

Spring 2000

# MaineInterest, Spring 2000

Dale McCormick

*Office of the Maine State Treasurer*

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# MaineINTEREST

Notes From Maine State Treasurer ■ Dale McCormick

Spring 2000

## Maine Is The Number One Place To Raise A Child

Infant Health, Schools, and Quality of Life Get High Marks

Maine is rated the best state in the nation in which to raise a child according to a July 1999 report released by the Children's Rights Council in Washington, DC. Maine's schools, infant health, and quality of life all contributed to this latest recognition which has received widespread coverage in the national press. The state is rated Number 1 in the nation for the highest

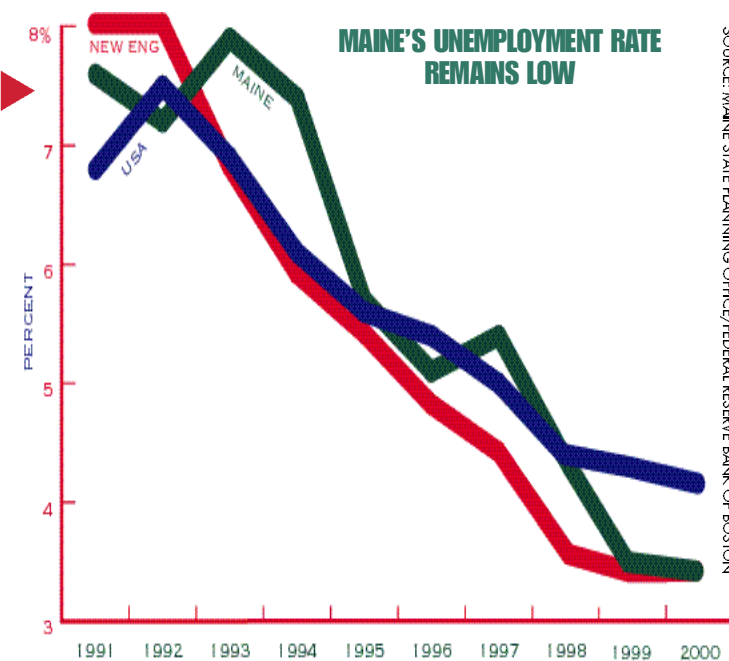


performing K-12 educational system and second in the nation in the percent of education dollars that are spent directly to support instruction. Maine has a superb ranking in infant mortality rates and the highest childhood immunization rate of any state in the country. Children are also at an advantage as a result of strong parent involvement and local autonomy.



## Unemployment In Maine Remains Low

Maine's economic growth continued in 1999 with low unemployment figures. In February of 2000, the unemployment rate in Maine was 3.4%, well below the national unemployment rate of 4.1%. Maine's unemployment rate has seen a 4.6 point decline since 1994. The economic growth in the late 1990's and in the beginning months of 2000 has been at a more sustainable pace and spread over more industries giving it a better foundation than the unstable boom of the 1980s.



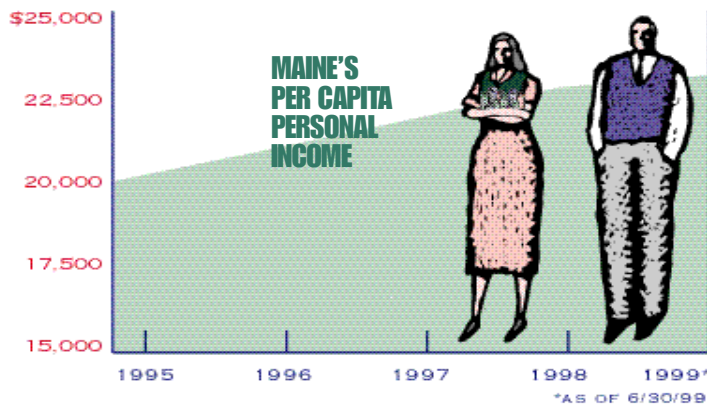
**INSIDE:**  
**Snapshot**  
**Of Maine's**  
**Economy**

**Jobs And Income**

**Business**  
**Investments**

**Economic**  
**Diversity**

**Bonded Debt**



SOURCE: U.S. DEPT OF COMMERCE /BUREAU OF ECONOMIC ANALYSIS,  
MAINE DEPT OF ADMINISTRATIVE AND FINANCIAL SERVICES

## ▲ Per Capita Personal Income Continues To Rise

Maine's per capita personal income continues to rise and has maintained consistent growth since 1996. Per capita personal income and personal

income are ways of measuring how well workers are doing economically, while also taking into account dividends, rents, and transfer payments.

The calculation is the state's total income divided by its population, but does not reflect capital gains from the stock market.

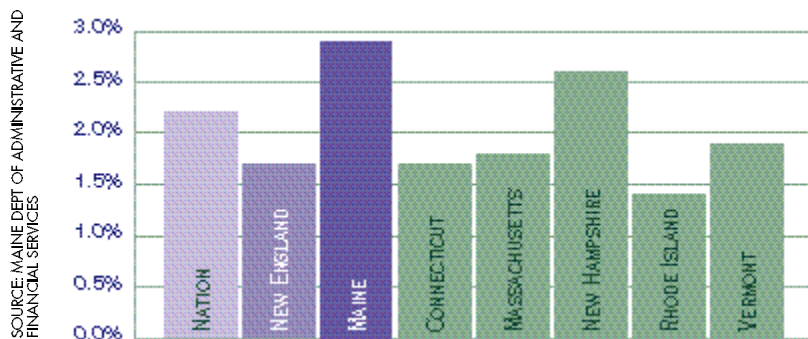
## Maine's Individual Tax Burden Is Declining ▼

### MAINE TAXES AS A PERCENTAGE OF PERSONAL INCOME



SOURCE: MAINE STATE PLANNING OFFICE

### 1998-1999 PAYROLL EMPLOYMENT GROWTH



SOURCE: MAINE DEPT OF ADMINISTRATIVE AND FINANCIAL SERVICES

## Maine Ranked First In New England In Payroll Job Growth

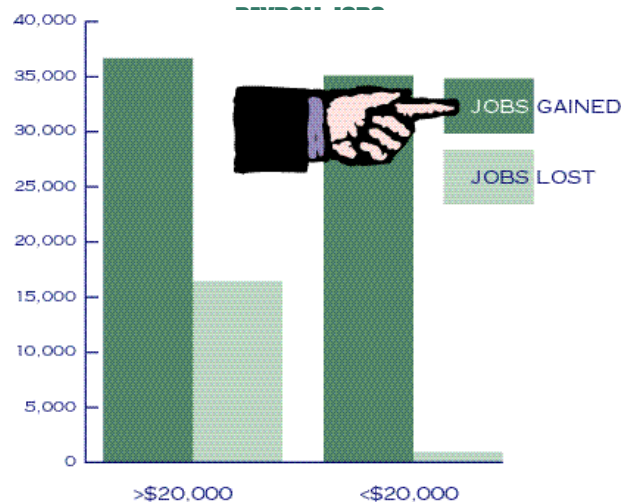
Maine gained more payroll jobs last year than any other state in New England and was ranked 8th in the nation in payroll job growth. In 1999, the number of payroll jobs expanded by 16,600 – a 2.9% increase. Last year saw the largest gain of any year since 1988.

## Many More Jobs Have Been Gained Than Lost Over The Last 6 Years ►

Between 1992 and 1998 Maine gained 71,722 jobs and lost only 17,243. More than half of the jobs added were in industries that currently pay \$20,000 a year or more. Among those industries that pay \$30,000 or more, gains outweighed losses by 31% and the trend of having more growing industries than shrinking ones continued in 1999. Many of

the jobs gained were high end service sector jobs in business, technology, health, financial, and social services. There appears to be many jobs paying under \$20,000 but this is a result of the many part-time jobs in Maine's eating and drinking places, as well as retailers. As a rule, there tends to be more part-time workers in the lowest salary range.

### MAINE GAINED MORE – AND BETTER PAYING –

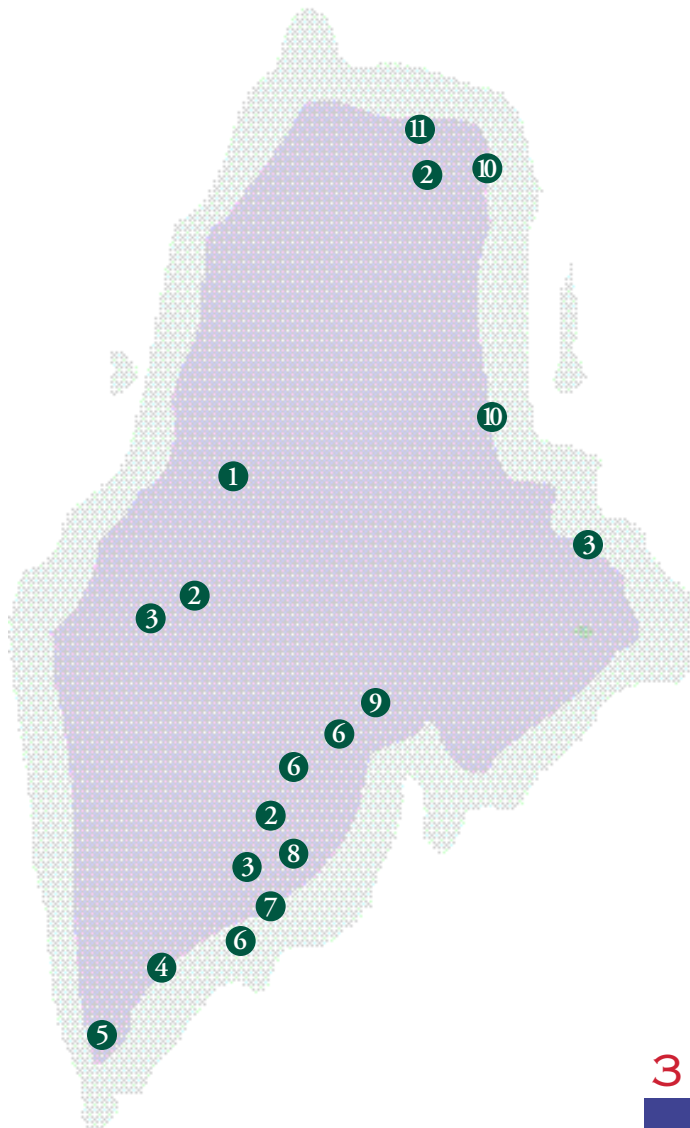


SOURCE: MAINE DEPARTMENT OF LABOR

## Business Has Invested \$830 Million In Maine In The Last Year

Company	Location	Products/Services	Employment	New Investment
APPI Inc.	Biddeford	Precision Machinery	115	\$3,000,000
Calpine Westbrook Energy	Westbrook	Power Provider	24	\$250,000,000 +
Camden National Bank	Rockport	Bank Back Office Operations	70	\$4,000,000
Diamond Phoenix	Lewiston	Conveyor Systems	30	\$5,500,00
Downeast Woodcrafters	Madison	Wood Products	21	\$850,000
Interstate Bakery Corp.	Biddeford	Commercial Bakery	355	\$50,000,000
Lemforder Corp.	Brewer	Automotive Parts	106	\$13,000,000
Moose River Lumber Co.	Jackman	Saw Mill	10	\$8,000,000
New Balance	Norway	Shoe Manufacturer	200	\$2,500,000
Oakes & Parkhurst	Manchester	Glass Glazing	37 retained	\$1,100,00
Plastic Design Maine, LLC	Pittsfield	Injection Moulding	15	\$1,425,000
Preservation Wood	Bingham	Value Added Wood	15	\$1,100,000
Sanford Institute for Savings	Buxton	Bank	9 retained	\$1,500,000
Sysco Food Services of NE	Westbrook	Food Services	70	\$13,000,000
Telford/Volvo	Bangor	Aircraft Maintenance	35	\$3,000,000
Walpole	Chester	Wood Products	36	\$600,000

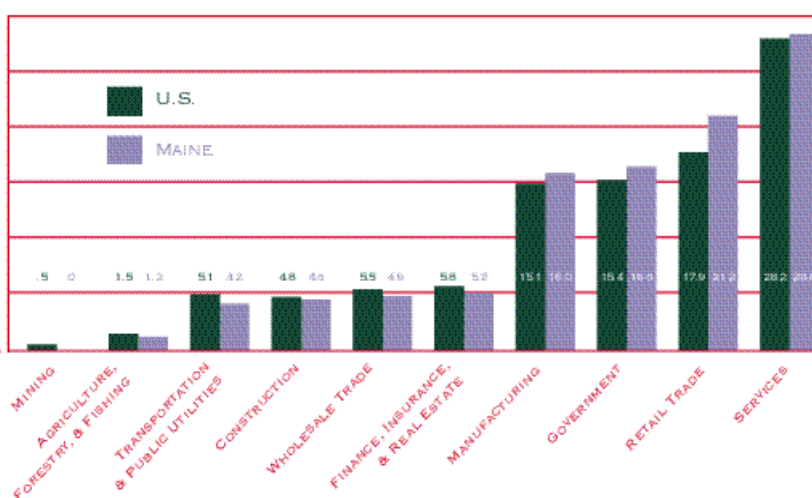
SOURCE: MAINE DEPT. OF ECONOMIC AND COMMUNITY DEVELOPMENT



- ① EST/SPX, manufacturer of fire alarms, will invest \$1.5 million to expand the Pittsfield facility and create 50 jobs.
- ② MBNA's estimated \$6.5 million expansion will create 1,500 jobs in Franklin, Aroostook, and Knox counties.
- ③ ICT will create over 1,000 jobs at 3 new call center facilities in Franklin, Androscoggin, and Washington counties.
- ④ Poland Spring Bottling Company will invest \$100 million in a new facility and 100 new jobs in Hollis.
- ⑤ Pratt & Whitney will expand its North Berwick facility, which manufactures aircraft engines, with a \$500,000 investment.
- ⑥ EnvisioNet will invest approximately \$17.7 million and create over 1,200 jobs in Augusta, Brunswick, and Orono to handle the new support contract with Microsoft.
- ⑦ Bath Iron Works has a \$280 million contract for Navy Destroyers.
- ⑧ Fisher Engineering manufactures snow plows. A \$7 million investment will retain 150 jobs.
- ⑨ Sensor Research, a research and development company, has invested \$9 million and created 25 new jobs.
- ⑩ Burrelle's Information Service, a print and broadcast news retrieval service, added 125 jobs at 2 sites in Aroostook County.
- ⑪ ATX forms, a software development company, will invest \$250,000 and create 100 new jobs by the Spring of 2001.

SOURCE: DIVISION OF LABOR MARKET INFORMATION SERVICES.

## EMPLOYMENT BY INDUSTRY DIVISION 1998

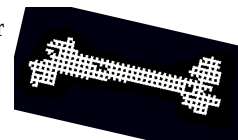


## Maine's Economic Diversity Mirrors The Nation's

With dependence on defense spending remaining low and a generally more diverse economy, Maine continues to show employment by industry group statistics that mirror the nation's. Health services is the largest growing industry while Maine's technology and service sector jobs further diversify the economy and make it less dependent on manufacturing cycles.

## Could We Be Holding Some of Your Misplaced Property?

Call our Unclaimed Property Division to find out: 1-888-283-2808 or use the internet: [www.state.me.us/treasurer/property.htm](http://www.state.me.us/treasurer/property.htm) or [www.missingmoney.com](http://www.missingmoney.com)

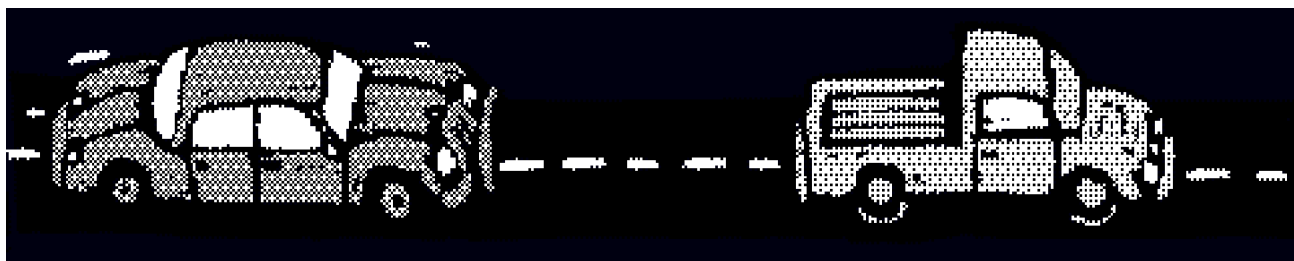


## Maine's Highways, Bridges, And Marine Waterways Are Improving

In the last 7 years, the Maine Department of Transportation (MDOT) has doubled the miles of highway they are able to improve over a biennium and bring the average cost per mile down from \$550,000 to \$475,000. People traveling on State Routes 11, 16, and 17 have noticed long-needed improvements and MDOT has

initiated a 10 year plan to improve all 306 miles of rural arterial highways. MDOT's new policy accelerates bridge repair and replacement for some 70 bridges in Maine during this Fiscal Year. Large projects, such as the Casco Bay Bridge in Portland/South Portland, the Coastal Connector in Brunswick/Topsham, and the Sagadahoc Bridge in Bath/Woolwich,

are also under way. Maine's marine highways are also under development: a \$20 million construction expansion in Eastport and a \$20 million rehabilitation at the Port of Searsport along with the \$16 million expansion and rehabilitation of passenger and freight facilities at the Port of Portland advance the development of Maine's coastal Three-Port-Strategy.





## From The Treasurer



### TO THE CITIZENS OF MAINE

*This is the fourth annual economic snapshot and accompanies our Spring Bond Sale.*

*For the second year, with the help of the Maine Arts Commission, the Official Statement for the State of Maine General Obligation Bonds will feature a Maine artist. This year, the Office of the State Treasurer and the Maine Arts Commission worked with David Wilson, an artist who divides his time between Maine and New York City. \$66.3 million in bonds are expected to be offered during a retail order period beginning on June 5 and priced on June 6, 2000.*

*If you have any questions or comments on this newsletter, please feel free to call me at 207-287-2771, or e-mail me at [state.treasurer@state.me.us](mailto:state.treasurer@state.me.us), or write to me at Treasurer Dale McCormick, 39 SHS, Augusta ME 04333.*

*Thank you.*

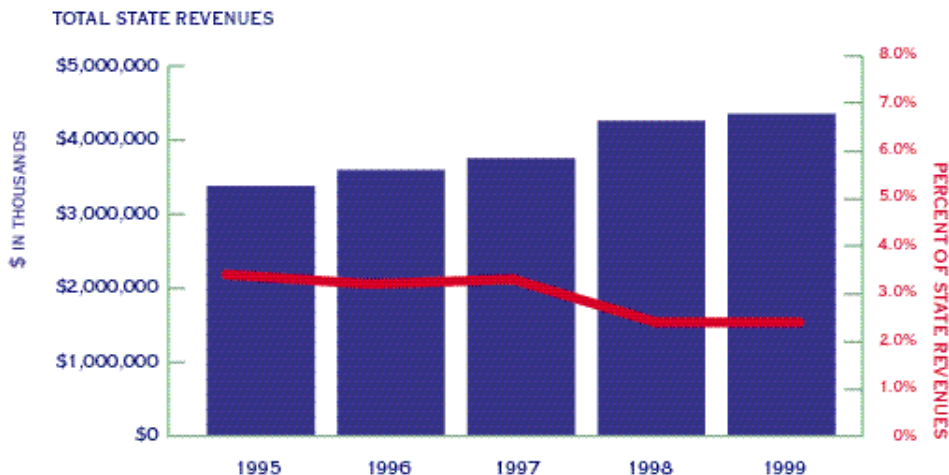
*Dale*

Dale McCormick

## Maine's 1999 Annual Debt Payment Was 2.4% Of Total State Revenue

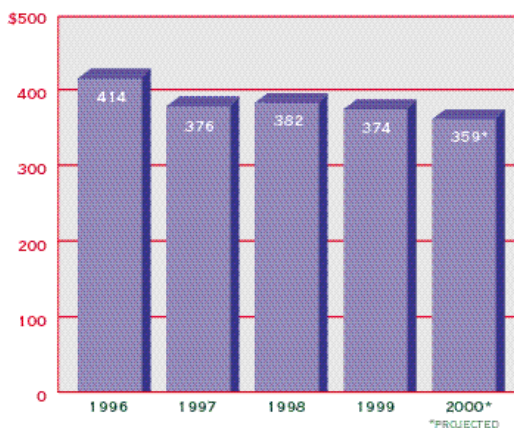
Maine's payments on its debt, called Debt Service, are the lowest of any New England state as a percentage of its total revenue. In 1999, only 2.4% of state revenues

went to pay Debt Service. Maine achieves this despite its aggressive schedule of paying off each bond issue 10 years earlier than any other New England state.



SOURCE: OFFICIAL STATEMENT

## OUTSTANDING GENERAL OBLIGATION DEBT PER CAPITA



SOURCE: BUREAU OF BUDGET

## Maine's Outstanding Debt Per Person Continues To Decline

Outstanding debt is the amount of bonds that have been authorized by voters and issued by the State Treasurer in order to pay the contractors that are building the schools, roads, and bridges.

**Maine's per capita debt decreased from \$382 to \$374 in 1999.**

## Maine's Dependence On Defense Spending Remains Low

In 1992, Maine ranked fourth in the nation in defense spending. The value of federal defense contracts in 1992 was 8.02% of total personal income. In 1999, defense spending as a percent

of personal income was 5% – remaining consistently low since 1995. Almost all the Maine companies that were dependent on defense spending have diversified and have found new markets.

# MaineINTEREST

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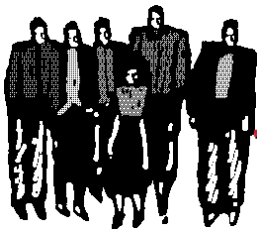
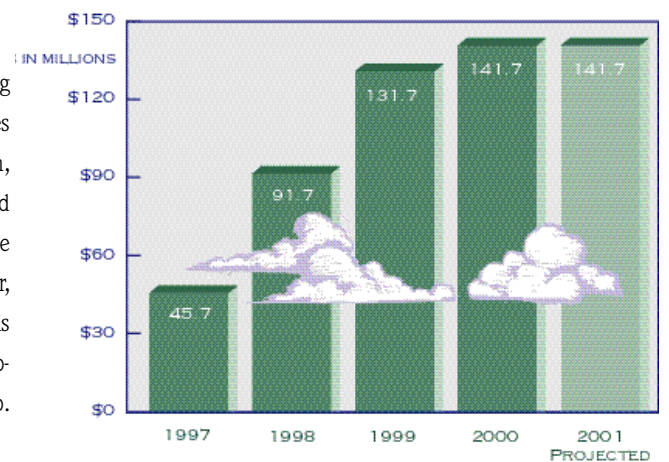
## Rainy Day Fund Continues To Grow To Its Cap



The Rainy Day Fund is currently at \$134.2 million, which is more than 5% of revenues. According to the National Association of State Budget Officers, the target level for such a fund is 5-10% of revenues. This is how much a state should need to withstand a recession. The Rainy Day Fund acts to cushion the effects of a

downturn in the economy, eliminating the need to cut services or raise taxes to meet citizens' needs. In addition, this means the state is 100% reserved against uncollectable taxes. By the beginning of the next Fiscal Year, which starts July 1, the balance is expected to be \$141.7 million, keeping the Rainy Day Fund at its cap.

## RAINY DAY FUND BALANCE AS OF JUNE 30



**THANK YOU**

*The Office of the State Treasurer gratefully acknowledges the help of the following people in providing information or production help with the newsletter:*

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