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## Fiscal News, August 2013

Maine State Legislature

Office of Fiscal and Program Review

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# FISCAL NEWS

MONTHLY NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

AUGUST 2013

Volume 7 Number 8

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The Office of Fiscal and Program Review (OFPR) is a nonpartisan staff office of the Legislative Council providing budget, tax and general fiscal research and analysis for the Maine State Legislature.



## Month In Review

General Fund revenue started off FY 2014 tracking modestly ahead of budget in July. Preliminary data for August indicate a similar performance. Concerns about the Sales and Use Tax not achieving the higher budgeted growth rates in FY 2014 do not appear warranted, at least initially, as recent taxable sales growth has met and even exceeded these targets.

Highway Fund revenue also started off the new fiscal year with a positive variance. Recent gasoline price declines will, it is hoped, help keep Highway Fund revenue on track.

The average balance in the cash pool in July showed improvement compared to July 2012, both in total and for the General Fund. The budget balancing initiative to borrow \$98.5 million from Other Special Revenue Funds in FY 2014 will erode the General Fund and total cash pool balances over the course of FY 2014. Despite the infusion of funding to various reserves as part of the FY 2013 Year-end Cascade provisions, significant budgeted transfers from those reserves to help balance the General Fund in FY 2013 result in only modest net improvement in overall General Fund reserve balances to offset the impact of the \$98.5 million borrowing on General Fund cash balances.

Early in the month, it appeared that final decisions on a bond package to send to the voters would not happen until at least September at the earliest, which would mean that the bonds could not be sent to the voters until June 2014. However in mid-August, the Governor and legislative leaders announced an agreement on a \$149.5 million bond package. The Governor called a special session for the last week in August to enact the bond package that will be sent to the voters this November.

MaineCare caseload continued to trend downward, yet total spending at this point in FY 2014 remained consistent with prior fiscal years. The ending of the short-term cost of transitional assistance for recently ineligible MaineCare recipients and the successful implementation of numerous savings initiatives is critical to lowering the current spending pattern and maintaining MaineCare spending within the amounts budgeted.



### *General Fund Revenue Update*

#### **Total General Fund Revenue - FY 2014 (\$'s in Millions)**

|      | Budget  | Actual  | Var.  | % Var. | Prior Year | % Growth |
|------|---------|---------|-------|--------|------------|----------|
| July | \$216.6 | \$218.2 | \$1.6 | 0.7%   | \$219.4    | -0.5%    |
| FYTD | \$216.6 | \$218.2 | \$1.6 | 0.7%   | \$219.4    | -0.5%    |

General Fund revenue was over budget by \$1.6 million (0.7%) in July to start off FY 2014. July's 0.5% decline from July 2012 primarily reflects the legislative changes to the individual income tax that were effective January 1, 2013 rather than any underlying core revenue decline.

After a disappointing performance in the beginning of this calendar year, the Sales and Use Tax performed well in July with a modest positive variance and growth of 3.7% over July 2012. Preliminary data for August indicate that the Sales and Use Tax will be over budget by more than \$2 million. The performance for these first 2 months of FY 2014 is very encouraging, particularly in light

of the weather in June and July and its adverse effect on tourism-related activity and the higher budgeted growth assumptions for FY 2014.

In July, Corporate Income Tax was the only major category with a substantial negative variance coming in under budget for the month by \$3.8 million. Much of this negative variance was due to high refund activity for the month. The monthly timing of corporate income tax activity is difficult to project and most of this negative variance is assumed to be a timing issue. Preliminary August data for this category bear this out and indicate a positive variance for the month that will reverse more than half of July's negative variance.

### *Highway Fund Revenue Update*

#### **Total Highway Fund Revenue - FY 2014 (\$'s in Millions)**

|      | Budget | Actual | Var.  | % Var. | Prior Year | % Growth |
|------|--------|--------|-------|--------|------------|----------|
| July | \$27.4 | \$28.5 | \$1.1 | 4.1%   | \$28.5     | 0.0%     |
| FYTD | \$27.4 | \$28.5 | \$1.1 | 4.1%   | \$28.5     | 0.0%     |

Highway Fund revenue was over budget by \$1.1 million (4.1%) in July. July 2013 revenue was roughly the same as July 2012.

The Fuel Taxes category had another strong performance in July and was \$1.1 million over budget for the month. The recent retreat of gasoline prices from peak summer levels may help keep this category on budget in future months.

The Motor Vehicle Registration and Fees category was over budget in July by \$0.6 million. This positive variance was sufficient to offset negative variances in other Highway Fund revenue categories. The largest negative variance in July was in the Motor Vehicle Inspection Fee category. Similar monthly timing issues arose last year and ultimately over the course of the fiscal year the monthly variances offset.



### *Cash Update*

The average total cash pool balance for July was \$509.1 million: \$3.1 million lower than June; \$18.0 million higher than last July; and \$54.3 million less than the 10-year average balance for July of \$563.4 million.

July's average for General Fund internal borrowing was \$60.7 million less than July 2012, but increased by \$11.2 million from the May 2013 average. Although cash balances in FY 2014 appear to be improved from last fiscal year, this internal borrowing will likely increase substantially over the course of FY 2014. As noted last month, the \$98.5 million higher level of spending supported by the one-day borrowing will degrade the General Fund cash position over the course of FY 2014 before recovering in FY 2015.

General Fund reserve balances overall only increased modestly for FY 2014, despite the substantial amount available for transfers in the FY 2013 Year-end Cascade. The balances in the General Fund's two major reserve accounts (the Maine Budget Stabilization Fund and the Reserve for Operating Capital) increased from \$61.9 million at the close of FY 2012 to \$62.3 million after the FY 2013 closing transactions. The Cascade transfers were more than offset by initiatives in the Emergency FY 2013 Supplemental Budget Bill, PL 2013, c. 1, which included budgeted transfers from these reserves of \$57.1 million in FY 2013 to balance the General Fund in FY 2013.

#### **Summary of Treasurer's Cash Pool**

##### **July Average Daily Balances**

Millions of \$'s

|                                       | 2012           | 2013           |
|---------------------------------------|----------------|----------------|
| General Fund (GF) Total               | \$32.3         | \$9.0          |
| General Fund (GF) Detail:             |                |                |
| Budget Stabilization Fund             | \$44.8         | \$50.6         |
| Reserve for Operating Capital         | \$17.1         | \$10.0         |
| Tax Anticipation Notes                | \$0.0          | \$0.0          |
| Internal Borrowing                    | \$154.5        | \$93.8         |
| Other General Fund Cash               | (\$184.1)      | (\$145.4)      |
| Other Spec. Rev. - Interest to GF     | \$36.2         | \$88.1         |
| Other State Funds - Interest to GF    | \$19.0         | \$18.2         |
| Highway Fund                          | \$35.5         | \$44.7         |
| Other Spec. Rev. - Retaining Interest | \$57.7         | \$78.5         |
| Other State Funds                     | \$213.8        | \$174.6        |
| Independent Agency Funds              | \$96.6         | \$96.1         |
| <b>Total Cash Pool</b>                | <b>\$491.1</b> | <b>\$509.1</b> |

Note: Average balances for General Fund reserves in July are distorted due to the timing of the actual year-end transfers and prior fiscal year budgeted transfers from these reserves. These transfers are recorded at the close of the fiscal year, typically at the end of the second week in July.

### *Bond Package Summary*

In the middle of August, the Governor and legislative leaders announced an agreement on a bond package totaling \$149.5 million. Earlier in the month, the Appropriations Committee chairs had virtually conceded that getting a bond package approved within the time frames necessary to get it included on the

November ballot was not practical. However, the mid-August compromise and expedited action to schedule an Appropriations Committee meeting and a Special Session in the last two weeks of August meant that this bond package will be included on the November ballot.

**Bond Package Summary (Continued)**

Provided below is a summary of the compromise \$149.5 million bond package approved by the Legislature at its August 29<sup>th</sup> special session that will be included as 5 separate questions on the November 2013 referendum ballot. Of the numerous bond bills carried over in the Appropriations Committee, 5 bills were chosen to be amended. Three of the bills

propose bonds for various projects at the State's public higher education institutions. A fourth bill proposed a bond issue for renovations at the State's armories. The final bill was the Governor's bill proposing a General Fund bond of \$100 million for various transportation projects.

**126th Legislature August 2013 Special Session - Bond Package**

| <b>LD #</b> | <b>Description of Project/Purpose as amended</b>  | <b>Amount</b>        |
|-------------|---|----------------------|
| 221         | Maine Maritime Academy - New science facility   | \$4,500,000          |
| 245         | Maintenance and renovation of armories  | \$14,000,000         |
| 636         | Maine Community College System (MCCS) Projects:   |                      |
|             | Central Maine - New building to add science labs, general classrooms, smart classrooms and associated offices | \$2,350,000          |
|             | Eastern Maine - New addition to Maine Hall academic building  | \$2,450,000          |
|             | Kennebec Valley - Renovations of lab space, classrooms and Hinckley campus                                    | \$2,000,000          |
|             | Northern Maine - Renovations of Aroostook Hall  | \$900,000            |
|             | Southern Maine - Renovations at Brunswick campus  | \$3,400,000          |
|             | Washington County - Renovations of Howland Hall and for energy  | \$1,000,000          |
|             | York County - New building for classrooms, computer labs and associated offices                               | \$3,400,000          |
|             | <b>Total - MCCS Projects</b>  | <b>\$15,500,000</b>  |
| 782         | University of Maine System Projects:  |                      |
|             | Orono - Renovation of outdated "STEM" facilities  | \$5,500,000          |
|             | Augusta - Upgrades of science and nursing labs  | \$1,200,000          |
|             | Farmington - Renovation of science facilities   | \$1,200,000          |
|             | Fort Kent - Nursing lab expansion and forestry geographic information systems technologies                    | \$1,200,000          |
|             | Machias - Renovation of Powers Hall and upgrades to labs in the science building                              | \$1,200,000          |
|             | Presque Isle - Upgrades to science classrooms and other "STEM" facilities                                     | \$1,200,000          |
|             | Southern Maine - Renovation of labs   | \$4,000,000          |
|             | <b>Total - UMS Projects</b>   | <b>\$15,500,000</b>  |
| 1095        | Transportation Projects   |                      |
|             | Highway and Bridge Improvements:  |                      |
|             | - Funding for Priority 1, 2 and 3 highway improvements  | \$44,000,000         |
|             | - Municipal Partnership Initiative  | \$5,000,000          |
|             | - Funding for reconstruction or rehabilitation of bridges   | \$27,000,000         |
|             | Multimodal Improvements:  |                      |
|             | - International Marine Terminal   | \$9,000,000          |
|             | - Portland Harbor dredging and Fish Exchange upgrades   | \$4,000,000          |
|             | - Other port and related intermodal improvements  | \$3,000,000          |
|             | - Industrial Rail Access program  | \$1,500,000          |
|             | - Passenger transit and rail projects   | \$4,000,000          |
|             | - Aviation projects   | \$1,500,000          |
|             | - Small Harbor Improvement Program  | \$1,000,000          |
|             | <b>Total - Transportation Projects</b>  | <b>\$100,000,000</b> |



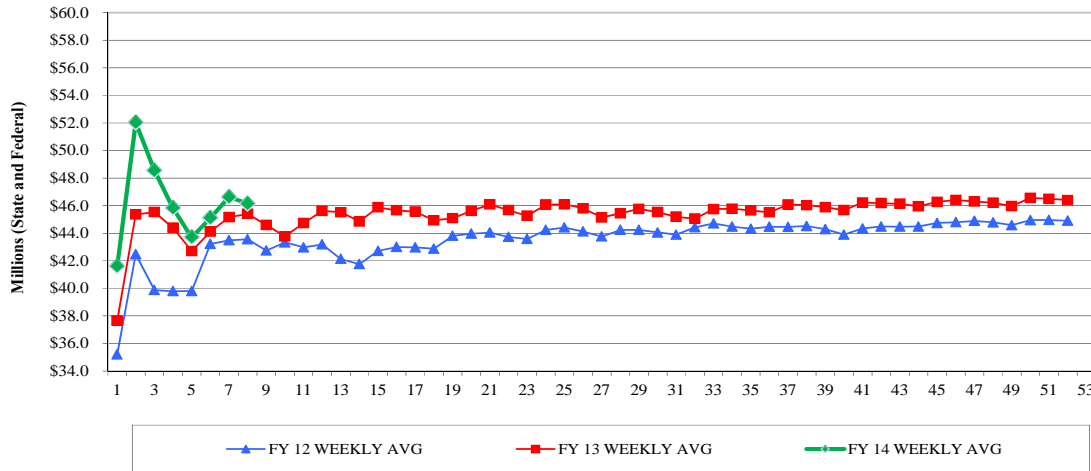
### MaineCare Update

#### MaineCare Spending

The average weekly MaineCare cycle for FY 2014 through Week 8 was \$46.1 million (state and federal dollars), an increase over the MaineCare weekly cycle average for FY 2013 through 8 weeks of \$45.4 but a slight decrease from the annual average for FY 2013 of 46.4 million. MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2014 as well as comparable payment cycle averages for FY 2012 and FY 2013. MaineCare Chart 2 summarizes the actual cycles each week for FY 2014 and for FY 2012 and FY 2013.

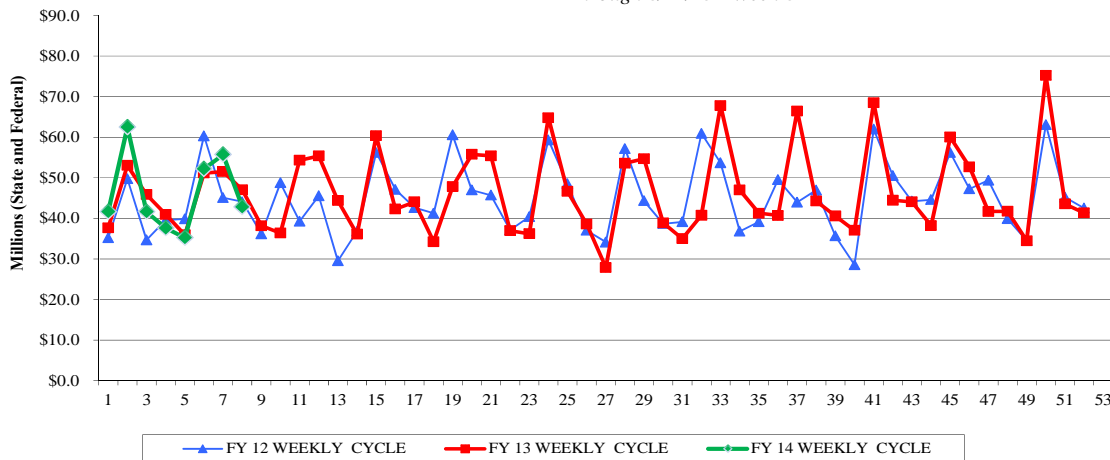
Only eight weeks into the fiscal year, it is still too early to make definitive updated MaineCare spending forecasts for the current fiscal year. With the exception of the first monthly billing “high point” cycle for FY 2014, MaineCare cycles to date have been consistent with last year’s spending through eight months. As in recent years, MaineCare spending will need to be reduced below prior year levels in order to stay within budgeted levels for the fiscal year. This should begin to occur later in the fiscal year as enacted budgeted savings initiatives are implemented.

**MaineCare Chart 1 - Weekly Cycle Averages - FY 12, FY 13 and FY 14**  
 FY 14 Through 8/24/13 - Week 8



° FY 13 averages do not reflect MaineCare hospital settlements of \$26.3 million paid in the 9/29/12 (13th) cycle.

**MaineCare Chart 2 - Weekly Cycles - FY 12, FY 13 and FY 14**  
 FY 14 Through 8/24/13 - Week 8



° FY 13 cycles do not reflect MaineCare hospital settlements of \$26.3 million paid in the 9/29/12 (13th) cycle.



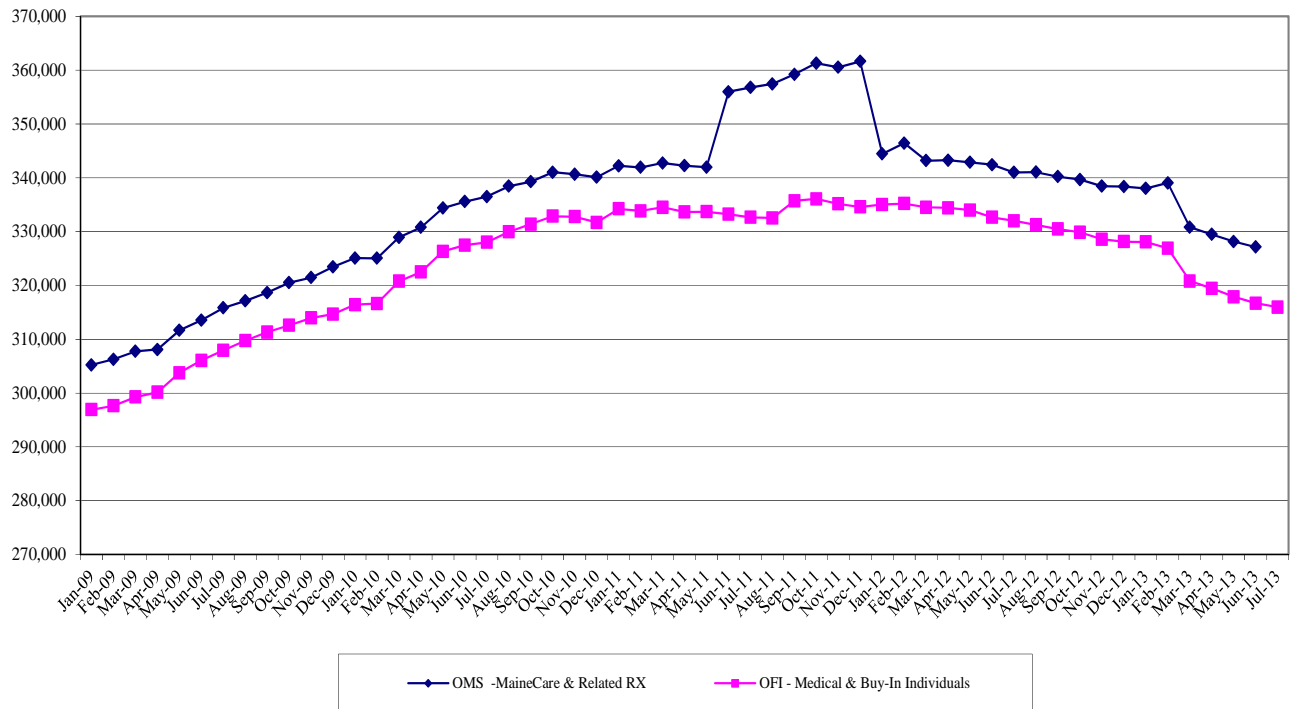
### MaineCare Update (Continued)

#### MaineCare Caseload

MaineCare caseload data detail for July has not yet been released by the Department of Health and Human Services (DHHS) Office of MaineCare Services (OMS). Summary data for July released by the DHHS Office of Family Independence (OFI) show aggregate MaineCare caseload continues to decrease. MaineCare Chart 3 shows OMS and OFI aggregate caseload data over time. The two sources count MaineCare caseload differently but, except for the problems with the initial switchover to the Maine Integrated Health Management System (MIHMS) caseload data source (June to December 2011), have done so consistently.

Earlier in July, the DHHS OMS released detailed caseload data for May and June that are included in MaineCare Table 1. The MaineCare caseload data detail show the impact of the continued freeze in new enrollment in the non-categorical adult waiver program and, beginning in March of 2013, the effects of ending MaineCare eligibility for parents with incomes from 133% to 200% of the Federal Poverty Level (FPL). Parents below 150% of the FPL who lost coverage in March (and their children – at least temporarily) moved to transitional Medicaid coverage that is reflected in the “Traditional Medicaid” category in MaineCare Table 1. Parents above 150% of the FPL who lost coverage did not receive transitional Medicaid coverage.

**MaineCare Chart 3 - MaineCare Caseload Historical Trend Through July 2013**  
Office of MaineCare Services (OMS) and Office of Family Independence (OFI) Data



Source of OMS data - WELFRE through May 2011 and MIHMS June 2011 and thereafter; Source of OFI data - Report ID RE-PM001A

**MaineCare Update (Continued)**

| <b>MaineCare Table 1 - MaineCare and Related Caseload Summary</b> |                      |                          |                  |                                       |                                   |                                      |                   |                |
|---|----------------------|--------------------------|------------------|---------------------------------------|-----------------------------------|--------------------------------------|-------------------|----------------|
| Month   | Traditional Medicaid | SCHIP Medicaid Expansion | SCHIP "Cub Care" | Medicaid Expansion Parents ≤ 150% FPL | Non-Categorical Adults ≤ 100% FPL | Medicaid Expansion Parents >150% FPL | MSP and DEL/Me Rx | Total          |
| <b>Jun-10 - May-11</b>  |                      |                          |                  |                                       |                                   |                                      |                   |                |
| <b>Averages</b>   | <b>239,326</b>       | <b>10,291</b>            | <b>5,407</b>     | <b>20,918</b>                         | <b>16,153</b>                     | <b>6,787</b>                         | <b>41,309</b>     | <b>340,191</b> |
| Jun-11  | 251,147              | 10,110                   | 5,835            | 21,465                                | 16,629                            | 7,715                                | 43,090            | 355,991        |
| Jul-11  | 251,756              | 10,307                   | 5,854            | 21,641                                | 16,257                            | 7,692                                | 43,292            | 356,799        |
| Aug-11  | 252,163              | 10,434                   | 5,841            | 21,809                                | 15,853                            | 7,752                                | 43,610            | 357,462        |
| Sep-11  | 250,207              | 10,588                   | 5,834            | 22,059                                | 18,957                            | 7,713                                | 43,871            | 359,229        |
| Oct-11  | 251,932              | 10,874                   | 5,825            | 22,566                                | 18,819                            | 7,862                                | 43,437            | 361,315        |
| Nov-11  | 252,087              | 10,741                   | 5,829            | 21,884                                | 18,496                            | 7,850                                | 43,667            | 360,554        |
| Dec-11  | 253,016              | 10,943                   | 5,817            | 21,977                                | 18,023                            | 7,929                                | 43,940            | 361,645        |
| Jan-12  | 253,350              | 10,925                   | 5,850            | 22,154                                | 17,535                            | 7,984                                | 45,771            | 363,569        |
| <i>DHHS Revisions</i>   | <i>-11,820</i>       | <i>-540</i>              | <i>-186</i>      | <i>-1,445</i>                         | <i>-2,304</i>                     | <i>-1,015</i>                        | <i>-1,812</i>     | <i>-19,122</i> |
| <b>Revised Jan-12</b>   | <b>241,530</b>       | <b>10,385</b>            | <b>5,664</b>     | <b>20,709</b>                         | <b>15,231</b>                     | <b>6,969</b>                         | <b>43,959</b>     | <b>344,447</b> |
| Feb-12  | 243,780              | 10,216                   | 5,725            | 20,736                                | 14,846                            | 6,990                                | 44,162            | 346,455        |
| Mar-12  | 244,994              | 10,120                   | 5,719            | 20,877                                | 14,537                            | 7,108                                | 45,144            | 348,499        |
| <i>DHHS Revisions</i>   | <i>-3,274</i>        | <i>-208</i>              | <i>-51</i>       | <i>-406</i>                           | <i>-229</i>                       | <i>-176</i>                          | <i>-970</i>       | <i>-5,314</i>  |
| <b>Revised Mar-12</b>   | <b>241,720</b>       | <b>9,912</b>             | <b>5,668</b>     | <b>20,471</b>                         | <b>14,308</b>                     | <b>6,932</b>                         | <b>44,174</b>     | <b>343,185</b> |
| Apr-12  | 241,764              | 10,106                   | 5,608            | 20,854                                | 13,888                            | 6,867                                | 44,202            | 343,289        |
| May-12  | 241,794              | 10,076                   | 5,642            | 20,768                                | 13,460                            | 6,874                                | 44,266            | 342,880        |
| Jun-12  | 241,404              | 10,219                   | 5,619            | 21,020                                | 13,029                            | 6,827                                | 44,313            | 342,431        |
| Jul-12  | 240,225              | 10,021                   | 5,545            | 21,225                                | 12,820                            | 6,752                                | 44,411            | 340,999        |
| Aug-12  | 240,857              | 9,984                    | 5,553            | 21,178                                | 12,388                            | 6,728                                | 44,373            | 341,061        |
| Sep-12  | 240,176              | 10,130                   | 5,529            | 21,233                                | 12,050                            | 6,676                                | 44,434            | 340,228        |
| Oct-12  | 239,893              | 10,153                   | 5,564            | 21,244                                | 11,532                            | 6,759                                | 44,527            | 339,672        |
| Nov-12  | 239,071              | 10,235                   | 5,576            | 21,122                                | 11,074                            | 6,726                                | 44,642            | 338,446        |
| Dec-12  | 239,052              | 10,295                   | 5,612            | 21,149                                | 10,749                            | 6,752                                | 44,775            | 338,384        |
| Jan-13  | 238,974              | 10,299                   | 5,608            | 21,177                                | 10,378                            | 6,711                                | 44,893            | 338,040        |
| Feb-13  | 241,593              | 9,774                    | 5,568            | 20,619                                | 10,116                            | 6,477                                | 44,908            | 339,055        |
| Mar-13  | 247,354              | 6,311                    | 5,154            | 17,077                                | 9,857                             | 1,740                                | 43,316            | 330,809        |
| Apr-13  | 248,607              | 5,654                    | 5,080            | 16,227                                | 9,603                             | 780                                  | 43,552            | 329,503        |
| May-13  | 249,014              | 5,403                    | 4,987            | 15,621                                | 9,335                             | 19                                   | 43,780            | 328,159        |
| June-13   | 248,205              | 5,414                    | 4,909            | 15,667                                | 9,058                             | 10                                   | 43,871            | 327,134        |

Note: Beginning with its June 2011 MaineCare Caseload report, DHHS switched the source of MaineCare caseload data from the old WELFRE system to the new Maine Integrated Health Management System (MIHMS). The caseload data above include data from June 2011 through June 2013 compiled using the MIHMS system and data from June 2010 through May 2011 compiled using the WELFRE system. In January and March of 2012, DHHS revised its caseload count to correct for ineligible cases that MIHMS had continued to include as eligible.

**Eligibility Descriptions:**

- **Traditional Medicaid** includes adults and children in receipt of a financial benefit (TANF, IV-E); aged and disabled persons in receipt of a financial benefit (SSI, SSI Supplement), institutionalized persons (NF), and others not included below.
- **SCHIP (State Child Health Insurance Program) Medicaid Expansion Children (MS-CHIP)** (effective July 1998) are children with family incomes above 125/133% and up to and including 150% of the Federal Poverty Level (FPL).
- **SCHIP "Cub Care" Children** (eff. July 1998) are children with family incomes above 150% and up to and including 200% of FPL.
- **Medicaid Expansion Parents** are persons who function as the primary caretakers of dependent children and whose income is above 100% and up to and including 150% of FPL (effective September 2000); and beginning May 2005, up to and including 200% of FPL.
- **Non-Categorical Adults** (effective October 2002) are persons who are over 21 and under 65, not disabled, not the primary caretakers of dependent children, and whose income is not more than 100% of FPL.
- **Medicare Savings Program (MSP) and DEL/Me Rx** include persons eligible for Medicaid, but not for "full benefits" (e. g., QMB, SLMB, QI) who meet the criteria for participation in DEL and/ or Maine Rx.



**General Fund Revenue  
Fiscal Year Ending June 30, 2014 (FY 2014)  
July 2013 Revenue Variance Report**

| Revenue Category                        |                    |                    |                      | Fiscal Year-To-Date |                    |                  |               |                                | FY 2014<br>Budgeted<br>Totals |
|---|--------------------|--------------------|----------------------|---------------------|--------------------|------------------|---------------|--------------------------------|-------------------------------|
|   | July '13<br>Budget | July '13<br>Actual | July '13<br>Variance | Budget              | Actual             | Variance         | Variance<br>% | % Change<br>from Prior<br>Year |                               |
| Sales and Use Tax                       | 97,860,800         | 98,057,431         | 196,631              | 97,860,800          | 98,057,431         | 196,631          | 0.2%          | 3.7%                           | 1,097,901,379                 |
| Service Provider Tax                    | 4,319,150          | 4,094,753          | (224,397)            | 4,319,150           | 4,094,753          | (224,397)        | -5.2%         | -3.3%                          | 50,591,819                    |
| Individual Income Tax                   | 87,404,357         | 90,735,095         | 3,330,738            | 87,404,357          | 90,735,095         | 3,330,738        | 3.8%          | -5.3%                          | 1,369,627,772                 |
| Corporate Income Tax                    | 9,487,795          | 5,647,578          | (3,840,217)          | 9,487,795           | 5,647,578          | (3,840,217)      | -40.5%        | -40.9%                         | 180,143,079                   |
| Cigarette and Tobacco Tax               | 12,755,996         | 14,198,025         | 1,442,029            | 12,755,996          | 14,198,025         | 1,442,029        | 11.3%         | 13.0%                          | 135,900,000                   |
| Insurance Companies Tax                 | 1,031,553          | 653,301            | (378,252)            | 1,031,553           | 653,301            | (378,252)        | -36.7%        | -78.6%                         | 80,715,000                    |
| Estate Tax                              | 4,350,970          | 3,843,966          | (507,004)            | 4,350,970           | 3,843,966          | (507,004)        | -11.7%        | -20.0%                         | 27,553,982                    |
| Other Taxes and Fees *                  | 8,446,751          | 10,183,274         | 1,736,523            | 8,446,751           | 10,183,274         | 1,736,523        | 20.6%         | 6.9%                           | 127,428,615                   |
| Fines, Forfeits and Penalties           | 2,113,432          | 2,194,248          | 80,816               | 2,113,432           | 2,194,248          | 80,816           | 3.8%          | 3.4%                           | 24,402,335                    |
| Income from Investments                 | 0                  | (4)                | (4)                  | 0                   | (4)                | (4)              | N/A           | -969.6%                        | 77,710                        |
| Transfer from Lottery Commission        | 4,288,457          | 4,521,009          | 232,552              | 4,288,457           | 4,521,009          | 232,552          | 5.4%          | -0.5%                          | 55,750,000                    |
| Transfers to Tax Relief Programs *      | 0                  | (499,371)          | (499,371)            | 0                   | (499,371)          | (499,371)        | N/A           | -36.0%                         | (60,780,498)                  |
| Transfers for Municipal Revenue Sharing | (8,214,235)        | (8,880,137)        | (665,902)            | (8,214,235)         | (8,880,137)        | (665,902)        | -8.1%         | 35.3%                          | (64,864,311)                  |
| Other Revenue *                         | (7,213,367)        | (6,510,413)        | 702,954              | (7,213,367)         | (6,510,413)        | 702,954          | 9.7%          | 10.4%                          | 36,803,082                    |
| <b>Totals</b>                           | <b>216,631,659</b> | <b>218,238,755</b> | <b>1,607,096</b>     | <b>216,631,659</b>  | <b>218,238,755</b> | <b>1,607,096</b> | <b>0.7%</b>   | <b>-0.5%</b>                   | <b>3,061,249,964</b>          |

\* Additional detail by subcategory for these categories is presented on the following page.

## General Fund Revenue Fiscal Year Ending June 30, 2014 (FY 2014) July 2013 Revenue Variance Report

| Revenue Category                                     |                    |                    |                      | Fiscal Year-To-Date |                    |                  |               |                                | FY 2014<br>Budgeted<br>Totals |
|--|--------------------|--------------------|----------------------|---------------------|--------------------|------------------|---------------|--------------------------------|-------------------------------|
|  | July '13<br>Budget | July '13<br>Actual | July '13<br>Variance | Budget              | Actual             | Variance         | Variance<br>% | % Change<br>from Prior<br>Year |                               |
| <b>Detail of Other Taxes and Fees:</b>               |                    |                    |                      |                     |                    |                  |               |                                |                               |
| - Property Tax - Unorganized Territory               | 0                  | 0                  | 0                    | 0                   | 0                  | 0                | N/A           | N/A                            | 13,584,806                    |
| - Real Estate Transfer Tax                           | 890,154            | 1,163,124          | 272,970              | 890,154             | 1,163,124          | 272,970          | 30.7%         | 20.8%                          | 9,176,840                     |
| - Liquor Taxes and Fees                              | 1,673,400          | 2,013,083          | 339,683              | 1,673,400           | 2,013,083          | 339,683          | 20.3%         | -4.3%                          | 20,453,164                    |
| - Corporation Fees and Licenses                      | 348,285            | 461,174            | 112,889              | 348,285             | 461,174            | 112,889          | 32.4%         | -5.2%                          | 7,847,099                     |
| - Telecommunication Excise Tax                       | 0                  | 0                  | 0                    | 0                   | 0                  | 0                | N/A           | N/A                            | 10,000,000                    |
| - Finance Industry Fees                              | 1,945,992          | 2,323,600          | 377,608              | 1,945,992           | 2,323,600          | 377,608          | 19.4%         | 29.4%                          | 23,851,990                    |
| - Milk Handling Fee                                  | 92,164             | 40,190             | (51,974)             | 92,164              | 40,190             | (51,974)         | -56.4%        | -92.9%                         | 1,105,967                     |
| - Racino Revenue                                     | 940,752            | 854,793            | (85,959)             | 940,752             | 854,793            | (85,959)         | -9.1%         | -10.2%                         | 8,807,718                     |
| - Boat, ATV and Snowmobile Fees                      | 523,909            | 200,639            | (323,270)            | 523,909             | 200,639            | (323,270)        | -61.7%        | -63.4%                         | 4,523,561                     |
| - Hunting and Fishing License Fees                   | 1,589,872          | 2,473,291          | 883,419              | 1,589,872           | 2,473,291          | 883,419          | 55.6%         | 50.9%                          | 16,214,189                    |
| - Other Miscellaneous Taxes and Fees                 | 442,223            | 653,380            | 211,157              | 442,223             | 653,380            | 211,157          | 47.7%         | 39.0%                          | 11,863,281                    |
| <b>Subtotal - Other Taxes and Fees</b>               | <b>8,446,751</b>   | <b>10,183,274</b>  | <b>1,736,523</b>     | <b>8,446,751</b>    | <b>10,183,274</b>  | <b>1,736,523</b> | <b>20.6%</b>  | <b>6.9%</b>                    | <b>127,428,615</b>            |
| <b>Detail of Other Revenue:</b>                      |                    |                    |                      |                     |                    |                  |               |                                |                               |
| - Liquor Sales and Operations                        | 3,067              | 6,750              | 3,683                | 3,067               | 6,750              | 3,683            | 120.1%        | 87.5%                          | 8,408,196                     |
| - Targeted Case Management (DHHS)                    | 176,027            | 198,108            | 22,081               | 176,027             | 198,108            | 22,081           | 12.5%         | 0.1%                           | 2,112,332                     |
| - State Cost Allocation Program                      | 1,264,216          | 1,580,272          | 316,056              | 1,264,216           | 1,580,272          | 316,056          | 25.0%         | 9.2%                           | 15,000,000                    |
| - Unclaimed Property Transfer                        | 0                  | 0                  | 0                    | 0                   | 0                  | 0                | N/A           | N/A                            | 6,015,000                     |
| - Toursim Transfer                                   | (6,470,861)        | (6,470,861)        | 0                    | (6,470,861)         | (6,470,861)        | 0                | 0.0%          | -5.7%                          | (10,283,750)                  |
| - Transfer to Maine Milk Pool                        | (87,250)           | 0                  | 87,250               | (87,250)            | 0                  | 87,250           | 100.0%        | 100.0%                         | (87,250)                      |
| - Transfer to STAR Transportation Fund               | (4,013,616)        | (4,013,616)        | 0                    | (4,013,616)         | (4,013,616)        | 0                | 0.0%          | 0.4%                           | (6,122,258)                   |
| - Other Miscellaneous Revenue                        | 1,915,050          | 2,188,934          | 273,884              | 1,915,050           | 2,188,934          | 273,884          | 14.3%         | 8.8%                           | 21,760,812                    |
| <b>Subtotal - Other Revenue</b>                      | <b>(7,213,367)</b> | <b>(6,510,413)</b> | <b>702,954</b>       | <b>(7,213,367)</b>  | <b>(6,510,413)</b> | <b>702,954</b>   | <b>9.7%</b>   | <b>10.4%</b>                   | <b>36,803,082</b>             |
| <b>Detail of Transfers to Tax Relief Programs:</b>   |                    |                    |                      |                     |                    |                  |               |                                |                               |
| - Me. Resident Prop. Tax Program (Circuitbreaker)    | 0                  | (469,071)          | (469,071)            | 0                   | (469,071)          | (469,071)        | N/A           | -27.7%                         | 0                             |
| - BETR - Business Equipment Tax Reimb.               | 0                  | 0                  | 0                    | 0                   | 0                  | 0                | N/A           | N/A                            | (38,205,000)                  |
| - BETE - Municipal Bus. Equip. Tax Reimb.            | 0                  | (30,300)           | (30,300)             | 0                   | (30,300)           | (30,300)         | N/A           | N/A                            | (22,575,498)                  |
| <b>Subtotal - Tax Relief Transfers</b>               | <b>0</b>           | <b>(499,371)</b>   | <b>(499,371)</b>     | <b>0</b>            | <b>(499,371)</b>   | <b>(499,371)</b> | <b>N/A</b>    | <b>-36.0%</b>                  | <b>(60,780,498)</b>           |
| <b>Inland Fisheries and Wildlife Revenue - Total</b> | <b>2,184,940</b>   | <b>2,751,537</b>   | <b>566,597</b>       | <b>2,184,940</b>    | <b>2,751,537</b>   | <b>566,597</b>   | <b>25.9%</b>  | <b>21.3%</b>                   | <b>21,644,878</b>             |

## Highway Fund Revenue Fiscal Year Ending June 30, 2014 (FY 2014) July 2014 Revenue Variance Report

| Revenue Category                          | Fiscal Year-To-Date |                    |                      |                   |                   |                  |               |                                | FY 2014<br>Budgeted<br>Totals |
|---|---------------------|--------------------|----------------------|-------------------|-------------------|------------------|---------------|--------------------------------|-------------------------------|
|   | July '13<br>Budget  | July '13<br>Actual | July '13<br>Variance | Budget            | Actual            | Variance         | %<br>Variance | % Change<br>from Prior<br>Year |                               |
| Fuel Taxes:                               |                     |                    |                      |                   |                   |                  |               |                                |                               |
| - Gasoline Tax                            | 16,184,937          | 16,918,518         | 733,581              | 16,184,937        | 16,918,518        | 733,581          | 4.5%          | -0.6%                          | 188,780,000                   |
| - Special Fuel and Road Use Taxes         | 3,537,136           | 4,015,323          | 478,187              | 3,537,136         | 4,015,323         | 478,187          | 13.5%         | 3.2%                           | 42,980,000                    |
| - Transcap Transfers - Fuel Taxes         | (1,448,426)         | (1,545,560)        | (97,134)             | (1,448,426)       | (1,545,560)       | (97,134)         | -6.7%         | -0.6%                          | (17,027,938)                  |
| - Other Fund Gasoline Tax Distributions   | (404,736)           | (425,561)          | (20,825)             | (404,736)         | (425,561)         | (20,825)         | -5.1%         | 0.0%                           | (4,720,822)                   |
| Subtotal - Fuel Taxes                     | 17,868,911          | 18,962,720         | 1,093,809            | 17,868,911        | 18,962,720        | 1,093,809        | 6.1%          | 0.1%                           | 210,011,240                   |
| Motor Vehicle Registration and Fees:      |                     |                    |                      |                   |                   |                  |               |                                |                               |
| - Motor Vehicle Registration Fees         | 5,790,856           | 6,415,046          | 624,190              | 5,790,856         | 6,415,046         | 624,190          | 10.8%         | 9.4%                           | 64,805,936                    |
| - License Plate Fees                      | 332,099             | 375,897            | 43,798               | 332,099           | 375,897           | 43,798           | 13.2%         | 6.7%                           | 3,351,681                     |
| - Long-term Trailer Registration Fees     | 336,287             | 153,106            | (183,181)            | 336,287           | 153,106           | (183,181)        | -54.5%        | -56.4%                         | 9,384,523                     |
| - Title Fees                              | 1,085,592           | 1,130,107          | 44,515               | 1,085,592         | 1,130,107         | 44,515           | 4.1%          | 1.9%                           | 12,417,140                    |
| - Motor Vehicle Operator License Fees     | 685,412             | 729,300            | 43,888               | 685,412           | 729,300           | 43,888           | 6.4%          | -4.0%                          | 8,442,204                     |
| - Transcap Transfers - Motor Vehicle Fees | 0                   | 0                  | 0                    | 0                 | 0                 | 0                | N/A           | N/A                            | (15,118,567)                  |
| Subtotal - Motor Vehicle Reg. & Fees      | 8,230,246           | 8,803,456          | 573,210              | 8,230,246         | 8,803,456         | 573,210          | 7.0%          | 4.4%                           | 83,282,917                    |
| Motor Vehicle Inspection Fees             | 500,050             | 168,034            | (332,016)            | 500,050           | 168,034           | (332,016)        | -66.4%        | -66.2%                         | 2,982,500                     |
| Other Highway Fund Taxes and Fees         | 126,348             | 105,152            | (21,196)             | 126,348           | 105,152           | (21,196)         | -16.8%        | -4.2%                          | 1,313,165                     |
| Fines, Forfeits and Penalties             | 92,773              | 86,027             | (6,746)              | 92,773            | 86,027            | (6,746)          | -7.3%         | -8.3%                          | 1,039,868                     |
| Interest Earnings                         | 10,204              | 0                  | (10,204)             | 10,204            | 0                 | (10,204)         | -100.0%       | N/A                            | 122,453                       |
| Other Highway Fund Revenue                | 524,589             | 348,883            | (175,706)            | 524,589           | 348,883           | (175,706)        | -33.5%        | -9.5%                          | 9,025,866                     |
| <b>Totals</b>                             | <b>27,353,121</b>   | <b>28,474,272</b>  | <b>1,121,151</b>     | <b>27,353,121</b> | <b>28,474,272</b> | <b>1,121,151</b> | <b>4.1%</b>   | <b>0.0%</b>                    | <b>307,778,009</b>            |