

5-22-2001

## 2001 Rating Agency Report

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### Recommended Citation

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*Presentation to Standard & Poor's*



**State of Maine**

**Angus S. King, Jr. – Governor**

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**State Treasurer Dale McCormick**

**Commissioner Janet Waldron, Administrative & Financial Services**

**May 22, 2001**

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*Presentation to Fitch IBCA*



**State of Maine**

**Angus S. King, Jr. – Governor**

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**State Treasurer Dale McCormick**

**Commissioner Janet Waldron, Administrative & Financial Services**

**May 23, 2001**

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*Presentation to Moody's Investors Service*



**State of Maine**

**Angus S. King, Jr. – Governor**

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**State Treasurer Dale McCormick**

**Commissioner Janet Waldron, Administrative & Financial Services**

**May 23, 2001**

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## Participants

**Dale McCormick**  
*State Treasurer*

**Janet Waldron**  
*Commissioner, Department of  
Administrative & Financial Services*

**Jack Nicholas**  
*State Budget Officer*

**Mike Allen**  
*Director of Economic Research*

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## Presentation Topics

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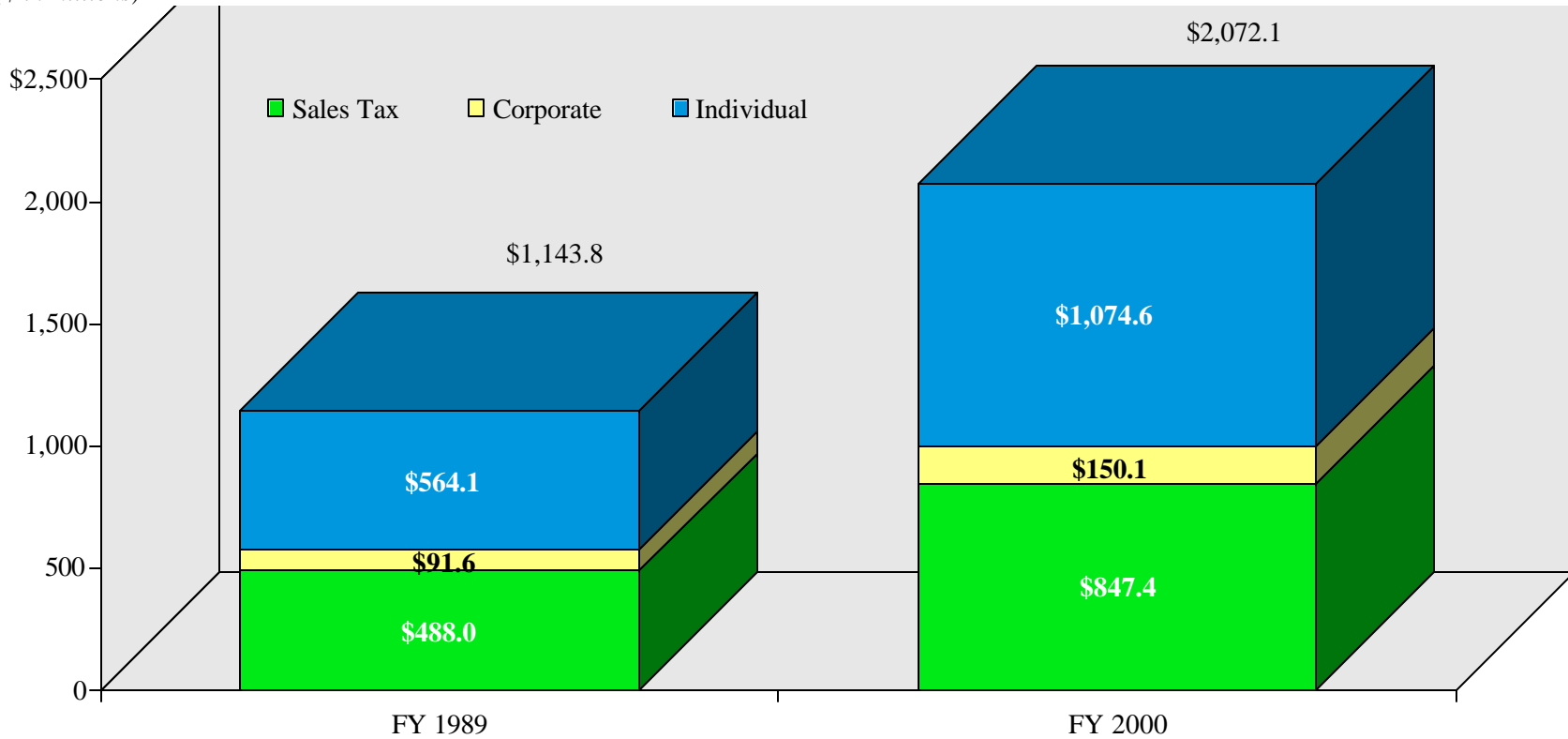
## Executive Summary

- Maine is significantly more prepared for an economic downturn than it was in 1989.
- Maine has implemented and institutionalized financial processes and controls to reduce budgetary gaps in the event of declining revenues.
- Economic diversity and widespread economic development position Maine as less vulnerable.
- Maine's conservative debt management compares favorably to triple-A rated states.

# Maine State General Fund Tax Revenues Have Nearly Doubled Since 1989

## Selected Tax Revenue

(\$ in millions)



Source: Maine Revenue Services and Official Statements.

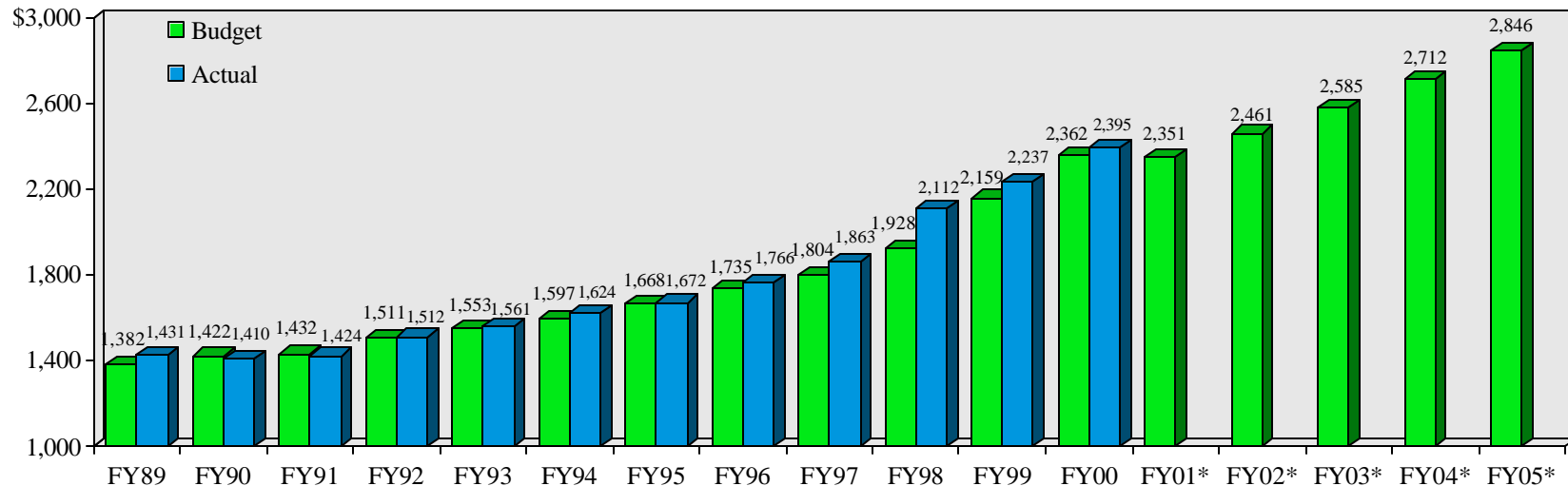


- 
- The July 1, 2000 sales tax rate reduction of 0.5% decreased overall collections by only 3% for Fiscal Year 2001.

# State General Fund Revenue Receipts Consistently Exceed Budget

## General Fund Revenue Trends

(\$ in millions)

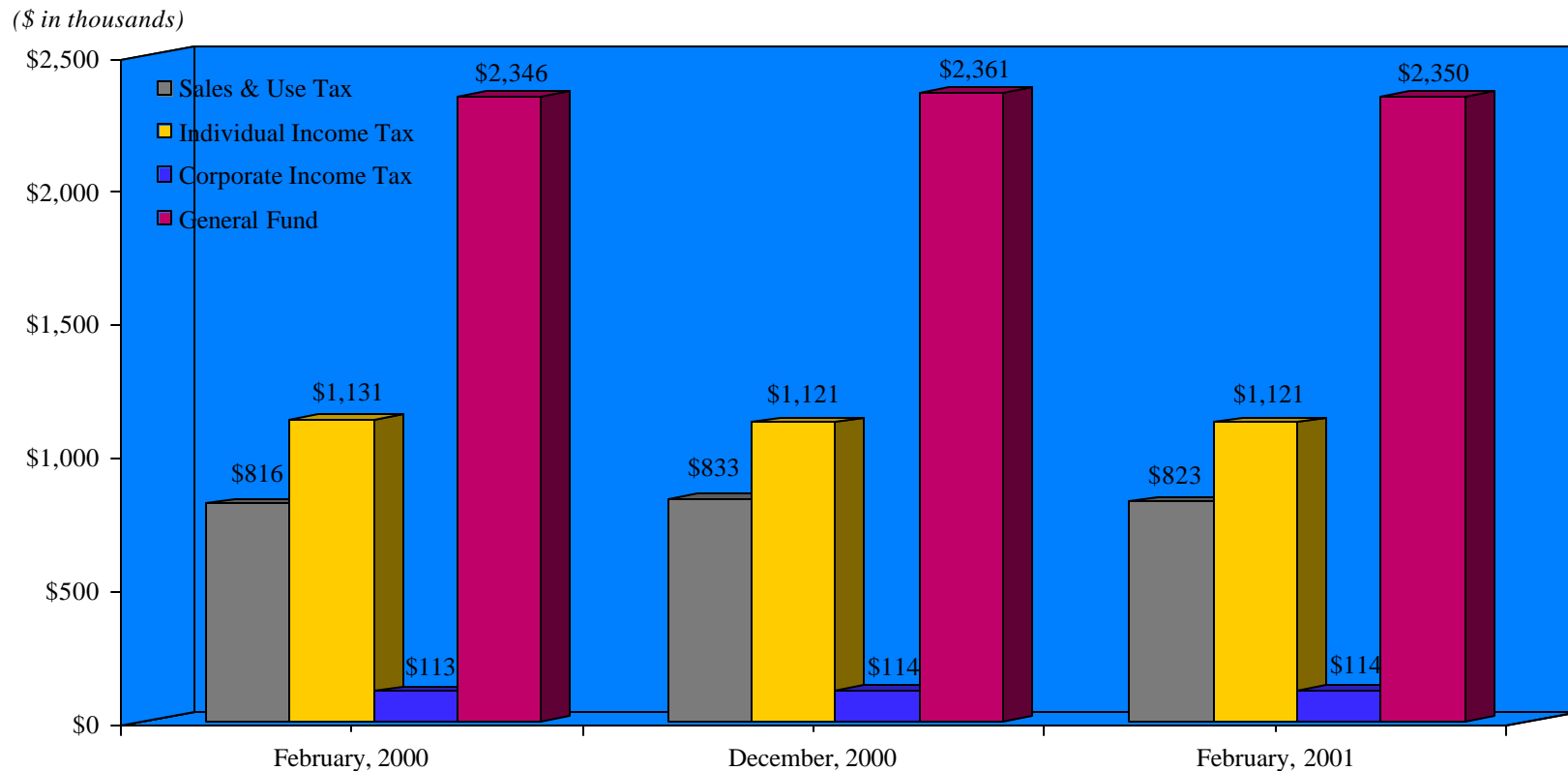


\* Projected: FY01 is adjusted down for one time revenues and tax reductions.

Source: Maine State Controller and Revenue Forecasting Committee.

- The forecasts are conservative across all lines and project moderate growth.
- From 1993 to 2000 Actual Receipts have exceeded budget by an average of 2.9%.
- A consensus revenue forecasting committee has been institutionalized.
- The State incorporates its 4-year budget projections for the General Fund and Highway Fund into the budgeting process.

## Revenue Forecasts for FY01 are Stable For the Last Year



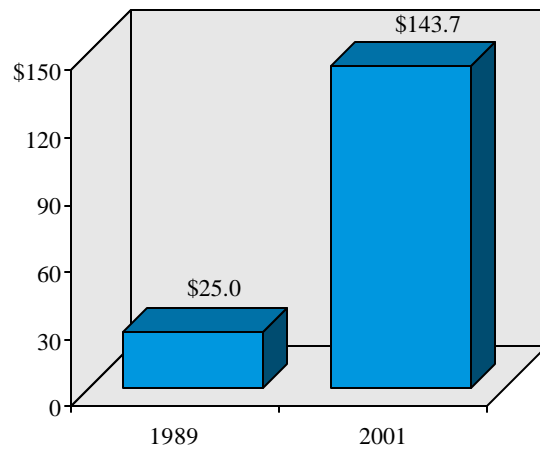
- Even with a slowing economy, revenue adjustments have been minor.
- Revenue forecasts have consistently identified and adjusted for one-time revenue gains.
- Capital gains forecast has been and continues to be conservative.

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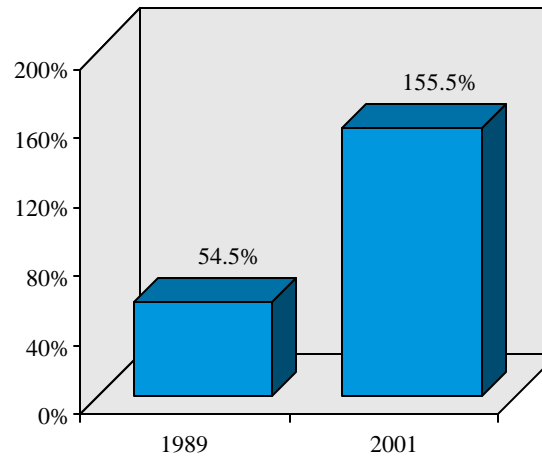
# Maine's Rainy Day Fund Offers Considerably More Protection Against an Economic Downturn Than in 1989

## Rainy Day Fund Balance

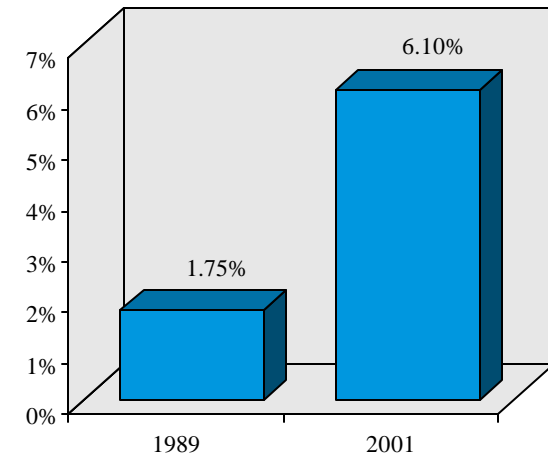
**As of June 30**  
(\$ in millions)



**As a % of Tax-Supported Debt Service**  
(\$ in millions)



**As a % of General Fund Revenue**  
(\$ in millions)

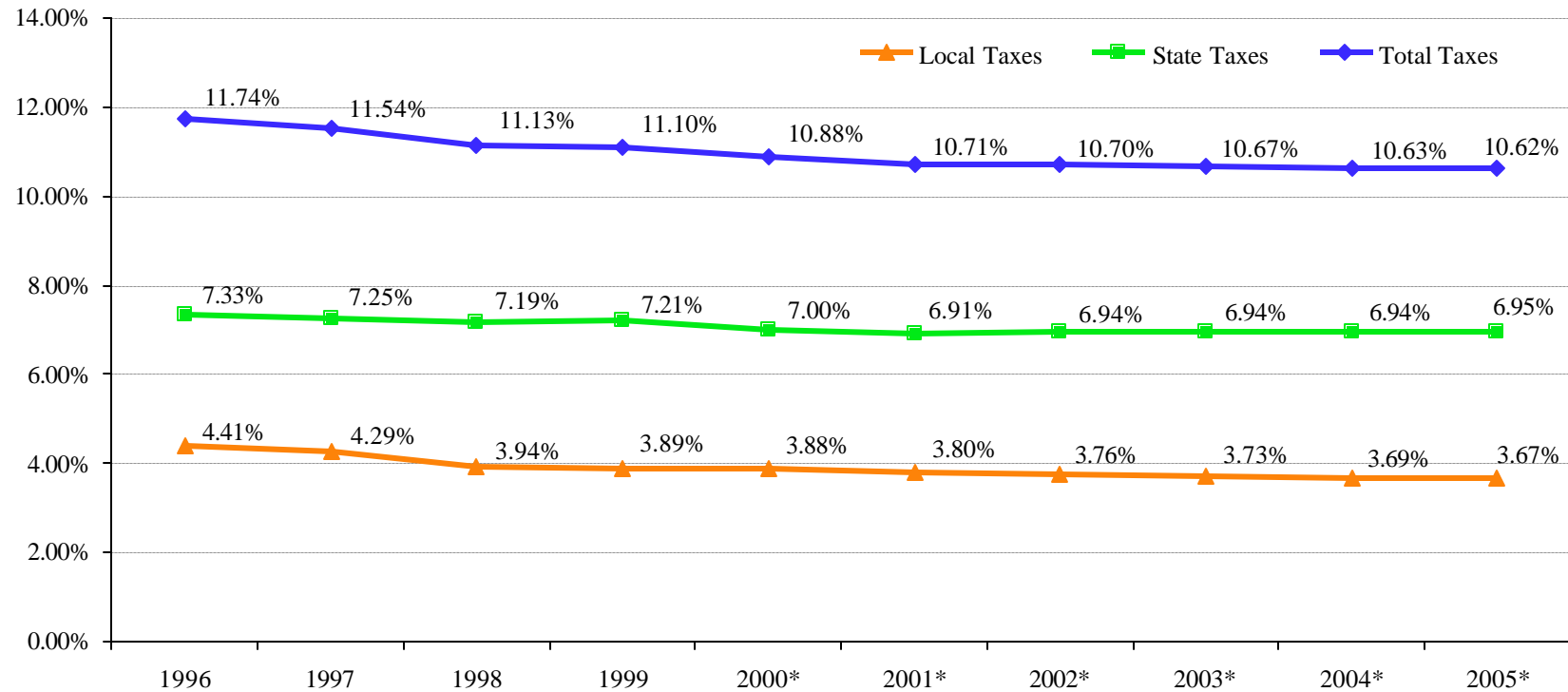


Source: Bureau of the Budget.

- Since 1989, the Rainy Day Fund Cap has been increased three times to 6% of revenues.
- Maine's Rainy Day Fund continues at its Cap in FY 2001.

# Maine's Individual Tax Burden is Declining

## Maine State and Local Taxes as a Percentage of Family Income



Source: Maine Revenue Services.

\* Projected.

- By Fiscal Year 2002, Maine citizens will realize close to \$450 million dollars annually in “net” tax reductions at the State level since 1995.

## Significant Changes to Maine State Tax Laws: 1995-2000

Policy Area	Legislature*	FY02 General Fund Impact (in \$000's)
<b>Residential Property Tax Relief</b>		
Maine Residents Property Tax Program	117th & 118th	\$ (9,494)
Homestead Property Tax Exemption	118th	<u>(41,332)</u>
Sub-Total		\$ (50,825)
<b>Health Care</b>		
Repeal Hospital Assessment Tax	117th	\$ (161,031)
Repeal Gross Receipts Tax on Nursing Homes	117th	(29,849)
Dependent Health Insurance Tax Credit	118th	(912)
Self-Employed Health Insurance Deduction	118th & 119th	(522)
Cigarette Excise Tax Increase (\$.37 per pack)	118th	37,653
Repeal Catastrophic Health Expense Credit	117th	<u>2,957</u>
Sub-Total		\$ (151,704)
<b>Tax Relief to Individual Income Taxpayers</b>		
Increase Personal Exemption Amount	118th & 119th	\$ (43,316)
Low Income Tax Credit	118th	(1,125)
Earned Income Tax Credit	119th	(1,175)
Pension Income Exemption	119th	(16,640)
Index Individual Income Tax Brackets for Inflation	119th	(1,560)
Conformity with Federal Tax Changes	118th	<u>(1,162)</u>
Sub-Total		\$ (64,978)
<b>Sales Tax Relief to Consumers</b>		
Lower Sales Tax Rate to 5%	118th & 119th	\$ (134,571)
Repeal Snack Tax	119th	<u>(15,823)</u>
Sub-Total		\$ (150,394)



## Significant Changes to Maine State Tax Laws: 1995-2000 (cont'd)

Policy Area	Legislature*	FY02 General Fund Impact (in \$000's)
<b>Economic Development</b>		
Business Equipment Tax Reimbursement Program	117th & 118th	\$ (60,512)
Repeal 80/20 Corporations	118th	2,147
Phase-Out Investment Tax Credit	118th	7,776
Shipbuilding Facility Credit	118th	(2,847)
High-Technology & Super R&D Tax Credits	118th	(2,276)
Sales Tax Exemption for Custom Computer Software	118th	(817)
Gas & Special Fuels Excise Tax Increase (\$.03 per gallon)	119th	23,459
Sales Tax Exemption for Maine Printers	119th	(270)
Sub-Total		\$ (33,339)
<b>Total Enacted Legislation</b>		<b>\$ (451,241)</b>
<b>Tax Proposals in Governor's FY02/FY03 Budget</b>		
Cigarette Excise Tax Increase (\$.26 per pack)		\$ 13,347
Sales Tax on all Prepared Meals Increased to 7%		13,732
Sub-Total		\$ 27,079

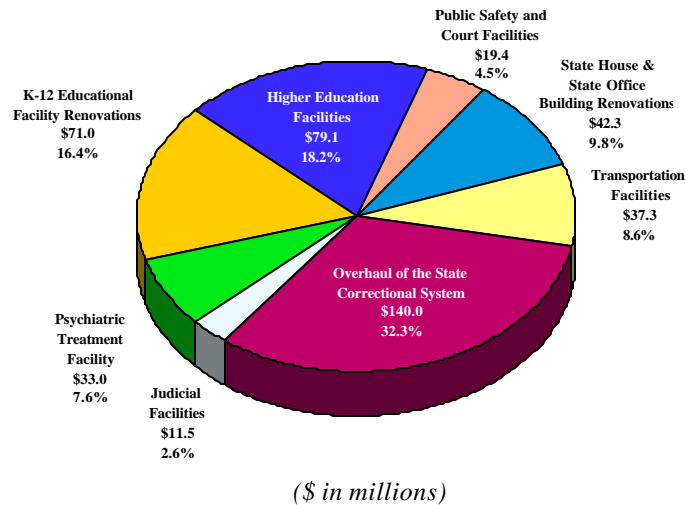
\* 117<sup>th</sup>: 1995 – 1996  
 118<sup>th</sup>: 1997 – 1998  
 119<sup>th</sup>: 1999 – 2000



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## Maine Has Demonstrated Commitment to Sound Investments in Improved Capital Facilities and Programs

Total = \$433.6 million



- Over \$433.6 million from a combination of direct General Funds appropriations and bonds have been targeted to capital improvements.
- Almost half of the Capital Investment is from General Fund appropriations.
- The State House, Office Complex and Corrections Facilities will be completed in Calendar Year 2001.
- Tens of millions of dollars are being directed to numerous other State facilities and maintenance projects, resulting in increase safety, accessibility and efficiency.
- Augusta Master Planning has been completed. Realigned capital budgeting process, aggressive disposition of distressed properties continue to ensure ongoing improvements in Capital Facilities.

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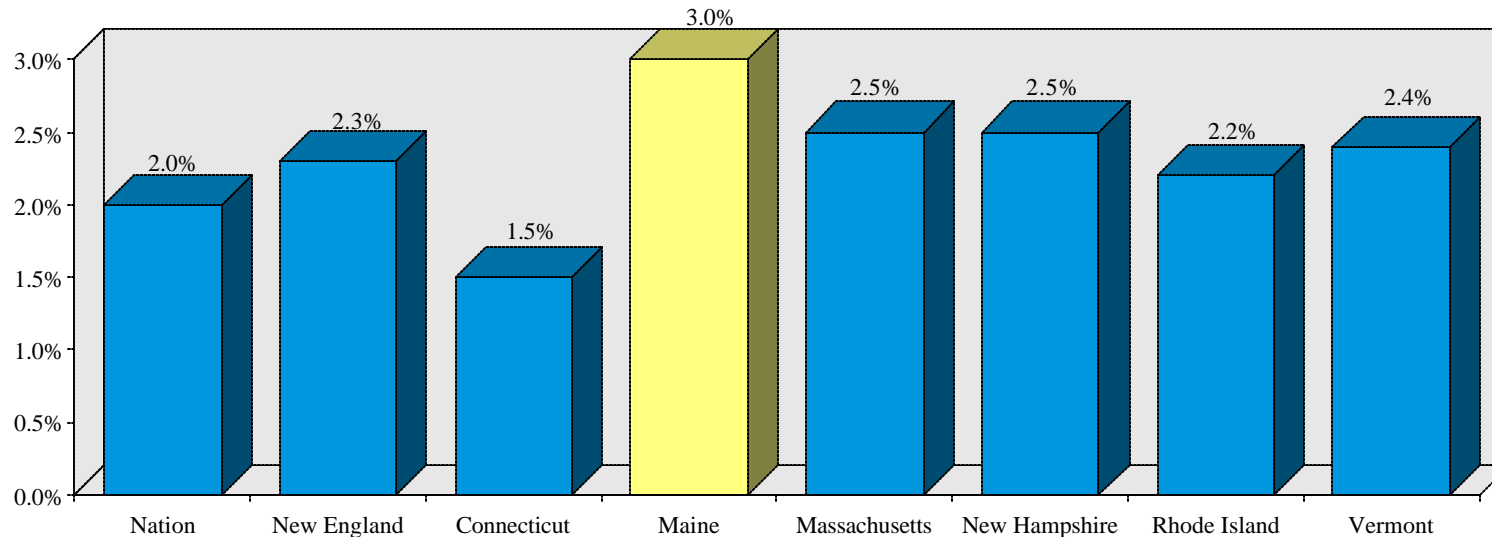
## Transportation Capital Improvements Have Gained Ground

- Out of 1,236 miles of Principal Arterial highways, 1,120 miles or 91% are built to modern-day standards, and of 1,318 miles of Minor Arterials, 1,040 miles or 79% meet modern standards. Maine has a ten-year plan to finish modernizing the Arterial network. This network represents only 12% of all public road mileage in Maine, but it carries 62% of all traffic.
- In this past decade, Maine reduced extraordinary bridge needs from \$443 million to \$224 million. Now in service are the Casco Bay, Sagadahoc, Donald V. Carter, and Merrymeeting Bridges, as well as the new Penobscot and Hancock-Sullivan Bridges.
- There's a new cargo pier in Eastport, the modernization of the Port of Searsport commences this year, and substantial funding is in place to redevelop the Port of Portland waterfront.
- MDOT is nearing the end of efforts to modernize Maine State Ferry Service vessels, terminals and transfer bridges, while also funding upgrades to the Casco Bay Island Transit District ferry service.
- Amtrak Portland-to-Boston service commences in 2001, and Maine now has a Federal High Speed Rail designation from Boston to Portland to Auburn. Meanwhile, work is progressing to link Brunswick and Rockland.
- Maine's current capital program for transit will realize the replacement of roughly a quarter of the statewide bus fleet.

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## Maine Ranked Ninth in the Nation in Payroll Job Growth — First in New England

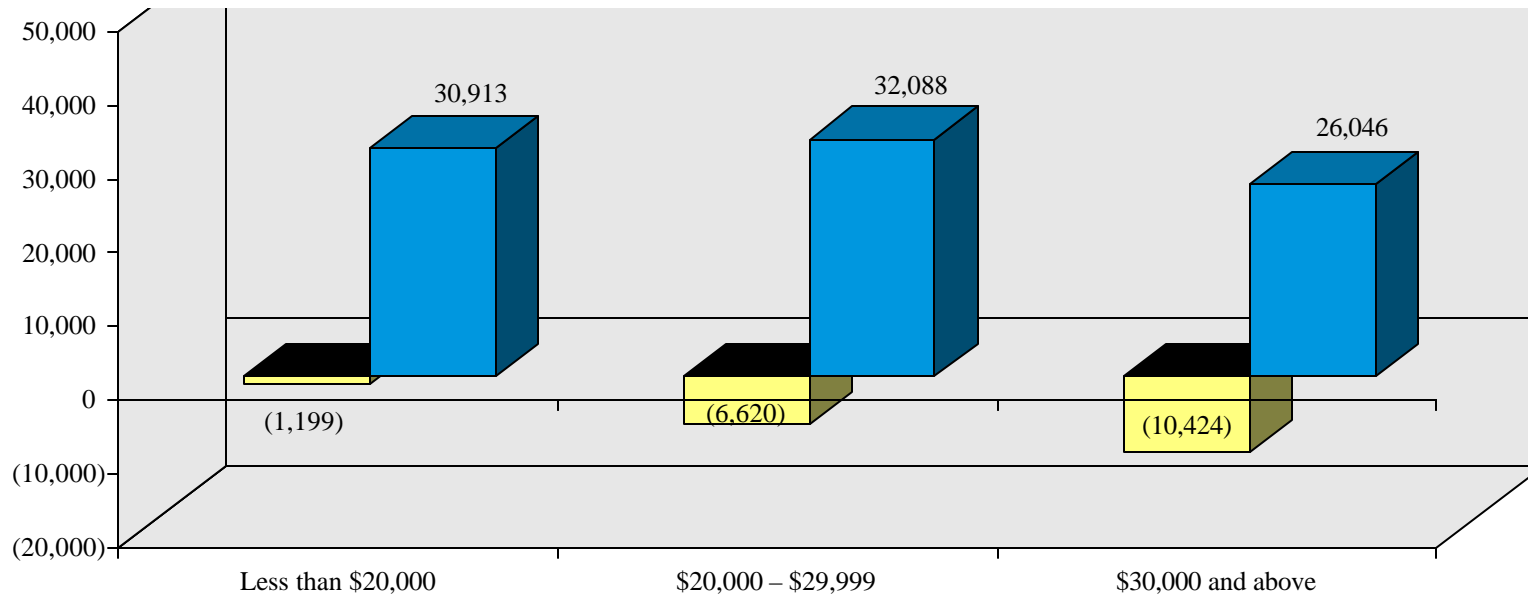
### 1999 to 2000 Payroll Employment Growth



Source: *Maine Department of Administrative and Financial Services.*

- The April 2001 unemployment rate in Maine was 3.1%. April's national rate was 4.5% and New England was 3.0%.
- The Annual Average Weekly Wage in 2000 was up 3% over 1999; total wage growth increased by 6% over the same time period.

## Maine Added Good-Paying Jobs from 1992 through 1999

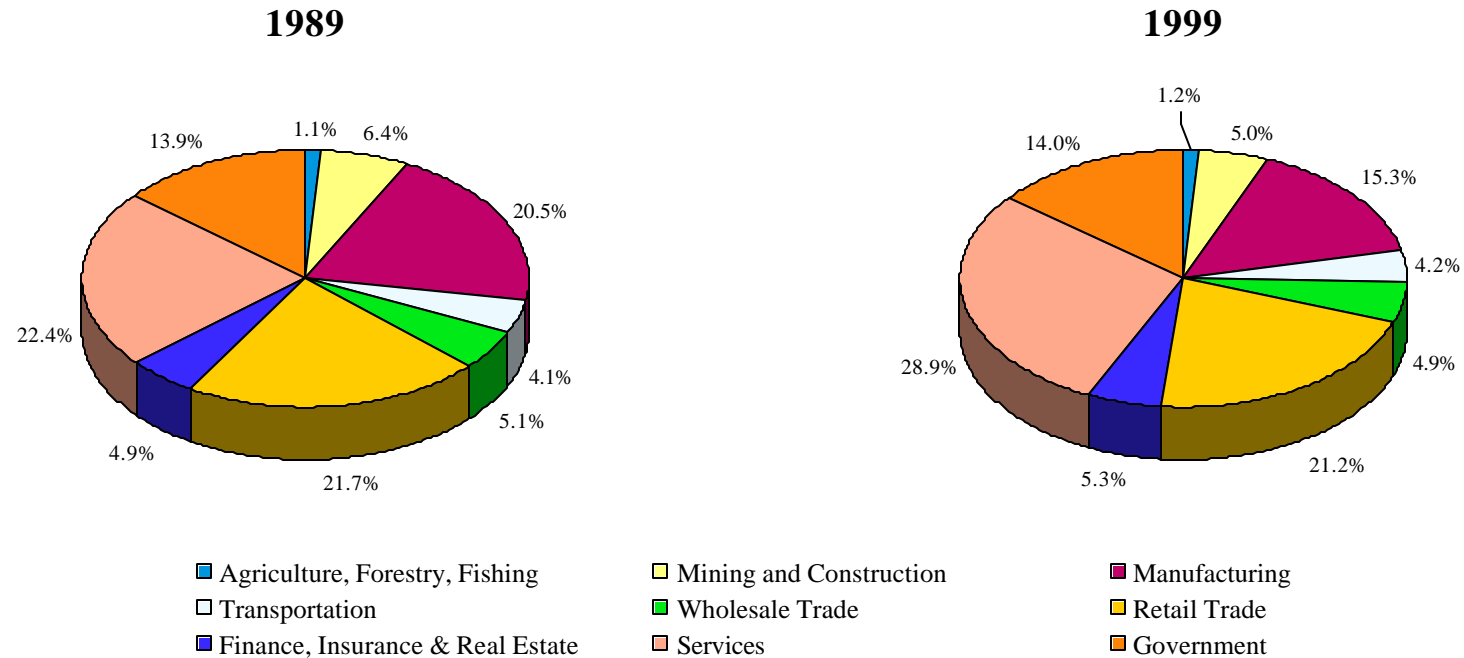


*Industries with 2000 Average Annual Earnings of:*

- A large component of the jobs paying under \$20,000 result from many part-time and seasonal jobs in Maine's eating, drinking places, as well as retailers.
- More than half of the jobs gained between 1992 and 1999 were in industries that currently pay an annual average wage of \$20,000 or more.
- Gains outweighed losses by 150% among those industries that pay an annual average wage of \$30,000 or more.

# Maine's Economy Has Diversified Since 1989

## Employment by Industry Division

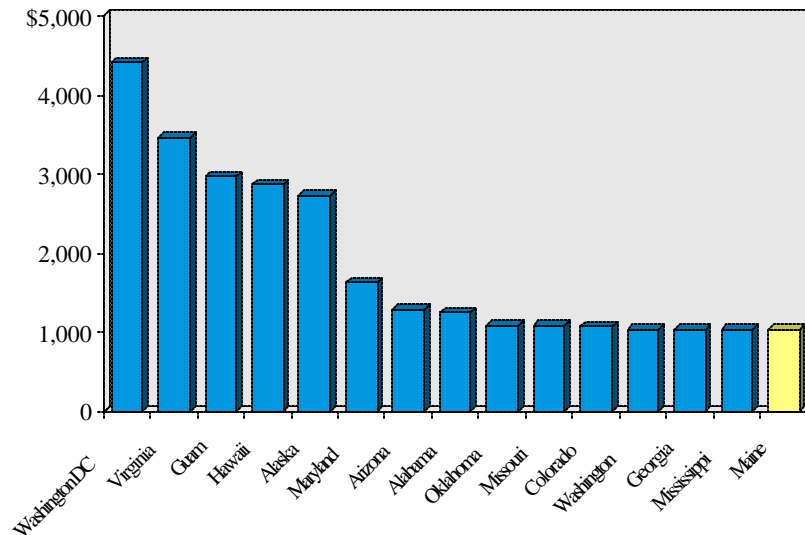


Source: Division of Labor Market Information Services

- High paying service sector jobs have been one of the main drivers of the diversification.
- Manufacturing sector less susceptible to boom and busts associated with manufacturing cycles.
- Manufacturing has decreased from 20.5% to 15.3%.

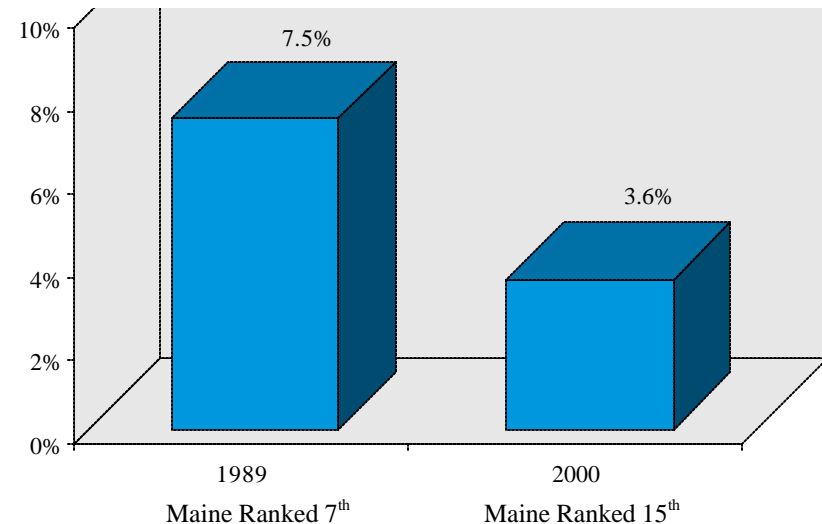
# Maine Has Maintained a Decreased Dependence on Defense Spending and Diversified the Economy

### Top Fifteen in Defense Spending per Capita



Source: Department of Defense, U.S. Census Bureau.

### Defense Spending as a Percentage of Personal Income



Source: State Planning Office, U.S. Bureau of Economic Analysis.

- Maine's economy is less vulnerable to cutbacks in Federal defense spending.
- Defense spending as a percentage of personal income has decreased by 52% since 1989.
- In 1989 and 1992, Maine was ranked 7<sup>th</sup> and 4<sup>th</sup> in the nation in contract dollars per capita.
- Maine is ranked 15<sup>th</sup> in the nation in contract dollars per capita for FY2000. States with higher per capita contract ratios include the AAA rated states of Georgia, Maryland, Missouri and Virginia.

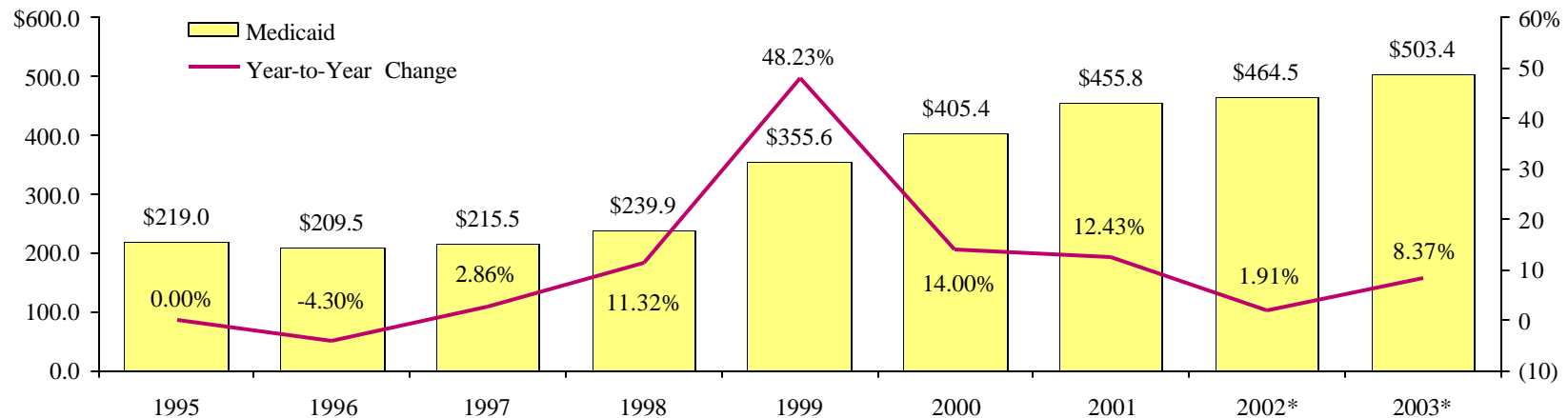
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## Maine is Doing a Better Job Than Other States in Controlling Medicaid Costs Drivers

- Maine has done a better job controlling prescription drug costs:
  - Maine requires prior authorization for the 100 most prescribed drugs when there is a lower cost alternative. This program saved State and Federal Taxpayers \$2.4 million in the first quarter of 2001.
  - On January 19, 2001 Maine received a Medicaid waiver allowing the Department of Human Services to offer discounts on prescription drugs to approximately 225,000 Maine people without prescription drug coverage beginning on June 1, 2001. These discounts average 25% off from the retail price.
  - A Federal Court has upheld the constitutionality of the State's innovative law, called the Maine Rx Program, to negotiate lower drug prices for residents who do not have insurance coverage, and will allow the State to impose price controls in three years if negotiations do not lead to price reductions.
  
- Maine has controlled the growth in nursing home costs (largest component of Medicaid costs at \$200 million/year) through home care and homemaker assistance.

## Maine is Doing a Better Job Than Other States in Controlling Medicaid Costs Drivers (cont'd)

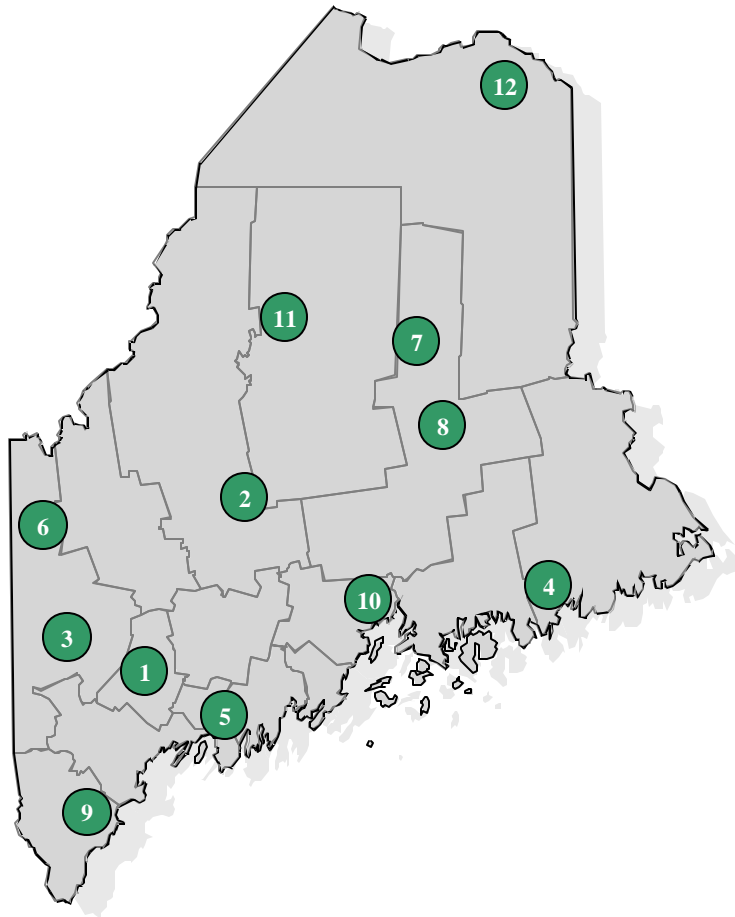
- Maine is not as vulnerable as other states to Federal tightening on State's creative financing of their Medicaid share: Maine weened itself of Medicaid tax and match and disproportionate share as a way to increase Federal Medicaid payments.
- Maine has reduced hospital and emergency room use by Medicaid clients by increasing the payments to practitioners and implementing a "gatekeeper" model.
- Maine is implementing state of the art technology to process Medicaid claims, reduce errors and fraud.



\* Governor's budget recommendations.



## Businesses Continue to Invest Statewide



- 1 Butler Brothers invested \$3.5 million in their Lewiston distribution center, retaining 20 jobs and creating 15 new ones.
- 2 Chinnet, a formed fiber company in Fairfield, invested \$6.25 million in 2000.
- 3 Cornwall Industries in Oxford is a wood products manufacturer. Last year 20 new jobs were added, 60 were retained and \$450,000 was invested.
- 4 The Hinckley Company invested \$5 million and created 80 new jobs with their jet boat manufacturing facility in Trenton.
- 5 Hodgdon Yachts, custom yacht builders in East Boothbay, invested \$2.2 million and created 13 new jobs.
- 6 Irving Forest Products invested \$9.5 million and created 20 new jobs at their lumber facility in Dixfield.
- 7 JSI Store Fixtures, Inc. created 26 new jobs and invested \$1.6 million in their Milo facility that manufactures store fixtures.
- 8 LaBree's Bakery of Old Town invested \$3 million and created 40 new jobs.
- 9 AEP Pro Service is an energy engineering firm in South Portland that invested \$2.7 million and created 100 new jobs in 2000.
- 10 Moss Inc., a trade show exhibit manufacturer in Belfast, created 250 new jobs and invested \$2.5 million.
- 11 Pleasant River Lumber invested \$6 million and created 30 new jobs in their Dover-Foxcroft lumber facility.
- 12 ATX Forms, a software manufacturer, invested \$300,000 and created 60 new jobs in Caribou.

Source: Maine State Treasurer.

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## Economic Development Across the State is Bridging the Gap Between the Two Maines

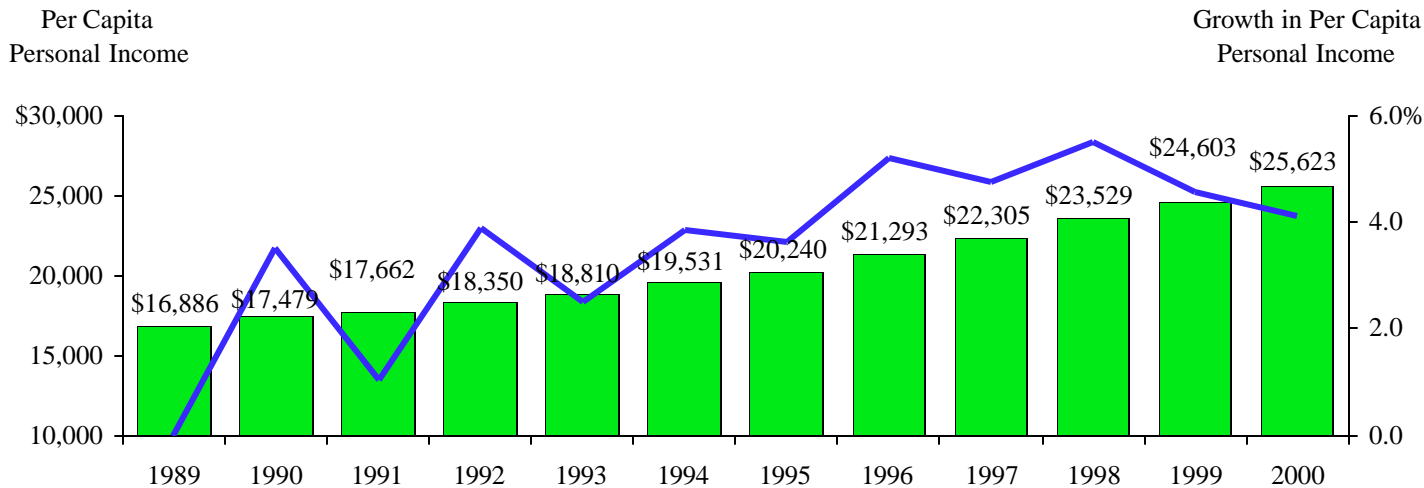
- Economic development during the 1990's diversified the economy of Northern Maine: plants were built that added value to traditional agriculture and forest products and telecommunications centers flowed to where the workforce was.
  - Value added
    - McCain's potato plant in Aroostook County
    - \$100 million Lamm Weston french fry plant in Aroostook County
  - Telecommunications
    - MBNA: Presque Isle, Fort Kent, Orono, Farmington, Brunswick, South Portland
    - Cytell: Limestone
    - ICT: Norway, Wilton, Calais, Pittsfield, Lewiston
    - LL Bean: Lewiston, Waterville, Portland
    - Envisionet: Winthrop, Brunswick, Augusta, Orono
    - Putnam: 250 work-at-homes with a DSL all over the state
- Transportation infrastructure improvements benefit all of Maine.
  - The Maine Turnpike 5-year, \$126 million expansion continues on schedule and on budget.
  - Highway and bridge funding have increased by 250% since 1988/1989 biennium while other modes of transportation funding have increased 480%.
  - Since 1989, highway miles being reconditioned and rehabilitated have increased 400% while the number of bridges improved has more than doubled.
- Maine's electric generation mix, including imports for New Brunswick, provide excess generation even at peak.

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## Companies Can Locate Anywhere in Maine Because of Uniform Availability of People and Infrastructure

- Fiber optic connections and digital switching are available statewide, permitting telecommunications jobs to follow into rural areas which have an available work force.
- Telecommunication jobs create a new set of skills in the workforce of a mill town that are transferable and make it attractive to new economy companies.
- Maine is investing in Technology.
  - Maine Technology Institute: \$6.5 million/year in promising technologies
  - Small Enterprise Growth Fund: investing venture capital in Maine
  - Applied Technology Development Centers: incubators focusing on emerging technologies indigenous to their regions
    - Eastport: Aquaculture
    - Limestone: Silviculture
    - Orono: Information technology
    - Fairfield: Biotech
    - Rumford: Precision machining
    - South Portland: Environmental technology

## Maine's Per Capita Personal Income Growth was 17<sup>th</sup> Highest in the U.S. in 2000



Note: Personal Income and population as of July 1 of each year.

Source: Personal Income from the State Planning Office.

Population from the U.S. Census Bureau.

- Maine's per capita personal income has increased 51.7% since 1989.
- Portland, Maine's cost of living is 8% below the national average for major cities according to statistics provided by Virtual Relocation Corp.
- A median home price in Portland for 2000 was 18.6% less than the national average according to the National Association of Realtors.
- Maine is number one in home ownership of the 50 states with almost 77% of Maine families owning homes.

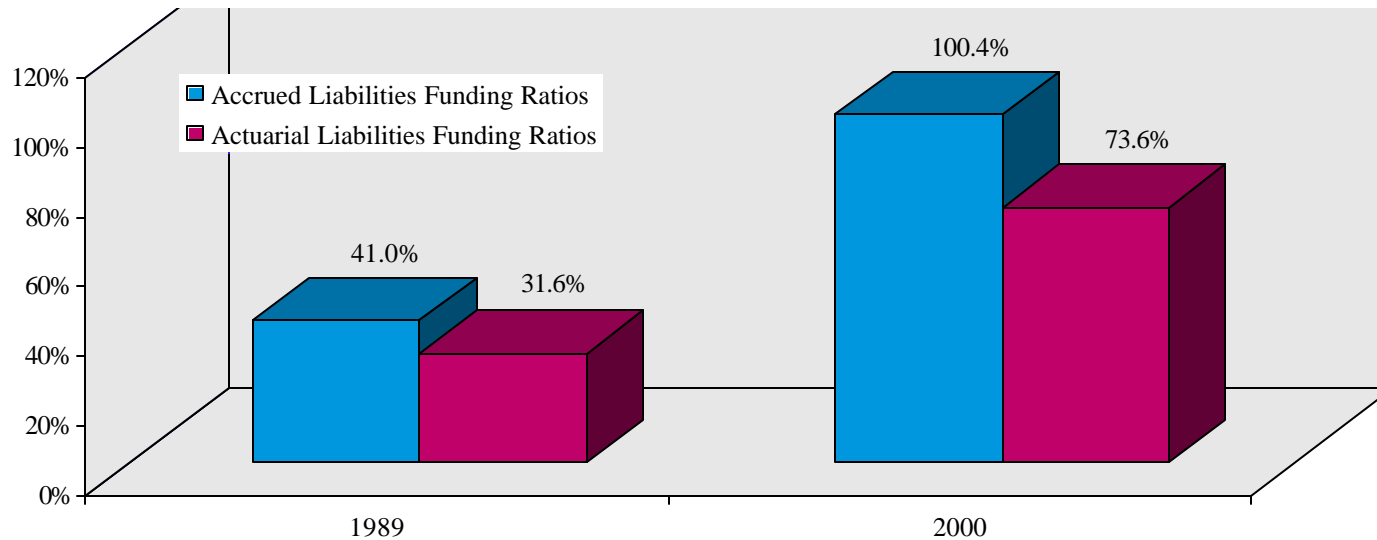
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## All Major Indicators Reflect a Stable State Economy

- Personal income growth in 2000 was 6.1%. Maine had one of the largest accelerations in personal income growth in the nation during the fourth quarter of 2000.
- Unemployment rate in April was 3.1%. The national rate in April was 4.5%.
- Maine's unemployment rate has been at or below the national average for over 3 years.
- March payroll employment growth was up 1.9% over the last year, this was 12th best in the nation and second best in New England.
- Maine, along with 13 other states, had stable job growth between November 2000 and March 2001 according to Economy.Com. Moderate deceleration was used to describe job growth in 25 states and the remaining states were described as having a rapid deceleration in job growth.
- AFDC and Food stamp caseloads continued to decline in 2000 by 5.6% and 3%, respectively.
- Maine's financial institutions are well positioned to handle an economic downturn.
  - Non-Current Loans (past due > 89 days) represent only .87% loans compared to 3.3% in 1989.
  - Allowances for loan and lease losses are 149% of total loans compared to 45% in 1989.
  - Real Estate construction loans to equity equals 14% compared to 96% in 1989.
  - Credit card loans to equity equals 4% compared to 21% in 1989.
- Both Bath Iron Works and the Portsmouth Naval Shipyard are making significant investments to ensure that they continue to be a vital part of the U.S. defense industry.

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## The State Continues to Reduce its Unfunded Pension Liability



Source: *Maine State Retirement System*

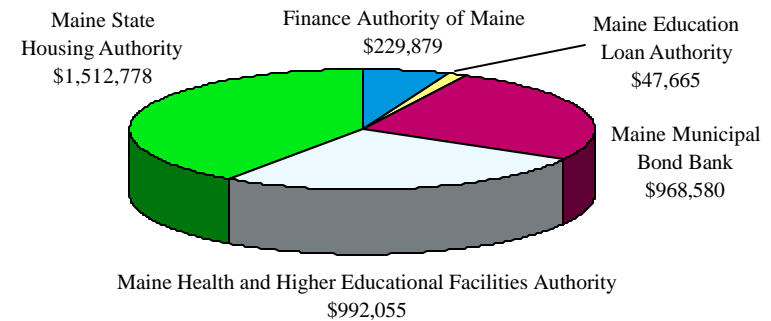
- Effective July 1, 1998, the amortization period for the Unfunded Actuarial Liability (UAL) was reduced from 35 to 25 years.
- Effective July 1, 2000, the UAL amortization period was reduced to 19 years resulting in a payment savings of \$800 million.
- \$60.6 million has been transferred to the Retirement Allowance Fund since 1996 in excess of the required payment for the UAL.

# The State's Prudent Use of the Moral Obligation Has Resulted in Positive Returns

- **Maine State Housing Authority:**
  - The bond resolution is rated higher than MO rating (Aa2/AA)
  - MSHA bonds are overcollateralized with highly rated investments and high quality mortgage loans.
  - MO required by very old bond resolution that prohibits withdrawal of surpluses.
  - Strong cash flows make MO superfluous.
- **Maine Municipal Bond Bank:**
  - The Bond Bank general resolution is rated higher than MO rating (Aa2/AAA).
  - The SRF bond resolution is rated higher than MO rating (Aaa/AA).
- **FAME:** repayment of MO bonds issued for utilities is controlled by state regulators.
- **MHHEFA:**
  - Has an intercept of state payments to borrowers under MO bonds.
  - Maintains additional reserves in addition to required MO reserves.

## Moral Obligation Bonds Outstanding

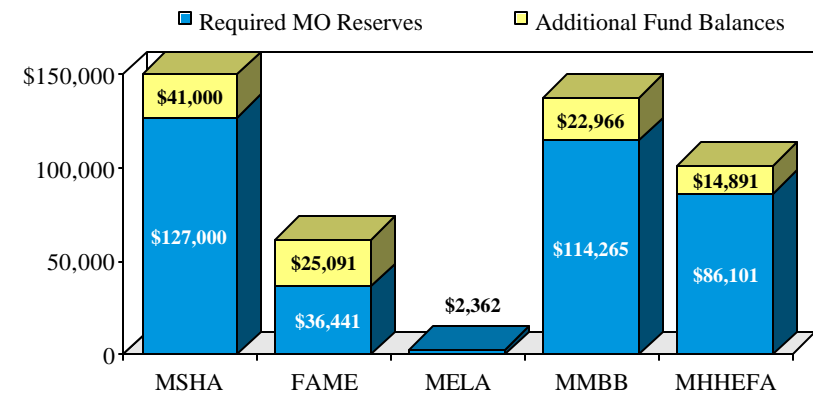
(\$ in thousands)



Note: Loring Development Authority has the moral obligation and no outstanding bonds.

## Moral Obligation Reserves Levels

(\$ in thousands)

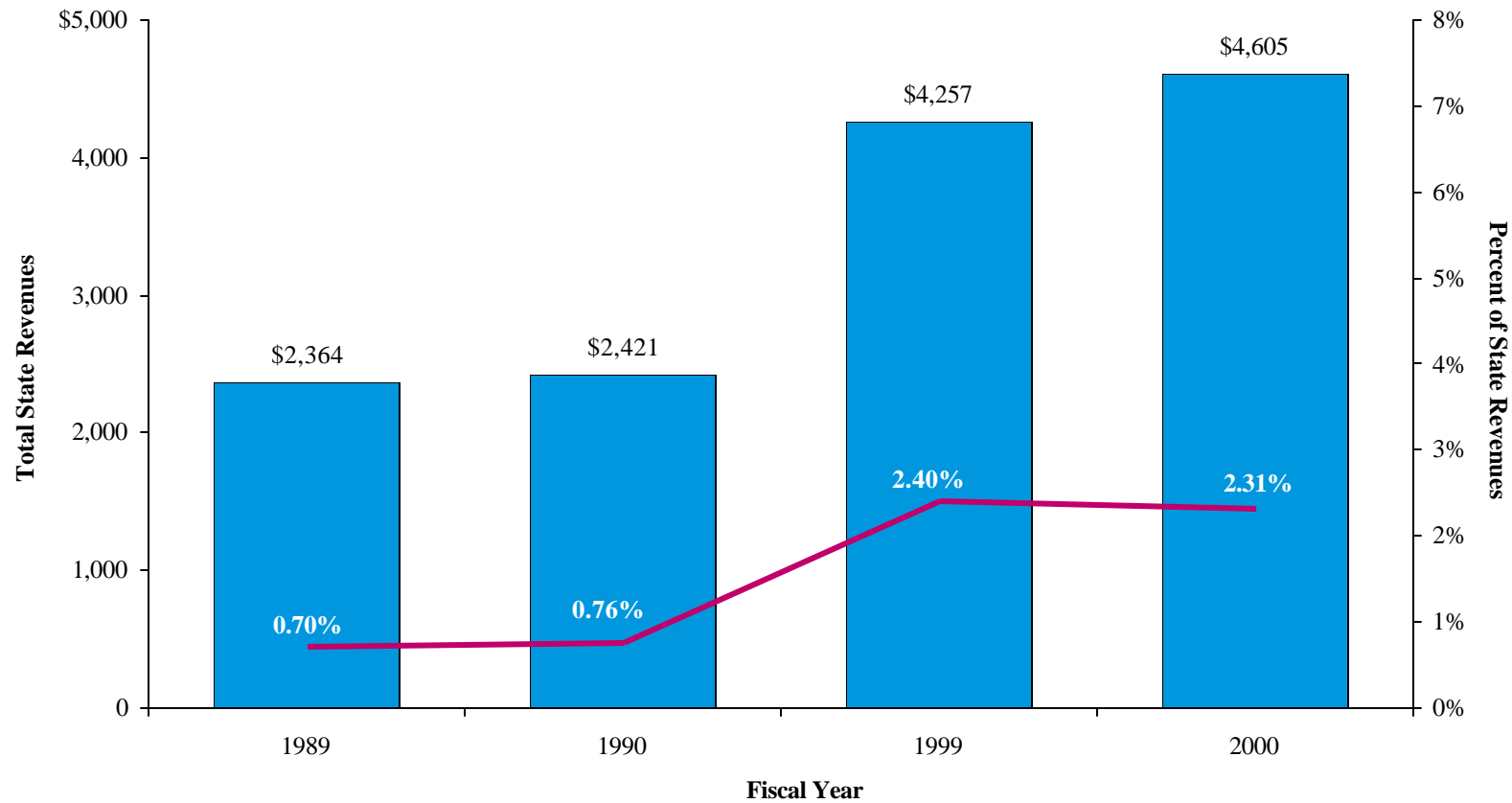


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# Maine's 2000 General Obligation Debt Service Was Only 2.3% of Total State Revenues

## General Obligation Debt Service as a Percentage of Total State Revenues

(\$ in thousands)



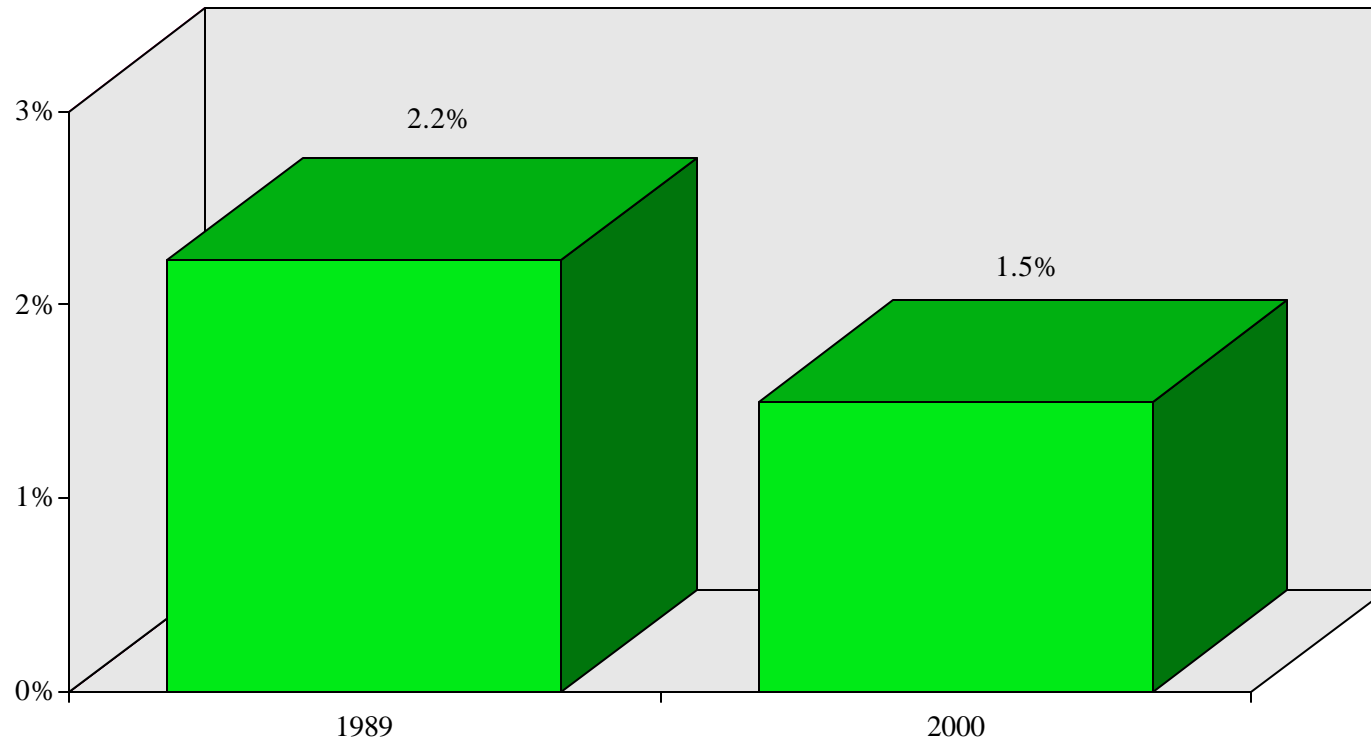
Source: Official Statement



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## General Obligation Debt as a Percent of Personal Income Has Decreased by 32% Since 1989

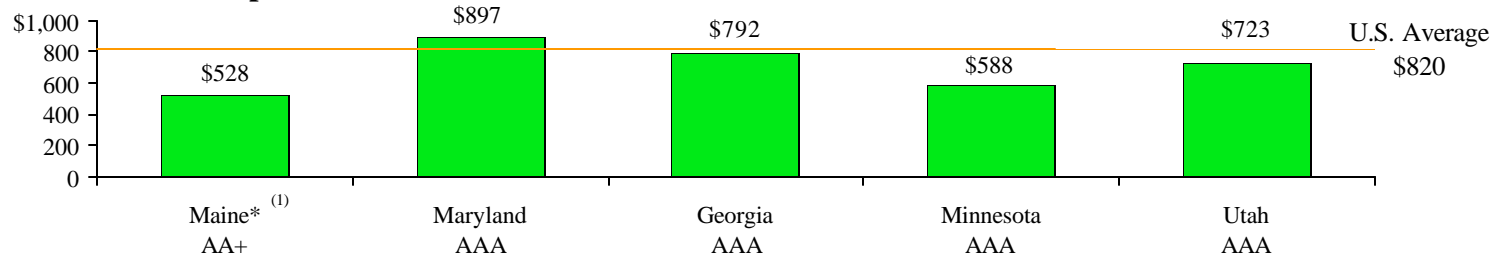
General Obligation Debt —  
Percent of Personal Income



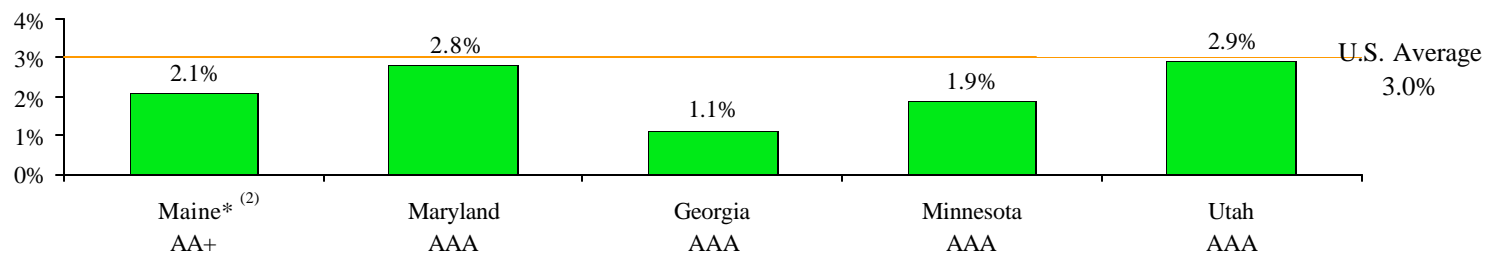
Source: Debt: State of Maine Budgetary Financial Report  
Personal Income: State of Maine Budgetary Financial Report and Office of the Treasurer

# Maine Compares Favorably With Selected States' Debt Ratios [Fitch]

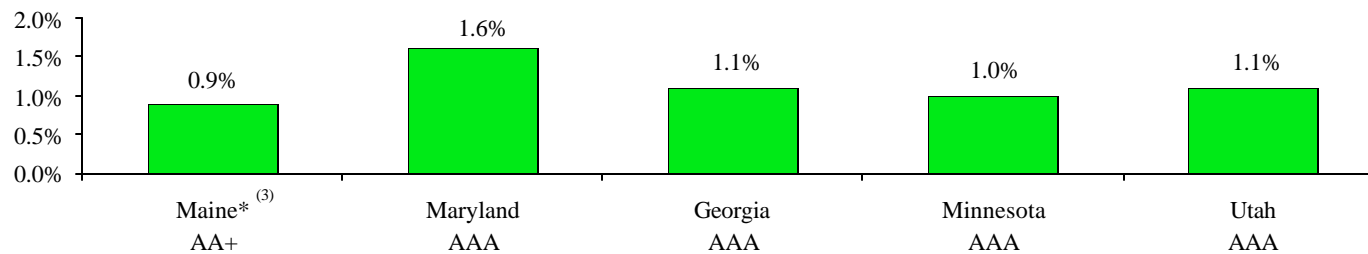
## 2000 Debt Per Capita



## Debt as a Percentage of 2000 Personal Income



## Debt as a Percentage of 2000 Estimated Full Value



\* Includes General Fund, Highway Fund and Maine Governmental Facilities Authority debt, and Certificates of Participation.

(1) Based on 2000 Population.

(2) Based on 2000 Personal Income.

(3) Based on 2001 Estimated Full Value.

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*Source: Maine State Treasury and Fitch Credit Reports.*

# Maine Compares Favorably With Selected States' Debt Ratios

## Fitch Credit Reports

	Maine	Georgia	Maryland	Minnesota	Utah
Rating	AA+	AAA	AAA	AAA	AAA
2000 Debt Per Capita <sup>(1)</sup>	528	792	897	588	723
Debt as a Percentage of 2000 Personal Income <sup>(2)</sup>	2.1	1.1	2.8	1.9	2.9
Term of Debt	10	20	10 – 20	20	10 – 20
Dated:		9/14/00	2/16/01	10/25/00	1/5/01

(1) Maine's figure based on 2000 populations.

(2) Maine's figure based on projected 2000 Personal Income.

## State of Maine

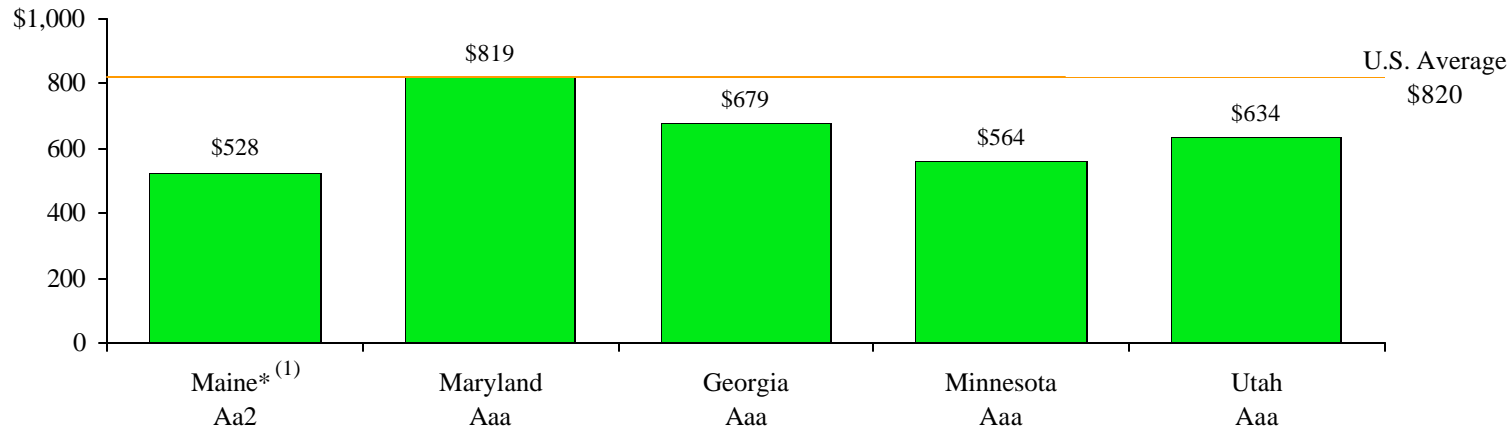
<b>General Obligation Debt</b>		2000 Population	1,274,923
General Purpose Debt	\$ 341,205,000	2000 Personal Income	\$ 32,667,280,000
Highway Fund Debt	111,230,000	2001 Estimated Full Value	\$ 78,389,400,000
Proposed New Issue*	43,275,000		
<b>Other Tax-Supported Debt</b>			
Certificates of Participation	17,842,000	Debt Per Capita (2000 Population)	\$ 528.29
Maine Governmental Facilities Authority	<u>159,975,000</u>	Debt as a Percentage of 2001 Estimated Full Value	.86%
		Debt as a Percentage of 2000 Personal Income	2.06%
<b>Net Tax-Supported Debt</b>	\$ 673,527,000		

\* Preliminary, subject to change.

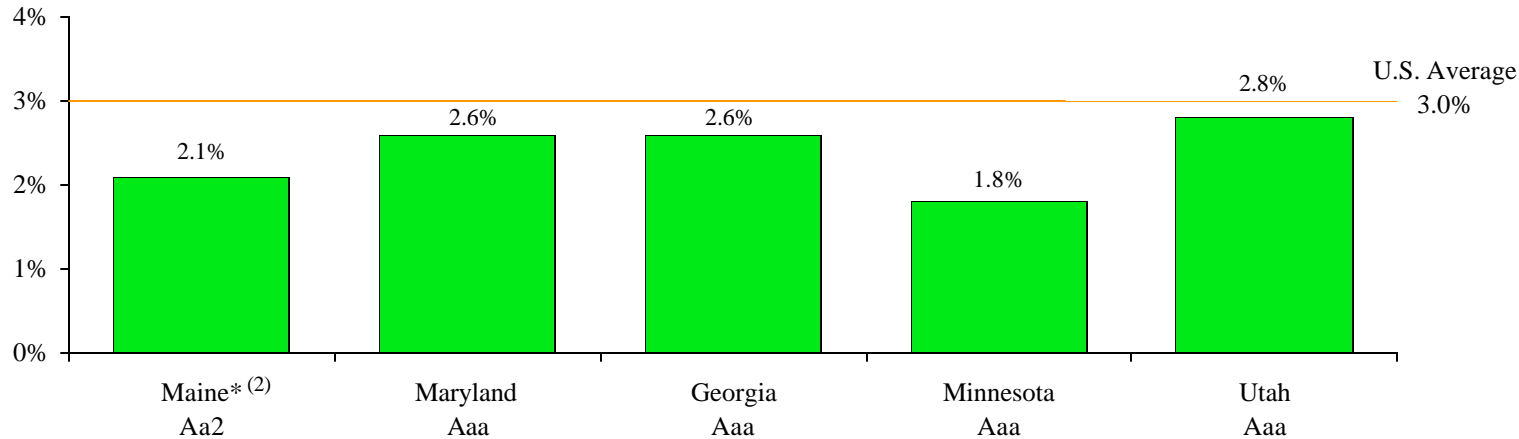
Source: Maine State Treasury and Official Statement.

# Maine Compares Favorably With Selected States' Debt Ratios [Moody's]

## 2000 Net Tax-Supported Debt per Capita



## Net Tax-Supported Debt as a Percentage of 2000 Personal Income



\* Includes General Fund, Highway Fund and Maine Governmental Facilities Authority debt, and Certificates of Participation.

(1) Based on 2000 population.

(2) Based on 2000 Personal Income.

Source: Maine State Treasury and 2000 Moody's Medians

# Maine Compares Favorably With Selected States' Debt Ratios

## Moody's Medians, 2001

	Maine	Georgia	Maryland	Minnesota	Utah
Rating	Aa2	Aaa	Aaa	Aaa	Aaa
2000 Debt per Capita <sup>(1)</sup>	528	679	819	564	634
Debt as a Percentage of 2000 Personal Income (%) <sup>(2)</sup>	2.1	2.6	2.6	1.8	2.8
Term of Debt	10	20	10 – 20	20	10 – 20

(1) Maine's figure based on 2000 Population.

(2) Maine's figure based on projected 2000 Personal Income.

## State of Maine

<b>General Obligation Debt</b>		2000 Population	1,274,923
General Purpose Debt	\$ 341,205,000	2000 Personal Income	\$ 32,667,280,000
Highway Fund Debt	111,230,000	2001 Estimated Full Value	\$ 78,389,400,000
Proposed New Issue*	43,275,000		

### Other Tax-Supported Debt

Certificates of Participation	17,842,000	Debt Per Capita (2001 Population)	\$ 528.29
Maine Governmental Facilities Authority	<u>159,975,000</u>	Debt as a Percentage of 2001 Estimated Full Value	.86%
		Debt as a Percentage of 2000 Personal Income	2.06%

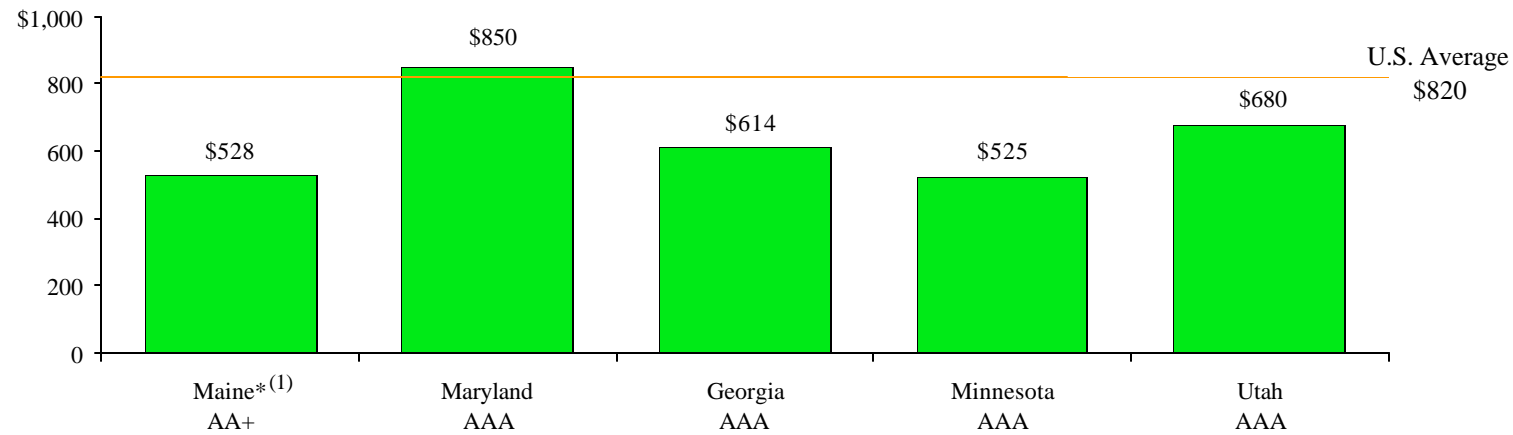
**Net Tax-Supported Debt** \$ 673,527,000

\* Preliminary, subject to change.

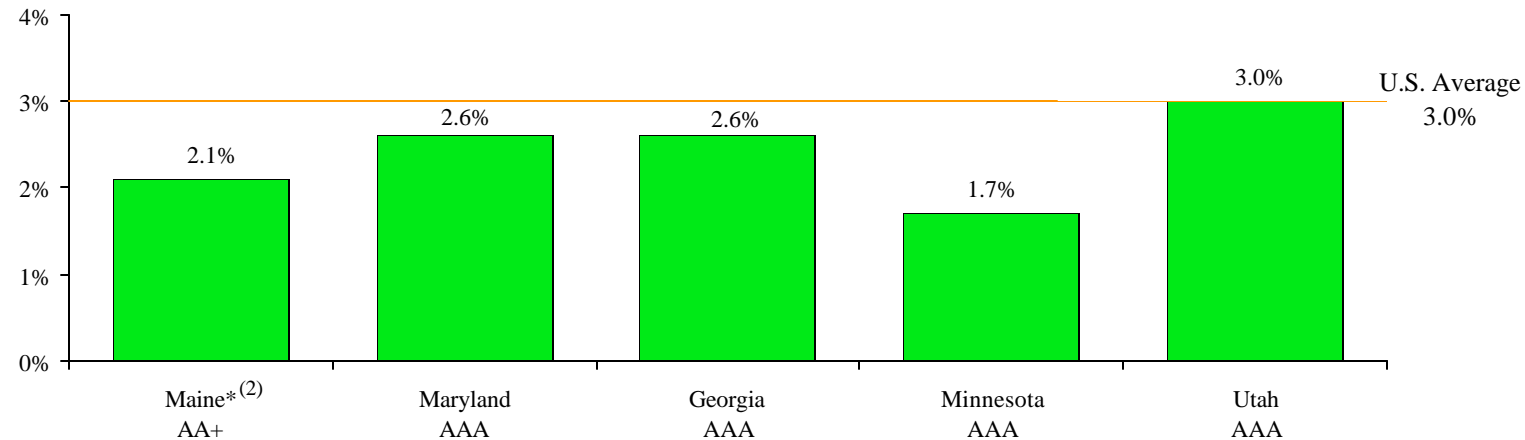
Source: Maine State Treasury and Official Statement.

# Maine Compares Favorably With Selected States' Debt Ratios [S&P]

**2000 Net Tax-Supported Debt Per Capita**



**Net Tax-Supported Debt as a Percentage of 2000 Personal Income**



\* Includes General Fund, Highway Fund and Maine Governmental Facilities Authority debt, and Certificates of Participation.

(1) Based on 2000 Population.

(2) Based on 2000 Personal Income.

Source: *Maine State Treasury and S&P "Sector Review: 'AAA' U.S. States" dated 4/5/01.*

# Maine Compares Favorably With Selected States' Debt Ratios

## S&P "Sector Review: 'AAA' U.S. States" Report

	Maine	Georgia	Maryland	Minnesota	Utah
Ratings	AA+	AAA	AAA	AAA	AAA
2000 Debt per Capita (\$) <sup>(1)</sup>	528	614	850	525	680
Debt as a Percentage of 2001 Personal Income (%) <sup>(2)</sup>	2.1	2.6	2.6	1.7	3.0
Term of Debt	10	20	10 – 20	20	10 – 20
	Dated:	4/5/01	4/5/01	4/5/01	4/5/01

(1) Maine's figure based on 2000 Population

(2) Maine's figure based on projected 2000 Personal Income

## State of Maine

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		Debt as a Percentage of 2000 Personal Income	2.06%

**Net Tax-Supported Debt** \$ 673,527,000

\* Preliminary, subject to change.

Source: Maine State Treasury and Official Statement.



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## Maine is Well Prepared For an Economic Downturn

- Institutionalized revenue forecasting and budgetary procedures will identify early any fiscal concerns and give Maine time to respond in a financially responsible manner.
- Economic diversity has reduced reliance on boom and bust sectors of manufacturing and defense spending.
- The gap between the two Maines continues to be bridged with infrastructure investments and economic developments.
- The use of available cash rather than new debt to fund capital expenditures results in debt ratios in the triple-A category.