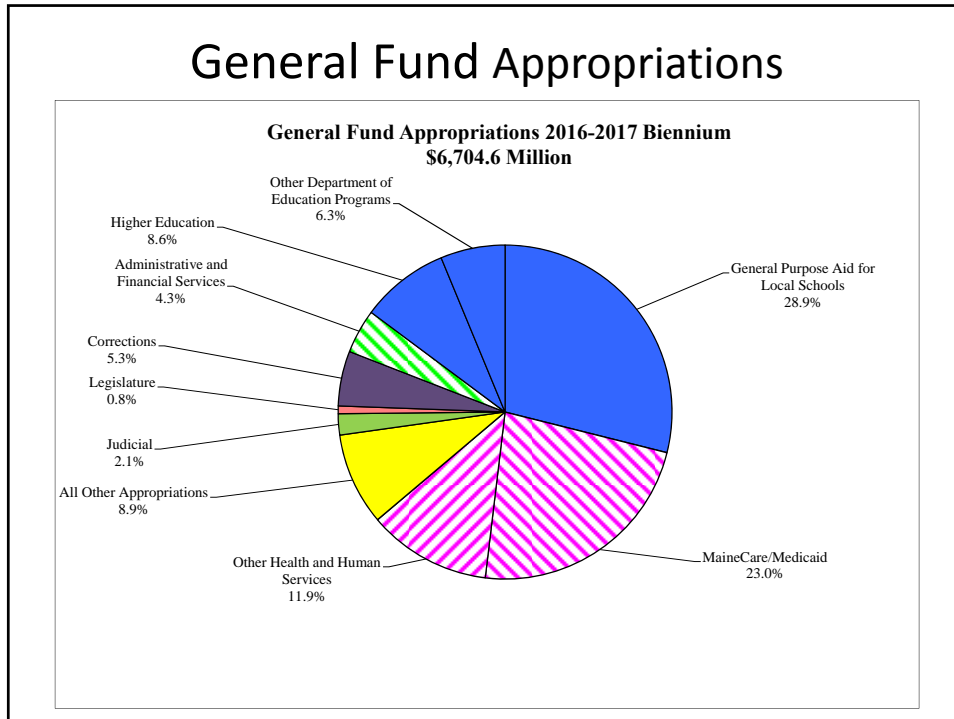
- Government accounting separates revenue and expenditures into separate funds based on purpose.
- General Fund (all undesigned or undedicated revenue sources) more than 40% of the total – **appropriations** authorize and control spending.
- General Fund also generates most of the matching federal funds.
- Other funds receive revenue designated or dedicated for specific purposes – **allocations** authorize and control spending

General Fund Expenditures



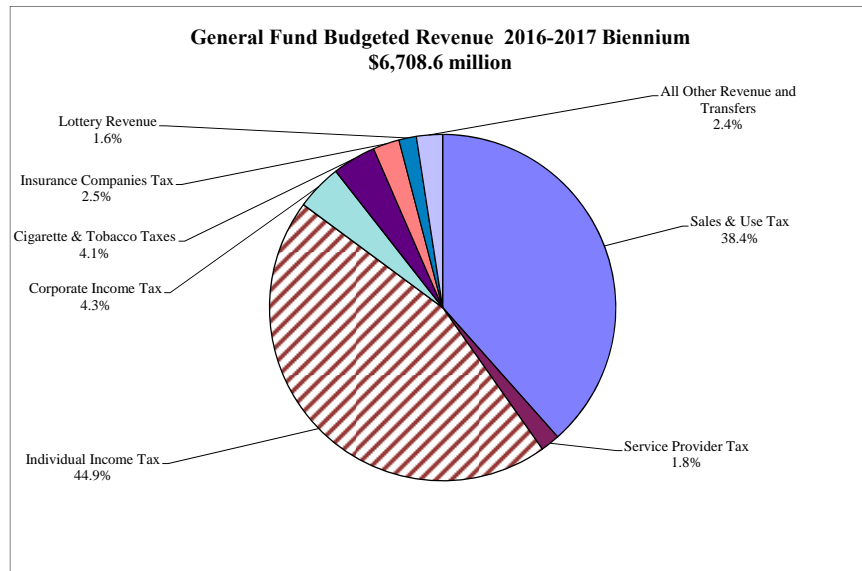
- Two major programs account for half of General Fund budget – General Purpose Aid for Local Schools (School Subsidies) and MaineCare/Medicaid.
- These areas have been growing faster than the overall budget and as a result their shares have been increasing.
- Retirement costs (7.4% of General Fund budget) have also been growing and crowding out other programs.

General Fund Appropriations



- Traditional presentation of total appropriations by departments for the 2016-2017 biennium:
 - Just under half (44%) of the budget goes to education including grants to higher education;
 - Just over one-third (35%) appropriated to Health and Human Services (including MaineCare/Medicaid); and
 - Roughly one-fifth is appropriated for the other General Fund departments and agencies.

General Fund Revenue



- Individual Income Tax accounts for almost 45% of General Fund revenue.
- Sales Tax is next largest at more than a third (38%) of General Fund revenue.
- Consensus Economic Forecasting Commission (CEFC) and Revenue Forecasting Committee (RFC) meet at least twice each year - in spring and fall – to produce and update the revenue forecast. [Latest RFC forecast](#) released last week.

- Many ways to present the budget numbers.
- Most often, budget presentations will focus on the General Fund and will often present the amounts for the biennium.
- If you have questions or need additional information, ask the Office of Fiscal and Program Review (OFPR).

2. Must Maine balance its budget?

- Various constitutional and statutory provisions interact to require that the budget is balanced.
 - Constitutional Provisions:
 - Restriction on borrowing except within a fiscal year (cash flow borrowing only)
 - Can't borrow to fund current expenditures
 - Statutory Provisions:
 - Governor must present his budget to show balanced relationship between revenue and appropriations; and
 - Governor is given authority to curtail spending if revenue is insufficient to fund appropriations.

- Each fund must be in balance.
- OFPR tracks General Fund, Highway Fund and Fund for a Healthy Maine budgets.
- Other funds are limited to available resources in the fund.
- Each fiscal year of the biennium must be in balance.

3. The Budget Process What is the Executive's Role?

- Governor initiates the Biennial Budget
 - Agencies submit proposals by September 1st of even numbered years.
 - The Governor must submit the Biennial Budget in early January (one month later if newly elected).
 - Only the Biennial Budget is required by statute, but typically there will be additional supplemental budgets submitted.
 - Separate Transportation/Highway Fund Budget submitted.

- Budget deliberations after submission:
 - Executive branch staff usually participate throughout the budget deliberations.
 - Institutionalized “change package” process (Governor’s proposed budget amendments).
 - Options for line-item veto and regular veto
 - Line-item veto limited to one day after enactment and only can reduce spending and requires a simple majority override.
 - Regular veto affects the whole budget and requires a two-thirds override (present and voting standard).

- After enactment:
 - Implement the budget initiatives and manage budget to remain within appropriated amounts.
 - Make adjustments within constraints by financial orders.
 - Acting if revenue is insufficient to fund appropriations (curtailment authority).

4. The Budget Process

What is the Legislature's Role?

- To hold joint hearings with the Appropriations Committee and the various “policy” committees (required by joint rule).
- To put forth recommendations in the form of an amendment from the Appropriations Committee.
- To enact the biennial budget usually by supermajority (two-thirds of both bodies).
- Consequences of not enacting biennial budget is a shutdown of state government.
- To oversee budget after enactment (review of financial orders and reports).
- See OFPR's [*The Budget Process*](#) for more information.

5. What about the cost of other bills? (Fiscal Notes)

- Balanced budget requirement is potentially affected by all bills.
- OFPR reviews all bills and amendments for their fiscal impact (the Fiscal Note process).
- OFPR receives input from multiple sources but is responsible for production of the fiscal note.
- Preliminary statements on original bills are completed when possible (roughly half the bills).

- Bills reported favorably out of committee require a Fiscal Note by joint rule.
- Committee controls the content of the bill and/or committee amendment.
- Fiscal Note reacts to the content of the committee report.
- Floor amendments also reviewed for fiscal impact.
- Local government impact and state mandates identified in Fiscal Notes.

- Special Funding Tables in Senate:
 - Bills that impact the General Fund, Highway Fund and Fund for a Healthy Maine are tabled just before final enactment in the Senate.
 - Decisions on final enactment are decided at the end of session after budget bills enacted and resources available are determined.
 - Policy committees may submit priority lists of their bills on the Appropriations Table to the Appropriations Committee.
 - Transportation Committee decides on Highway Table.
- See OFPR [*Fiscal Note Process: An Overview*](#) for more information.

6. Can the State Borrow Money?

- Borrowing that pledges full faith and credit of the State requires 2/3 vote and a referendum.
- Can't borrow for current expenditures.
- Appropriations Committee usually reports out a bond package each session, but not always.
- Bond package can be one bill with multiple parts or separate bills.

- Other Types of borrowing:
 - Various Authorities (MSHA & FAME) established that can issue bonds (moral obligation debt not full faith and credit).
 - Maine Governmental Facilities Authority issues lease appropriation bonds, which require approval by Legislature.
 - Lease-purchase arrangements are also approved by the Legislature.
 - Cash flow borrowing (Tax Anticipation Notes) to meet temporary cash shortages within a fiscal year do not require approval by Legislature.

7. What is the Structural Gap?

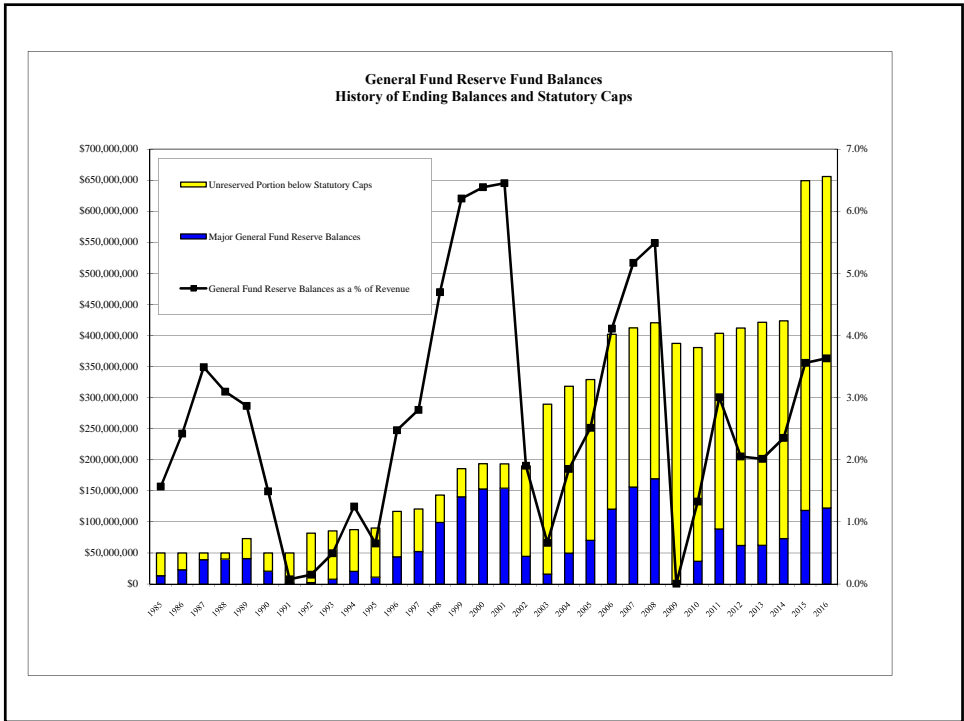
- The term, “Structural Gap” is used to distinguish this concept from deficit spending.
- It is a projection of future spending based on current law, cost increases, caseloads etc. and compared to the consensus revenue forecast.
- Statutory Bureau of the Budget estimate as of September 30, 2016 was \$165 million for the 2018-2019 biennium.

- Beginning with the 2008-2009 Biennium, new starting point for agency appropriations.
- Baseline Budget – Modified flat-funded budget (exceptions are salaries and benefits and capital expenditures, items costing >\$5,000.
- Current year appropriations adjusted for one-time savings and spending initiatives.
- Intent was to change the perspective about budget cuts.

8. What efforts have been implemented to address Structural Gaps?

- In 2005, the State enacted an appropriation limit beginning in FY 2006.
- However, due to a provision to exclude the growth of General Purpose Aid for Local Schools until we achieve the 55% state share, this limit has not been a factor in limiting or controlling spending growth.

- In 2005, along with the appropriations limitation, the Rainy Day Fund was reconstituted as a Budget Stabilization Fund.
- Revenue in excess of the appropriations limitation accrues to this reserve.
- However, no significant period of substantial revenue growth since 2005 has triggered this provision.
- Transfers from surplus at the end of each fiscal year have provided resources to this reserve.



9. Why is it so Difficult to Cut the Budget?

- Cuts in the school subsidies and other local government funding (more than 37% of budget) may result in a shift to the property tax.
- Cuts to MaineCare/Medicaid (23% of budget) are tripled in their effect due to a nearly 2 to 1 federal match.
- Retirement Costs are constitutionally protected (Unfunded liability must be eliminated by the end of FY 2028).

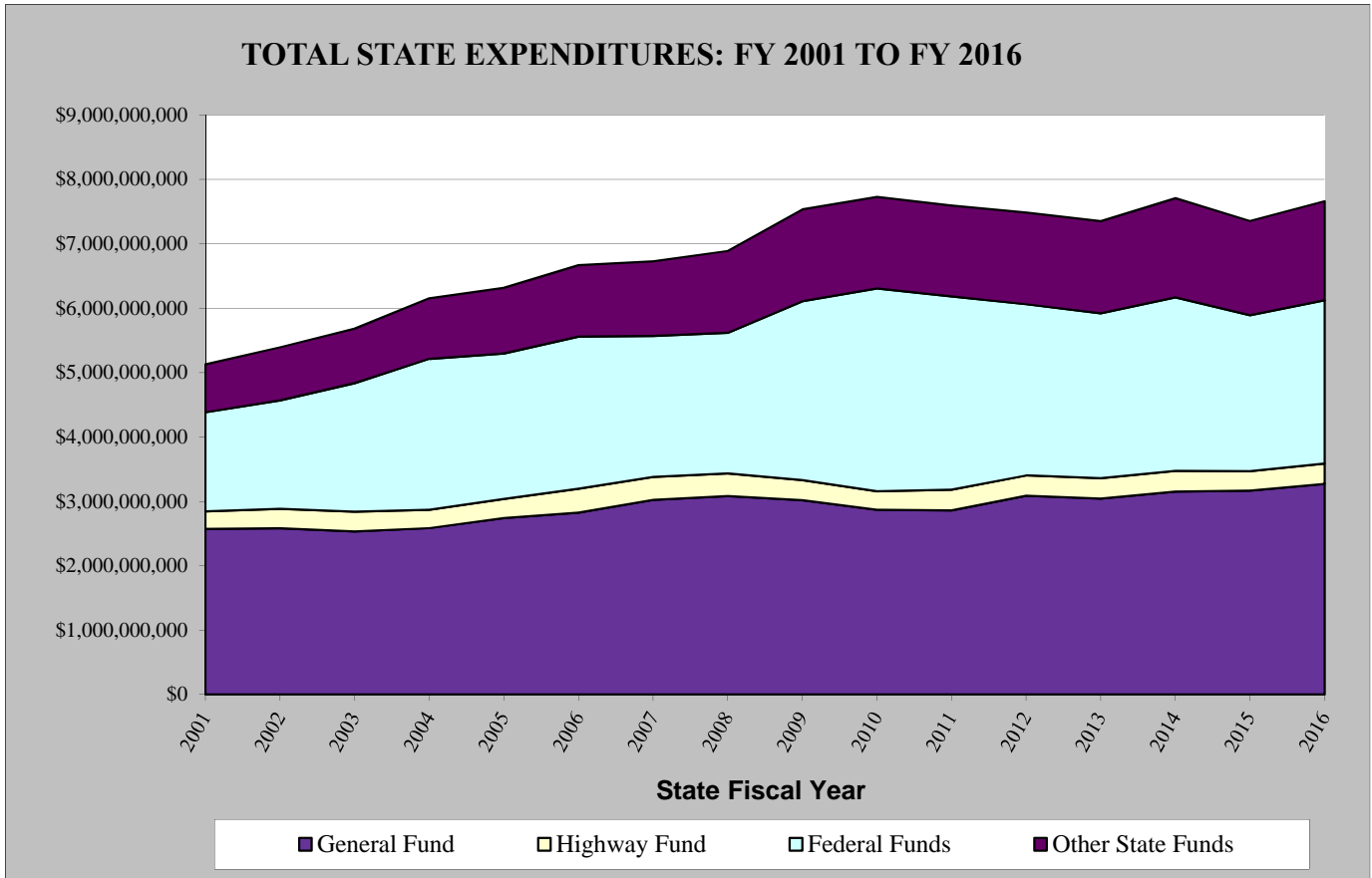
10. Where can you get more budget information?

- The Office of Fiscal and Program Review (OFPR) has great staff with many years of experience to help you better understand the budget.
- OFPR's web site also is a tremendous resource for your budget questions.
- Come see us in Room 226 of the State House, right next to the Appropriation Committee room.

<http://www.legislature.maine.gov/ofpr/>

TOTAL STATE EXPENDITURES - ALL FUNDING SOURCES

FISCAL YEAR	GENERAL FUND		HIGHWAY FUND		FEDERAL FUNDS *		OTHER STATE FUNDS		TOTAL EXPENDITURES	
	\$	Chg.	\$	% Chg.	\$	% Chg.	\$	% Chg.	\$	Chg.
2001	2,571,368,893	11.0%	270,749,229	10.1%	1,539,761,065	3.0%	747,403,048	12.8%	5,129,282,235	8.7%
2002	2,583,684,236	0.5%	297,650,294	9.9%	1,685,480,263	9.5%	825,768,835	10.5%	5,392,583,628	5.1%
2003	2,533,197,609	-2.0%	304,987,282	2.5%	1,995,895,366	18.4%	847,781,450	2.7%	5,681,861,707	5.4%
2004	2,584,232,096	2.0%	283,343,403	-7.1%	2,346,157,073	17.5%	940,739,873	11.0%	6,154,472,445	8.3%
2005	2,738,123,135	6.0%	299,596,972	5.7%	2,256,197,990	-3.8%	1,021,235,651	8.6%	6,315,153,748	2.6%
2006	2,824,410,407	3.2%	370,948,351	23.8%	2,360,956,923	4.6%	1,112,524,920	8.9%	6,668,840,602	5.6%
2007	3,024,363,451	7.1%	352,202,706	-5.1%	2,189,941,949	-7.2%	1,162,715,301	4.5%	6,729,223,407	0.9%
2008	3,083,641,475	2.0%	349,155,025	-0.9%	2,182,289,850	-0.3%	1,272,920,938	9.5%	6,888,007,288	2.4%
2009	3,019,800,023	-2.1%	307,608,312	-11.9%	2,778,286,835	27.3%	1,427,625,058	12.2%	7,533,320,229	9.4%
2010	2,866,433,517	-5.1%	290,599,761	-5.5%	3,150,727,852	13.4%	1,417,786,734	-0.7%	7,725,547,863	2.6%
2011	2,859,043,111	-0.3%	321,015,262	10.5%	3,000,286,460	-4.8%	1,414,806,375	-0.2%	7,595,151,209	-1.7%
2012	3,087,289,656	8.0%	314,187,693	-2.1%	2,659,318,998	-11.4%	1,422,158,815	0.5%	7,482,955,162	-1.5%
2013	3,040,965,276	-1.5%	317,286,359	1.0%	2,562,739,045	-3.6%	1,430,865,280	0.6%	7,351,855,960	-1.8%
2014	3,149,348,298	3.6%	323,035,476	1.8%	2,695,758,316	5.2%	1,537,896,443	7.5%	7,706,038,533	4.8%
2015	3,165,515,092	0.5%	303,597,502	-6.0%	2,420,838,529	-10.2%	1,463,595,964	-4.8%	7,353,547,086	-4.6%
2016	3,272,174,288	3.4%	312,668,230	3.0%	2,536,124,842	4.8%	1,539,096,374	5.2%	7,660,063,734	4.2%
Ave. Growth - 2001 to 2016:		1.6%		1.0%		3.4%		4.9%		2.7%
Ave. Growth - 2006 to 2016:		1.5%		-1.7%		0.7%		3.3%		1.4%
Ave. Growth - 2011 to 2016:		2.7%		-0.5%		-3.3%		1.7%		0.2%



SOURCES: State of Maine Annual Budgetary Financial Reports and Accounting Records

* Federal Funds includes Federal Expenditures Fund, Federal Block Grant Fund and Federal Stimulus or American Recovery and Reinvestment Act (ARRA) Funds. ARRA actual expenditures were \$240,544,841 in FY 2009, \$690,285,452 in FY 2010, \$561,253,766 in FY 2011, \$216,513,229 in FY 2012, \$119,214,716 in FY 2013, \$50,885,999 in FY 2014, \$21,202,134 in FY 2015 and \$16,606,943 in FY 2016.

Table ALL-1 Total State Expenditures by Fund - Fiscal Years 2012 - 2016

FUND TITLE	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$
	% of Total	% of Total	% of Total	% of Total	% of Total
OPERATING FUNDS					
GENERAL FUND	\$3,087,289,656	\$3,040,965,276	\$3,149,348,298	\$3,165,515,092	\$3,272,174,288
HIGHWAY FUND	\$314,187,693	\$317,286,359	\$323,035,476	\$303,597,502	\$312,668,230
FEDERAL EXPENDITURES FUND	\$2,288,765,124	\$2,311,812,606	\$2,538,818,638	\$2,292,766,294	\$2,405,765,284
FUND FOR A HEALTHY MAINE	\$48,905,568	\$54,629,489	\$52,396,899	\$54,172,418	\$50,250,170
OTHER SPECIAL REVENUE	\$896,280,286	\$918,119,407	\$1,093,449,982	\$937,219,835	\$1,028,617,326
FEDERAL BLOCK GRANT FUND	\$154,040,644	\$131,711,723	\$106,053,679	\$106,870,101	\$113,752,616
FEDERAL EXPENDITURES FUND ARRA	\$216,183,847	\$119,214,716	\$50,885,999	\$21,202,134	\$16,606,943
FEDERAL BLOCK GRANT FUND ARRA	\$329,383	\$0	\$0	\$0	\$0
TOTAL OPERATING FUNDS	\$7,005,982,201	\$6,893,739,575	\$7,313,988,970	\$6,881,343,375	\$7,199,834,856
	93.63%	93.77%	94.91%	93.58%	93.99%
ENTERPRISE FUNDS					
CONSOLIDATED EMERGENCY COMMUNICATION	\$5,514,929	\$5,169,246	\$5,658,705	\$6,001,259	\$6,187,234
STATE TRANSIT, AVIATION AND RAIL	\$5,322,769	\$0	\$0	\$0	\$0
TRANSPORTATION FUND					
DIRIGO HEALTH AGENCY	\$57,159,772	\$54,459,404	\$26,866,446	\$1,077,879	\$0
ISLAND FERRY SERVICES FUND	\$8,620,838	\$9,157,355	\$9,039,710	\$9,851,885	\$9,617,344
MARINE PORTS FUND	\$84,484	\$6,550	\$8,682	\$0	\$0
ALCOHOLIC BEVERAGE FUND	\$0	\$0	\$0	\$0	\$0
PRISON INDUSTRIES FUND	\$851,764	\$947,177	\$1,546,678	\$1,816,199	\$1,583,676
STATE ADMINISTERED FUND	\$390,120	\$421,235	\$402,032	\$720,536	\$347,866
MAINE MILITARY AUTHORITY	\$36,801,393	\$35,834,460	\$11,527,945	\$7,617,492	\$8,600,110
STATE LOTTERY FUND	\$176,687,233	\$176,041,246	\$176,826,886	\$201,710,177	\$201,176,778
TOTAL ENTERPRISE FUNDS	\$291,433,302	\$282,036,675	\$231,877,084	\$339,503,231	\$346,742,094
	3.89%	3.84%	3.01%	4.62%	4.53%
TRUST FUNDS					
EMPLOYMENT SECURITY TRUST	\$182,838,290	\$173,001,852	\$157,846,356	\$129,701,204	\$109,399,997
ABANDONED PROPERTY FUND	\$194,488	\$196,210	\$160,355	\$187,810	\$180,907
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS	\$336,326	\$434,081	\$456,935	\$547,155	\$583,950
HEALTH INSURANCE FUND					
COMPETITIVE SKILLS SCHOLARSHIP FUND	\$2,170,554	\$2,447,567	\$1,708,833	\$2,264,310	\$3,321,931
TOTAL TRUST FUNDS	\$185,539,659	\$176,079,710	\$160,172,479	\$132,700,479	\$113,486,783
	2.48%	2.40%	2.08%	1.80%	1.48%
TOTAL STATE EXPENDITURES	\$7,482,955,162	\$7,351,855,960	\$7,706,038,533	\$7,353,547,086	\$7,660,063,734
	100.0%	100.0%	100.0%	100.0%	100.0%

FY 2016 TOTAL GENERAL FUND EXPENDITURES

Major Categories	FY 2016 EXPENDITURES	% OF TOTAL
General Purpose Aid for Local Schools	\$935,168,346	28.6% ⁴
Medicaid/MaineCare	\$767,578,471	23.5% ⁴
Personal Services	\$445,351,417	13.6% ^{1 & 4}
Higher Education	\$283,518,541	8.7%
Teachers' Retirement	\$147,838,152	4.5% ²
Debt Service	\$100,990,202	3.1% ³
Other	\$591,729,159	18.1%
Total General Fund Expenditures	\$3,272,174,288	100.0%

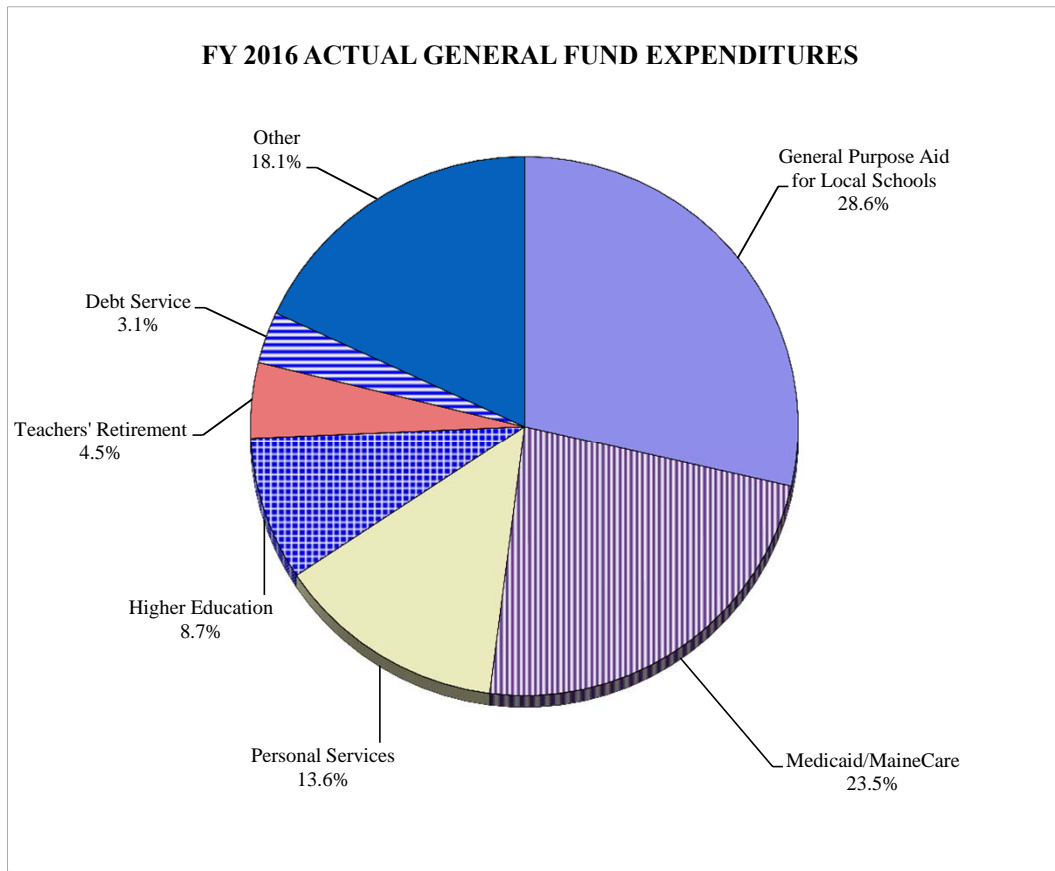
Notes:

¹ * Personal Services includes:	Salaries and Wages	\$281,336,906	8.6%
	Retirement	\$93,372,594	2.9%
	Health Insurance	\$57,505,935	1.8%
	Other Fringe Benefits	\$13,135,982	0.4%
	Total	\$445,351,417	13.6%

² Teachers' Retirement includes Retired Teachers Health and Group Life Insurance.

³ Debt Service includes General Obligation Debt and all Maine Governmental Facilities Authority Debt.

⁴ Medicaid/MaineCare excludes Personal Services expenditures totaling \$14,915,738 that would normally be included, but are excluded here to avoid double counting the amounts in the Personal Services group. Medicaid administrative costs are also not included here. General Purpose Aid for Local Schools excludes Personal Services expenditures of \$1,835,047.



GENERAL FUND TOTAL APPROPRIATIONS FOR FY 2015-16 AND FY 2016-17

% OF BIENNIAL <u>TOTAL</u>	<u>2015-16</u>	<u>2016-17</u>
28.91% GENERAL PURPOSE AID	\$967,434,886	\$971,111,733
3.41% TEACHER RETIREMENT	112,477,837	116,414,561
2.84% OTHER EDUCATIONAL PROGRAMS	92,642,442	97,865,662
0.50% OTHER HIGHER EDUCATION PROGRAMS	15,670,394	17,670,394
6.00% UNIVERSITY OF MAINE SYSTEM	200,677,025	201,637,959
1.79% COMMUNITY COLLEGE SYSTEM	58,369,518	61,958,536
<u>0.27%</u> MAINE MARITIME ACADEMY	<u>8,890,304</u>	<u>8,883,304</u>
43.73% TOTAL EDUCATION	\$1,456,162,406	\$1,475,542,149
22.99% MAINECARE/MEDICAID	771,731,448	769,524,735
2.24% MH/DS STATE GRANT PROGRAMS/FACILITIES	\$75,082,603	\$75,335,050
1.54% CHILD WELFARE SERVICES/FOSTER CARE	51,597,039	51,608,076
0.80% TANF/ASPIRE	29,189,172	24,254,472
0.21% SUPPLEMENTAL SECURITY INCOME (SSI)	6,882,011	6,882,011
0.36% GENERAL ASSISTANCE	12,148,875	12,148,875
0.26% BUREAU OF HEALTH (MECDC)	8,818,013	8,933,318
1.41% ELDER SERVICES PROGRAMS	46,169,241	48,144,307
3.40% DHHS MANAGEMENT PROGRAMS	112,759,600	114,942,835
<u>1.72%</u> OTHER DHHS PROGRAMS	<u>56,692,896</u>	<u>58,526,842</u>
34.92% TOTAL HEALTH & HUMAN SERVICES	\$1,171,070,898	\$1,170,300,521
4.28% ADMINISTRATIVE & FINANCIAL SERVICES, DEPT. OF	\$137,624,268	\$149,382,890
5.32% CORRECTIONS - DEPARTMENT & STATE BOARD	177,872,019	178,555,069
2.38% TREASURY - DEBT SERVICE	77,110,355	82,258,192
2.05% JUDICIAL DEPARTMENT	66,922,489	70,591,628
1.34% PUBLIC SAFETY, DEPT. OF	43,790,114	45,780,756
0.76% LEGISLATURE	24,600,353	26,249,178
0.77% INLAND FISHERIES AND WILDLIFE	25,883,081	25,732,398
0.59% ATTORNEY GENERAL, DEPT. OF	19,462,950	19,822,840
0.37% ECONOMIC & COMMUNITY DEVELOPMENT, DEPT. OF	12,432,357	12,407,918
0.34% LABOR, DEPT. OF	11,455,223	11,645,200
0.30% MARINE RESOURCES, DEPT. OF	10,172,129	10,148,081
0.95% AGRICULTURE, CONSERVATION AND FORESTRY, DEPT. OF	32,096,476	31,412,287
0.23% DEFENSE, VETERANS & EMERGENCY MANAGEMENT	7,479,258	8,046,806
0.23% ENVIRONMENTAL PROTECTION, DEPT. OF	7,612,927	7,604,515
0.20% CULTURAL AGENCIES (5)	6,717,308	6,359,371
0.13% EXECUTIVE DEPARTMENT	4,351,765	4,370,867
0.14% SECRETARY OF STATE	4,253,039	5,223,745
0.98% OTHER DEPTS. & AGENCIES	34,229,307	31,745,811
0.00% STATEWIDE APPROPRIATIONS & DEAPPROPRIATIONS	0	0
<u>100.00%</u> TOTALS	<u>\$3,331,298,722</u>	<u>\$3,373,180,222</u>
BIENNIUM TOTAL	\$6,704,478,944	

Reflects appropriations through the end of the 2nd Regular Session of the 127th Legislature

Amounts may not add to 100% due to rounding

**GENERAL FUND BUDGETED UNDEDICATED REVENUE
FOR FY 2015-16 AND FY 2016-17**

<u>% of</u>	<u>Total</u>	<u>SOURCE</u>	<u>2015-16</u>	<u>2016-17</u>
38.42%		SALES AND USE TAX	\$1,260,137,966	\$1,317,511,722
1.81%		SERVICE PROVIDER TAX	\$55,073,214	\$66,149,448
44.90%		INDIVIDUAL INCOME TAX ⁽¹⁾	\$1,546,329,595	\$1,466,148,976
4.29%		CORPORATE INCOME TAX	\$138,354,603	\$149,293,471
4.05%		CIGARETTE AND TOBACCO TAXES	\$136,641,000	\$135,279,000
2.47%		INSURANCE COMPANIES TAX	\$82,700,000	\$82,700,000
0.67%		ESTATE TAX	\$26,598,740	\$18,378,323
		OTHER TAXES AND FEES:		
0.43%		PROPERTY TAX - UNORGANIZED TERRITORY	\$14,225,984	\$14,513,169
0.46%		REAL ESTATE TRANSFER TAX	\$15,697,389	\$15,294,043
0.64%		LIQUOR TAXES AND FEES	\$21,214,918	\$21,415,688
0.27%		CORPORATION FEES AND LICENSES	\$9,088,649	\$9,088,649
0.22%		TELECOMMUNICATIONS PERSONAL PROPERTY TAX	\$7,500,000	\$7,500,000
0.80%		FINANCE INDUSTRY FEES	\$26,851,990	\$26,851,990
0.16%		MILK HANDLING FEE	\$5,357,705	\$5,075,362
0.26%		CASINO AND RACINO REVENUE	\$8,761,475	\$8,850,013
0.13%		BOAT, ATV AND SNOWMOBILE FEES ⁽³⁾	\$4,523,561	\$4,523,561
0.47%		HUNTING AND FISHING LICENSE FEES ⁽³⁾	\$15,850,342	\$15,878,217
0.33%		OTHER MISCELLANEOUS TAXES AND FEES	<u>\$11,257,139</u>	<u>\$11,101,138</u>
4.18%		SUBTOTAL - OTHER TAXES AND FEES	\$140,329,152	\$140,091,830
0.67%		FINES, FORFEITS AND PENALTIES	\$22,411,725	\$22,527,275
0.04%		INCOME FROM INVESTMENTS	\$1,076,328	\$1,744,002
1.64%		TRANSFER FROM LOTTERY COMMISSION	\$54,900,000	\$54,900,000
-1.95%		TRANSFERS TO TAX RELIEF PROGRAMS ⁽¹⁾	(\$64,771,938)	(\$65,948,340)
-1.96%		TRANSFERS FOR REVENUE SHARING ⁽²⁾	(\$67,259,423)	(\$64,326,883)
		OTHER REVENUE:		
0.29%		LIQUOR SALES AND OPERATIONS	\$9,667,500	\$9,845,500
0.08%		TARGETED CASE MANAGEMENT (DHHS)	\$2,640,000	\$2,560,000
0.55%		STATE COST ALLOCATION PROGRAM	\$18,296,832	\$18,296,832
0.21%		UNCLAIMED PROPERTY TRANSFER	\$7,000,000	\$7,000,000
-0.40%		TOURISM TRANSFER	(\$12,854,128)	(\$13,701,204)
-0.42%		TRANSFER TO MAINE MILK POOL	(\$15,709,907)	(\$12,622,360)
-0.20%		TRANSFER TO STAR TRANSPORTATION FUND	(\$6,800,000)	(\$6,800,000)
0.67%		OTHER MISCELLANEOUS REVENUE	<u>\$21,600,138</u>	<u>\$23,230,758</u>
0.77%		SUBTOTAL - OTHER REVENUE	\$23,840,435	\$27,809,526
<u>100.0%</u>		<u>TOTALS</u>	<u>\$3,356,361,397</u>	<u>\$3,352,258,350</u>
		BIENNIUM TOTAL	\$6,708,619,747	

Notes:

⁽¹⁾ TRANSFERS TO TAX RELIEF PROGRAMS - Beginning in FY 2009-10, these programs will no longer be specifically deducted from individual income tax. The amounts budgeted for the 3 tax relief programs funded by transfers from General Fund undedicated revenue are:

Maine Residents Property Tax ("Circuitbreaker") Program	\$0	\$0
Business Equipment Tax Reimbursement (BETR) Program	(\$34,000,000)	(\$30,500,000)
Business Equipment Tax Exemption (BETE) Program	(\$30,771,938)	(\$35,448,340)
Total Tax Reimbursement Program Transfers	(\$64,771,938)	(\$65,948,340)

⁽²⁾ TRANSFERS FOR REVENUE SHARING - Beginning in FY 2015-16 and ending in FY 2018-19, these transfers are calculated by multiplying 2% times the amount of revenue collected in income and sales taxes and the service provider tax for the previous month. Beginning with FY 2019-20, the amount reverts back to 5% of these taxes.

⁽³⁾ INLAND FISHERIES AND WILDLIFE REVENUE - The Constitution of Maine requires that the Legislature appropriate an amount equal to or greater than the amount of revenue collected by the Department of Inland Fisheries and Wildlife (IFW). Fees for hunting, fishing, boats, ATVs and snowmobiles represent the vast majority of this revenue, but other IFW revenue is collected in other categories as well. The total amount budgeted is presented below:

Inland Fisheries and Wildlife Revenue	\$21,467,907	\$21,499,761
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Budgeted revenue reflects all actions through the end of the 2nd Regular Session of the 127th Legislature and the December 2016 revenue forecast

Amounts may not add to 100% due to rounding

Attachment 6

General Fund Summary - December 2016 Forecast

	FY16 Actual	FY17	FY18	FY19	FY20	FY21
Current Forecast	\$3,366,191,131	\$3,352,258,350	\$3,473,431,122	\$3,620,771,834	\$0	\$0
Annual % Growth	1.1%	-0.4%	3.6%	4.2%		
Net Increase (Decrease)	\$0	\$34,191,704	(\$1,545,699)	(\$30,067,458)	\$3,612,596,956	\$3,736,808,654
Revised Forecast	\$3,366,191,131	\$3,386,450,054	\$3,471,885,423	\$3,590,704,376	\$3,612,596,956	\$3,736,808,654
Annual % Growth	1.1%	0.6%	2.5%	3.4%	0.6%	3.4%
Summary of Revenue Revisions by Major Revenue Category						
Sales and Use Tax		\$16,500,000	\$1,400,000	(\$13,000,000)	\$1,475,000,000	\$1,529,000,000
Service Provider Tax		(\$7,000,000)	(\$8,500,000)	(\$10,000,000)	\$60,000,000	\$60,350,000
Individual Income Tax		\$19,500,000	\$1,200,000	(\$7,000,000)	\$1,686,800,000	\$1,764,300,000
Corporate Income Tax		\$11,800,000	\$9,000,000	\$3,500,000	\$178,750,000	\$186,600,000
Cigarette and Tobacco Tax		\$3,900,000	\$2,750,000	\$1,600,000	\$131,800,000	\$129,500,000
Insurance Companies Tax		(\$6,000,000)	(\$9,000,000)	(\$9,000,000)	\$74,700,000	\$80,200,000
Estate Tax		(\$2,000,000)	(\$2,000,000)	(\$1,600,000)	\$12,850,000	\$13,300,000
Other Taxes and Fees		\$2,881,303	\$1,272,130	(\$200,045)	\$130,034,000	\$130,124,253
Fines, Forfeits and Penalties		(\$290,000)	(\$271,000)	(\$271,000)	\$22,242,017	\$22,243,017
Income from Investments		(\$36,026)	(\$389,379)	(\$55,864)	\$2,421,028	\$2,421,028
Transfer from Lottery Commission		\$0	\$0	\$0	\$54,900,000	\$54,900,000
Transfer to Tax Relief Programs		\$1,500,000	\$3,000,000	\$4,500,000	(\$69,500,000)	(\$73,000,000)
Transfer to Municipal Rev. Sharing		(\$357,351)	(\$1,526,782)	\$443,424	(\$165,459,224)	(\$180,431,859)
Other Revenues		(\$6,206,222)	\$1,519,332	\$1,016,027	\$18,059,135	\$17,302,215
Total Revisions - Increase (Decrease)		\$34,191,704	(\$1,545,699)	(\$30,067,458)	\$3,612,596,956	\$3,736,808,654

MAJOR GENERAL FUND RESERVE FUNDS
History of Ending Balances and Statutory Caps

Fiscal Year Ending June 30th	Maine Budget Stabilization Fund (Formerly Maine Rainy Day Fund)		Reserve for General Fund Operating Capital		Ending Balances as a % of General Fund Revenue
	Statutory Cap	Ending Balance	Statutory Cap	Ending Balance	
1985	\$25,000,000	\$1,303,556	\$25,000,000	\$12,000,000	1.6%
1986	\$25,000,000	\$9,969,161	\$25,000,000	\$13,000,000	2.4%
1987	\$25,000,000	\$25,000,000	\$25,000,000	\$14,000,000	3.5%
1988	\$25,000,000	\$25,000,000	\$25,000,000	\$15,000,000	3.1%
1989	\$48,000,000	\$25,000,000	\$25,000,000	\$16,000,000	2.9%
1990	\$25,000,000	\$3,595,563	\$25,000,000	\$17,000,000	1.5%
1991	\$25,000,000	\$82,473	\$25,000,000	\$1,000,000	0.1%
1992	\$56,963,388	\$756,513	\$25,000,000	\$1,500,000	0.1%
1993	\$60,498,524	\$6,713,842	\$25,000,000	\$1,000,000	0.5%
1994	\$62,456,106	\$16,765,494	\$25,000,000	\$3,500,000	1.2%
1995	\$64,955,539	\$6,422,240	\$25,000,000	\$4,500,000	0.7%
1996	\$66,869,457	\$38,240,859	\$50,000,000	\$5,500,000	2.5%
1997	\$70,656,030	\$45,724,219	\$50,000,000	\$6,500,000	2.8%
1998	\$93,154,315	\$91,690,842	\$50,000,000	\$7,500,000	4.7%
1999	\$135,583,098	\$131,689,407	\$50,000,000	\$8,500,000	6.2%
2000	\$143,713,008	\$143,478,658	\$50,000,000	\$9,500,000	6.4%
2001	\$143,437,701	\$143,713,008	\$50,000,000	\$10,500,000	6.5%
2002	\$139,899,634	\$33,920,682	\$50,000,000	\$10,500,000	1.9%
2003	\$239,469,019	\$10,579,345	\$50,000,000	\$5,289,672	0.7%
2004	\$268,353,956	\$33,158,244	\$50,000,000	\$16,532,953	1.9%
2005	\$279,084,505	\$47,071,215	\$50,000,000	\$23,093,792	2.5%
2006	\$351,819,082	\$79,902,987	\$50,000,000	\$40,615,146	4.1%
2007	\$362,351,447	\$115,479,866	\$50,000,000	\$40,615,146	5.2%
2008	\$370,538,280	\$128,877,009	\$50,000,000	\$40,615,146	5.5%
2009	\$337,364,195	\$195,343	\$50,000,000	\$0	0.0%
2010	\$330,681,900	\$25,385,082	\$50,000,000	\$11,215,157	1.3%
2011	\$353,394,811	\$71,466,814	\$50,000,000	\$17,083,994	3.0%
2012	\$361,864,587	\$44,808,509	\$50,000,000	\$17,083,994	2.1%
2013	\$371,326,061	\$59,700,474	\$50,000,000	\$2,629,121	2.0%
2014	\$373,619,632	\$68,271,491	\$50,000,000	\$4,918,554	2.4%
2015	\$599,278,814	\$111,083,493	\$50,000,000	\$7,418,554	3.6%
2016	\$605,914,404	\$112,352,239	\$50,000,000	\$9,918,554	3.6%

