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Office of Fiscal and Program Review

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FISCAL NEWS

MONTHLY NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

OCTOBER 2012

Volume 6 Number 10

Month In Review 1

General Fund Revenue Update 2

Highway Fund Revenue Update 2

Economic Forecast Update 3

State Expenditure Update 4

MainePERS Investment Update 5

Cash Update 6

Heating Oil Price Update 6

MaineCare Update 7

Attachments:

- **September 2012 General Fund Revenue Variance Report** 10
- **September 2012 Highway Fund Revenue Variance Report** 12

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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 ended the first quarter of FY 2013 significantly below budget as most major taxes were below budget. The Commissioner of Administrative and Financial Services noted in testimony before the Appropriations Committee that the negative variance is not as bad as it seems. Preliminary October data does not suggest much improvement.

Highway Fund revenue was over budget through the first quarter of FY 2013, largely on the strength of revenue collected by the Bureau of Motor Vehicles. Fuel tax revenue continues to show significant variability each month. Although they have remained relatively close to budget through the first quarter, October’s Gasoline Tax performance will create a sizeable negative variance for the category. Some significant one-time revenue in October from trailer title fees will offset the Gasoline Tax variance.

The Consensus Economic Forecasting Commission (CEFC) began the fall update of the revenue forecast with a meeting at the end of October. Their updated economic forecast predicts modest improvement in the near term, but lower projections in future years. While the economic picture is less volatile, there is still significant downside risk. The most significant risk is the pending impact of the so-called “fiscal cliff” (the sunset of many tax cuts and looming automatic federal budget cuts in 2013). The CEFC’s forecast assumes the scheduled tax increases and budget cuts will be delayed.

Total state operating expenditures in the first quarter of FY 2013 grew by just under 1% compared with the same period last fiscal year. This increase was led by the growth in federal funds, much of this tied to MaineCare spending and hospital settlement payments in the first quarter of FY 2013.

The average total balance in the cash pool has been tracking roughly \$40 million below projections as a result of negative General Fund revenue variances and higher than projected General Fund spending.

Maine Public Employees Retirement System began FY 2013 with very strong quarter of investment returns, but this will not affect the employer contribution rates for the 2014-2015 biennial budget.

While gasoline prices have abated in recent weeks, heating oil prices are at all time highs as we head into the winter heating season. The record heating oil prices combined with the return of more normal winter temperatures are likely to be significant adverse factors in sales tax performance through the holiday shopping season.

Despite a declining caseload, the average MaineCare weekly cycle payments through the first 17 weeks of FY 2013 increased since the last issue of the *Fiscal News*. These payments now average \$45.6 million, excluding \$26.3 million in hospital settlement payments. Although settlements for prior years are not included in this average, MaineCare weekly cycle payments do reflect the growth in hospital payments that result from new hospital reimbursement methodologies implemented in 2 stages, one at the beginning of last fiscal year and the other at the beginning of this fiscal year.

**General Fund Revenue Update****Total General Fund Revenue - FY 2013 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$303.3	\$281.2	(\$22.1)	-7.3%	\$303.6	-7.4%
FYTD	\$611.8	\$584.9	(\$26.9)	-4.4%	\$609.7	-4.1%

General Fund revenue was \$22.1 million (7.3%) under budget in September and ended the first quarter of FY 2013 with a negative variance of \$26.9 million (4.4%). Revenue for the first quarter of FY 2013 was 4.1% below the first quarter of FY 2012. All of the major taxes have fallen below budget through the first quarter of FY 2013. Preliminary data for October does not show any significant reversal in that trend.

Sales tax collections were under budget by \$0.9 million in September and \$9.6 million for the first quarter of FY 2013. September sales tax collections were much closer to budget than in August largely due to strong growth of meals and lodging sales in August collected in September. July taxable sales (August revenue) in these key tourism taxable sales components were worrisome, but the three-month average growth in these components was very strong. Representatives of the tourism industry thought that the relatively poor showing for July taxable sales was because the 4th of July fell on a Wednesday this year, which negated a long weekend opportunity for many potential tourists. Preliminary data for October indicate that this category will be under budget once again by roughly \$4 million.

Individual income tax revenue was \$6.2 million under budget in September and, as it was in August, the negative variance was largely due to withholding payments. With the negative variances in August and September, individual income tax collections have fallen \$4.8 million or 1.5% below budget through the first quarter of FY 2013. While withholding receipts account for most of this variance, estimated payments due in September fell \$3.2 million below budget and actually declined compared with last September.

Preliminary data for October are inconclusive with a large variance in withholding payments recorded outweighing other positive variances in this category. The withholding negative variance could be eliminated depending on the outcome of quarterly reporting receipts due at the end of the month.

The other category with a significant negative variance through the first quarter of FY 2013 is the Corporate Income Tax, which was below budget by \$5.7 million in September and \$13.2 million for the quarter. September estimated payments fell 21% below last September, significantly more than the decline projected in the current forecast. A positive variance in October's estimated payments will partially offset the negative variance, but final payments fell below budget in October, which more than offset the recovery in estimated payments leaving corporate income tax collections roughly \$14 million below budget through October.

In a presentation to the Appropriations Committee, the Commissioner of Administrative and Financial Services tried to alleviate some of the concern about the first quarter's performance. He noted a significant portion of the negative variance in the Sales and Use Tax was due to an overstated revenue accrual estimate that increased June 2012 and FY 2012 revenue and caused a much larger offsetting adjustment in August 2012 and FY 2013 revenue. There are some other timing issues that overstate the negative variance. The most significant of which are a \$2.8 million shortfall in Hospital Excise Tax payments budgeted in and due at the end of September and a \$1 million variance related to a payment from the Finance Authority of Maine. These negative variances will be offset by the end of November.

Highway Fund Revenue Update**Total Highway Fund Revenue - FY 2013 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$25.5	\$26.4	\$0.9	3.6%	\$24.9	6.2%
FYTD	\$61.6	\$63.6	\$2.0	3.2%	\$60.9	4.5%



Highway Fund Revenue Update (continued)

Highway Fund revenue was \$0.9 million (3.6%) over budget in September and was \$2.0 million (3.2%) over budget for the first quarter of FY 2013. Revenue growth for the first quarter of FY 2013 was 4.5% over the first quarter of FY 2012.

The positive variance through the first quarter was due primarily to strong collections of motor vehicle registration fees and title fees, which had positive variances of \$1.3 million and \$0.8 million, respectively through the first quarter of FY 2013. In October, there was a huge spike in title fee

revenue due to some unusual one-time revenue from the retitling of roughly 179,000 trailers in Maine.

Fuel taxes continue to exhibit significant volatility each month compared to budget that may be a significant contributor to the unusual growth for the first two months of FY 2013. Despite this variability from budget each month, fuel tax collections for the first quarter of FY 2013 are tracking close to budget in aggregate. However, gasoline tax collections are more than a \$1 million under budget in October.

Economic Forecast Update

The Consensus Economic Forecasting Commission (CEFC) met on Thursday, October 25th, to gather additional Maine specific data from various industry associations and to update the forecast in advance of its November 1st statutory reporting deadline.

The CEFC began the meeting with testimony from several major industry organizations. These presentations were more optimistic than one year ago, but there were still some issues identified that represent impediments to economic growth. These include a skills gap that makes it difficult to fill certain important positions, an aging population and some pending regulatory concerns.

Glenn Mills of Maine's Department of Labor presented employment data indicating that Maine is not doing worse than the nation despite the official estimates of the unemployment rate. He also cautioned regarding using the official estimates and pointed out the effects of the likely revisions to official data based on updated reporting. The estimates of the likely revisions indicated some job growth of roughly 6,800 jobs from June 2011 to June 2012. One of the strongest sectors was the Leisure and Hospitality sector, which reflected the addition of the Oxford Casino. Based on the likely revisions to the labor data, he also thought that the CEFC's growth forecast seems much more plausible as opposed to his assessment this past July at a joint retreat of the CEFC and the Revenue Forecasting Committee. The CEFC also received an update of the recent revenue performance from Michael Allen of

Maine Revenue Services, which is covered in the revenue update articles earlier in this publication.

After reviewing several forecast options and underlying assumptions developed by Moody's Analytics and IHS Global Insight, the major national economic forecasting entities, the CEFC decided to base their forecast on the Global Insight baseline forecast with some minor changes.

As part of its review of that forecast, the CEFC felt that it needed to get some additional background information from Global Insight and scheduled a follow-up meeting by conference call on Monday, October 29th. After reviewing the additional information, the CEFC made some additional modifications to the Global Insight forecast. Presented in the table on the next page are the major variables of the economic forecast compared to its February 2012 report. In general, the updated forecast predicts some modest improvement in the near term, but slower longer term growth than the previous forecast.

In adopting this forecast, the CEFC will include in its report a particularly strong note of caution. More so than any of their previous forecasts, the timing of this update is particularly inopportune falling just before a major national election that will likely affect the critical steps taken by the President of the United States and Congress to address the pending repeal for 2013 tax years of many of the Bush-era tax reductions and the automatic across-the-board federal budget cuts currently scheduled to take effect January 1, 2013. The combination of these has been referred as the "fiscal cliff."

**Economic Forecast Update (continued)**

Each of the national forecasts are based on assumptions that the President and Congress will agree to extend some or all of the tax cuts in 2013 and the automatic federal budget cuts will not take effect in 2013. The CEFC will be carefully watching federal action or inaction on the “fiscal cliff” and may react by meeting sooner than normal to address actions that are inconsistent with assumptions.

In the meantime, Maine Revenue Services will be using these updated economic assumptions in their tax models to develop recommendations for the Revenue Forecasting Committee, which will be meeting at the end of November to update their revenue forecast and comply with their statutory reporting deadline of December 1st.

Consensus Economic Forecasting Commission**Comparison of February 2012 and November 2012 Economic Forecasts**

<u>Calendar Years</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
• Wage & Salary Employment (Annual Percentage Change)						
> Consensus 2/2012	0.1%	0.8%	1.3%	1.4%		
> Consensus 11/2012	0.3%	0.7%	1.0%	1.0%	1.0%	0.8%
Difference	0.2%	-0.1%	-0.3%	-0.4%	1.0%	0.8%
• Personal Income (Annual Percentage Change)						
> Consensus 2/2012	3.0%	3.0%	4.7%	4.8%		
> Consensus 11/2012	3.5%	3.2%	4.1%	3.9%	4.2%	3.8%
Difference	0.5%	0.2%	-0.6%	-0.9%	4.2%	3.8%
• Consumer Price Index (Annual Percentage Change)						
> Consensus 11/2011	1.3%	1.9%	2.3%	2.1%		
> Consensus 2/2012	2.0%	1.3%	1.8%	1.7%	1.9%	1.9%
Difference	0.7%	-0.6%	-0.5%	-0.4%	1.9%	1.9%

State Expenditure Update

Total expenditures for the State’s operating funds increased by 0.8% during the first quarter of FY 2013 compared with the first quarter of FY 2012 (see table on the following page). General Fund expenditures and Other Special Revenue Funds (dedicated revenue accounts) declined by 1.6% and 3.5%, respectively. While Highway Fund expenditures increased modestly, the growth of operating fund expenditures results from a 5.5% increase in Federal Funds expenditures. Some unusual one-time adjustments and initiatives in MaineCare spending helped create this odd pattern of spending.

General Fund expenditures included a one-time payment of \$29.7 million during the first quarter of FY 2012 to repay federal targeted case management funds. If that one-time payment is removed, General

Fund spending would have grown by \$16.5 million or 2.0%. FY 2013 total General Fund appropriations are budgeted to be 2.4% below FY 2012 actual General Fund expenditures.

MaineCare spending explains much of the General Fund change in expenditures and explains virtually all of the Federal Funds expenditure growth. MaineCare federal matching fund expenditures increased by \$37.5 million (total expenditures growth for Federal Funds statewide was \$34.4 million) with \$16.7 million of the increase in Federal Fund spending tied to hospital settlement payments in the first quarter of FY 2013. Total MaineCare spending for hospital settlements during the first quarter of FY 2013 was \$26.3 million. There were no hospital settlement payments during FY 2012.

*State Expenditure Update (continued)***Operating Funds - Expenditures through 1st Quarter**

Operating Funds:	FY 2012	FY 2013	% Change
General Fund	\$848,940,624	\$835,753,696	-1.6%
Highway Fund	\$95,944,224	\$96,717,003	0.8%
Other Special Revenue Funds	\$216,223,942	\$208,715,120	-3.5%
Federal Funds	\$625,453,695	\$659,871,197	5.5%
Total Operating Funds	\$1,786,562,485	\$1,801,057,015	0.8%
General Fund Expenditures by Major Department			
Education	\$257,559,775	\$263,810,774	2.4%
Health and Human Services	\$312,721,223	\$294,566,042	-5.8%
Corrections	\$33,280,029	\$34,408,165	3.4%
Administrative and Financial Services	\$69,096,399	\$64,655,383	-6.4%
Other Departments and Agencies	\$176,283,197	\$178,313,331	1.2%
Highway Fund Expenditures by Major Department			
Transportation	\$78,442,565	\$79,888,164	1.8%
Secretary of State	\$8,595,831	\$8,908,657	3.6%
Public Safety	\$8,130,468	\$7,266,688	-10.6%
Other Departments and Agencies	\$775,360	\$653,495	-15.7%

MainePERS Investment Update

Maine Public Employees Retirement System (MainePERS) investments were up 4.7% for the quarter and 16.9% over the previous one year period. The total plan assets increased \$300 million for the quarter, from \$10.5 billion as of June 30, 2012 to \$10.8 billion as of September 30, 2012. The total fund increased approximately \$1.2 billion over the past 12 month period, from \$9.6 billion as of September 30, 2011 to \$10.8 billion as of September 30, 2012.

For the quarter ending September 30, 2012, U.S. stocks were up 6.2%, international stocks returned 7.4%, and the U.S. bond market increased by 1.6%. During that same time period, just over 93% of MainePERS asset allocation was in US Stocks (36.1%), U.S. Bonds (28.6%), International Stocks (23.6%), and Real Estate (5.2%). The balance was in

Opportunistic Strategies, Infrastructure, Private Equity and Cash.

The table below has the long-term return information as of September 30, 2012. Over the past 30 years, the fund has had an average return of 9.4% per year. It is important to realize that quarterly and annual performance can deviate significantly from this long-term average in any given year as illustrated by the return over the most recent 5 years, which shows the devastating effect of the recent recession on investment returns.

Because employer retirement contribution rates for the 2014-2015 biennium were established based on the returns and value for the total fund as of June 30, 2012, the most recent quarter's strong performance will not affect the upcoming biennial budget.

Long-Term Performance ending September 30, 2012					
(annualized performance)					
	1 Year	3 Years	5 Years	10 Years	30 Years
Total Fund	16.9%	8.7%	1.7%	7.9%	9.4%



Cash Update

The average total cash pool balance for September was \$434.5 million. This balance was \$50.0 million lower than last month, \$91.9 million less than last September and \$128.2 million less than the \$562.7 million average balance for September during the last 10 years.

Negative General Fund revenue variances and General Fund spending above cash flow projections have contributed to the General Fund cash position falling roughly \$40 million below projections. Internal cash flow borrowing averaged \$214.7 million in September, \$79.2 million higher than last September and \$44.7 million higher than in August. The question now is whether or not these variances from projections will more than offset the projected improvement in General Fund cash such that external borrowing will be required this fiscal year. The Office of the Controller and the Office of the Treasurer of State will be scrutinizing the General Fund cash position as we progress through the fiscal year.

Summary of Treasurer's Cash Pool

September Average Daily Balances

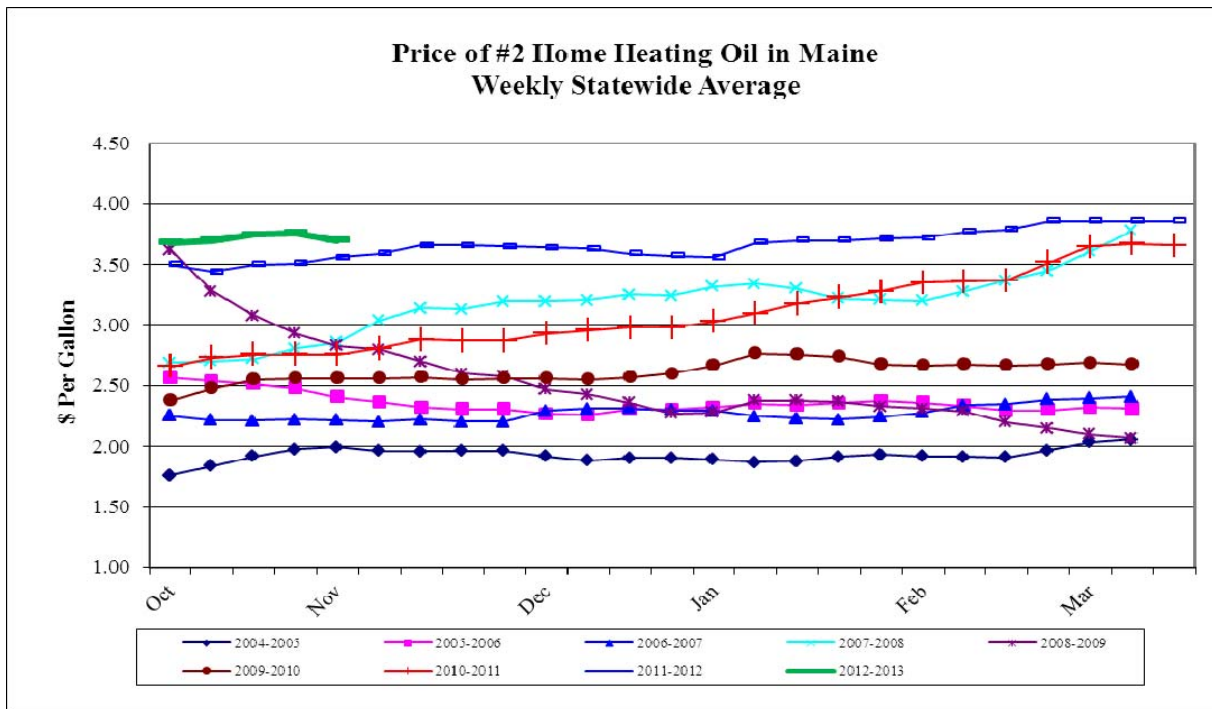
Millions of \$'s

	2011	2012
General Fund (GF) Total	\$38.7	\$39.7
General Fund (GF) Detail:		
Budget Stabilization Fund	\$71.5	\$44.8
Reserve for Operating Capital	\$17.1	\$17.1
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$135.5	\$214.7
Other General Fund Cash	(\$185.3)	(\$236.8)
Other Spec. Rev. - Interest to GF	\$51.7	(\$5.6)
Other State Funds - Interest to GF	\$24.8	\$16.0
Highway Fund	\$28.2	\$21.8
Other Spec. Rev. - Retaining Interest	\$44.9	\$66.6
Other State Funds	\$225.2	\$184.5
Independent Agency Funds	\$112.9	\$111.4
Total Cash Pool	\$526.4	\$434.5

Heating Oil Price Update

October begins the 2012-2013 winter heating season in Maine and the average price of #2 home heating oil is at \$3.70 per gallon as of October 29th, which is approximately \$0.14 per gallon or 3.9% higher than one year ago. As the chart below illustrates, the average price of home heating oil in Maine is the highest average price for Maine recorded at the beginning of a winter heating season. The U.S.

Energy Information Administration projects that the average household may spend approximately 19% more for home heating oil this winter versus last winter primarily due to a return to normal winter temperatures and assuming only a 2% increase in heating oil prices compared to last year. Temperatures in Maine were approximately 12.9% warmer than normal during the 2011-2012 winter heating season.





MaineCare Update

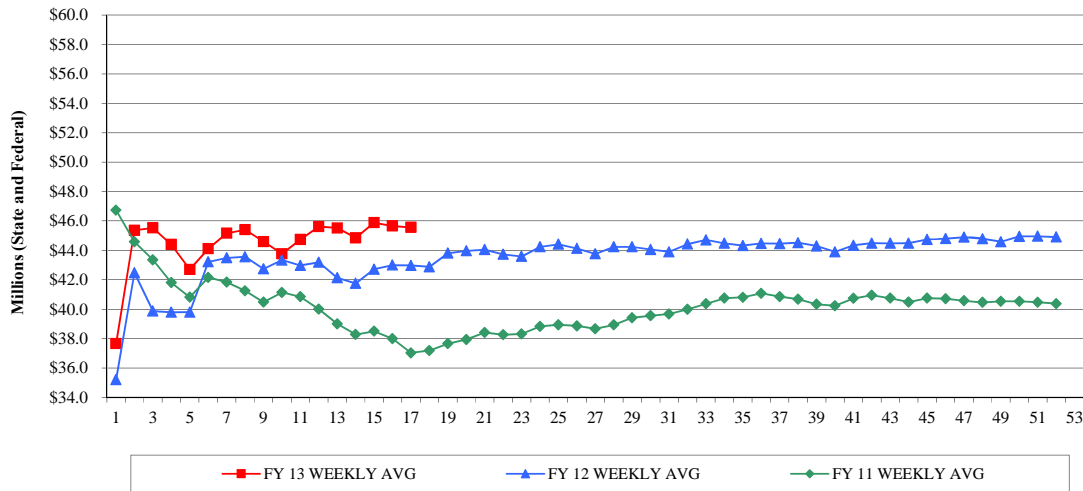
MaineCare Spending

The average weekly MaineCare cycle payments for FY 2013 through Week 17 was \$45.6 million (state and federal dollars), an increase from the weekly cycle average through Week 11 of \$44.7 million and the FY 2012 average of \$44.9 million. MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2013 as well as comparable payment cycle averages for FY 2011 and FY 2012. MaineCare Chart 2 summarizes the actual

cycles each week for FY 2013 and for FY 2011 and FY 2012.

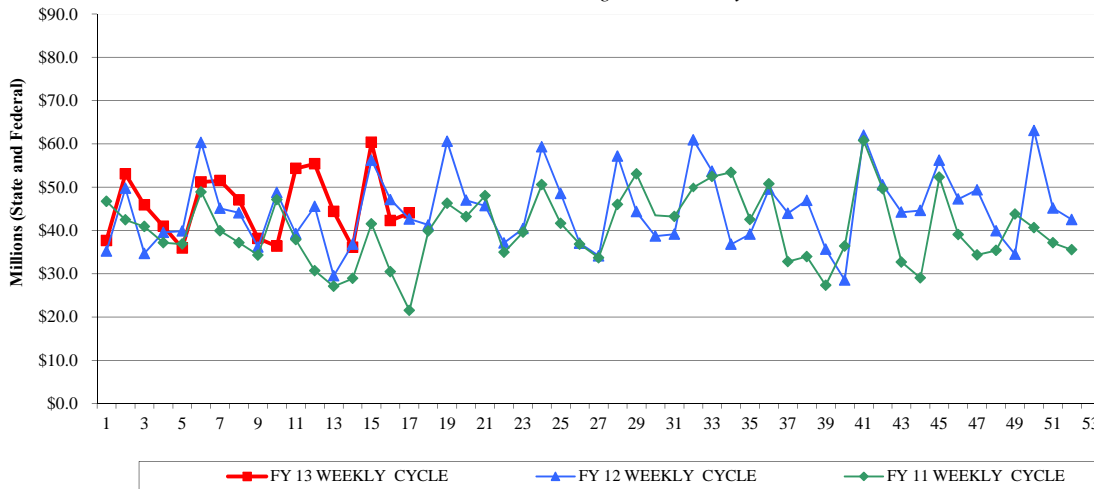
MaineCare Chart 1 continues to show fluctuations in the weekly cycle averages for FY 2013 reflecting the fluctuations in the underlying actual weekly cycles to date, however, the averages over the last six weeks have consistently stayed at or above the average for FY 2012. MaineCare Chart 2 shows that the “monthly billing” high-point for October was \$60.4 million, consistent with the FY 2012 “monthly billing” levels.

MaineCare Chart 1 - Weekly Cycle Averages - FY 11, FY 12 and FY 13
FY 13 Through 10/27/12 - Cycle 17



° FY 11 averages do not reflect MaineCare hospital settlements of \$227.7 million paid in the 3/18/11 (37th) and \$20.8 million paid in the 3/25/11 (38th) cycles. 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 11, FY 12 and FY 13
FY 13 Through 10/27/12 - Cycle 17



° FY 11 cycles do not include MaineCare hospital settlements of \$227.7 million paid in the 3/18/11 (37th) and \$20.8 million paid in the 3/25/11 (38th) cycles. FY 13 cycles do not reflect MaineCare hospital settlements of \$26.3 million paid in the 9/29/12 (13th) cycle.

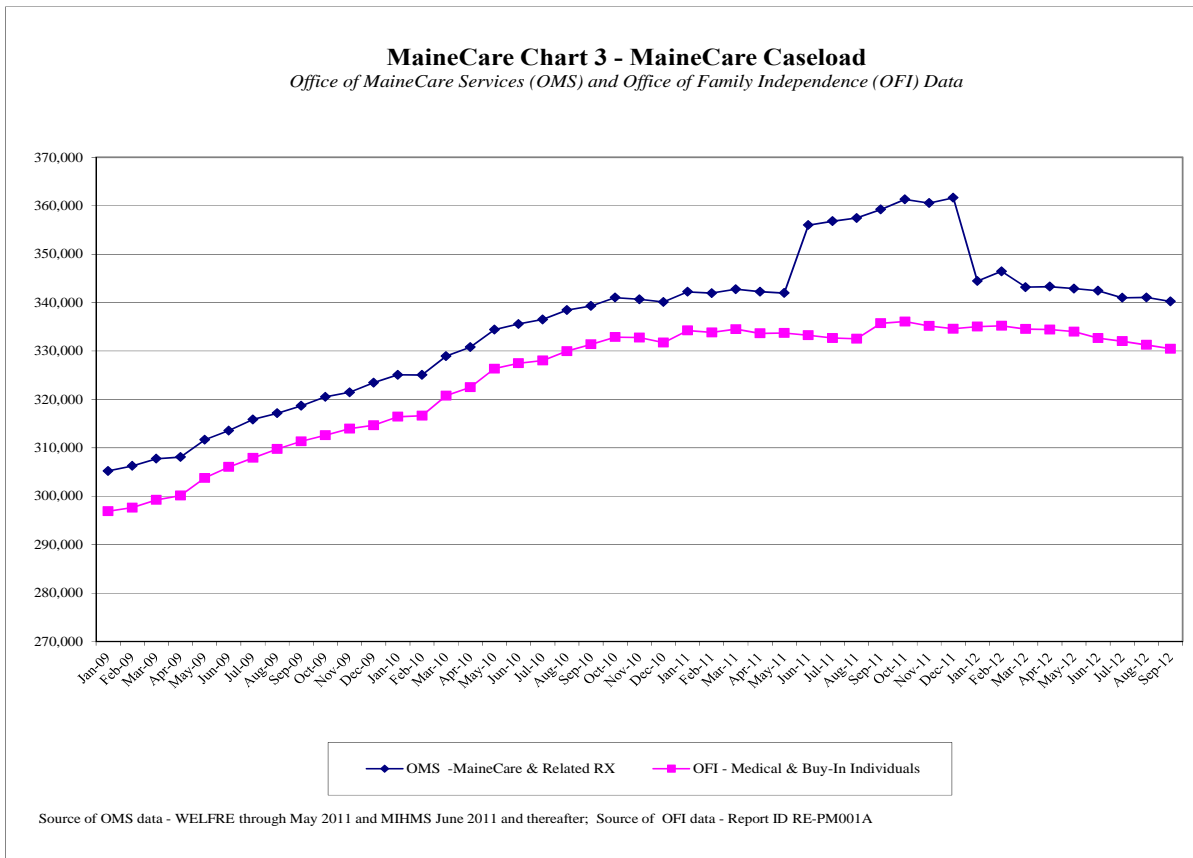


MaineCare Update (continued)

Over the first three months of FY 2013, the “monthly billing” high points had been below the \$60 million level (i.e., Week 2: \$53.1 million; Week 6: \$51.2 million; and Week 11 of \$54.3 million).

While not included in the MaineCare charts below, the September 29th cycle (Week 13) included \$26.3 million (state and federal dollars) in hospital settlement payments funded from the FY 2012 unappropriated surplus of the General Fund (a.k.a. the

“Cascade”) under the provisions of PL 2011, c. 380 Part QQ. The charts below do reflect the impact on MaineCare cycles from the increase in weekly MaineCare hospital payments resulting from the change to Diagnosis-Related Group (DRG) payments for non-critical access hospital inpatient services (effective July 1, 2011) and Ambulatory Payment Classifications (APC) payments for non-critical access hospital outpatient services (effective July 1, 2012).



MaineCare Caseload

MaineCare caseload data detail for September released by the Department of Health and Human Services’ (DHHS) Office of MaineCare Services (OMS) and by the DHHS Office of Family Independence (OFI) show decreases in September caseload from August levels. MaineCare Chart 3 compares the OMS and OFI caseload data. The two sources count MaineCare caseload differently but had been doing so consistently until the June 2011 switchover to the new Maine Integrated Health Management Solution (MIHMS) data source. This difference continued until the corrected January 2012 and March caseload data appears to have restored the historical relationship. Table 2 below includes

caseload data detail from June 2011 through August 2012 compiled using the MIHMS system and data from June 2010 through May 2011 compiled using the WELFRE system.

In aggregate, MaineCare caseload has decreased during the first nine months of calendar year 2012 and during first quarter of FY 2013, driven largely by decreases in the non-categorical adult waiver caseload as a result of the freeze on new enrollment. Other MaineCare eligibility categories have remained relatively stable during this period. It is important to note the trend in MaineCare caseload to date reflects the continued freeze in new enrollment in the non-categorical adult waiver but does not reflect other changes to MaineCare eligibility made during the 125th Legislature that have not yet taken effect.

**MaineCare Update (continued)**

MaineCare and Related Caseload Summary								
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
Detail for 12 Months thru May 2011								
Jun-10	236,604	10,279	5,200	21,108	15,397	6,613	40,380	335,581
Jul-10	237,337	10,329	5,257	21,176	15,048	6,710	40,649	336,506
Aug-10	238,279	10,300	5,297	20,938	15,496	6,692	40,919	337,921
Sep-10	238,949	10,449	5,332	20,944	15,855	6,692	41,078	339,299
Oct-10	239,502	10,483	5,371	20,931	16,778	6,741	41,228	341,034
Nov-10	239,390	10,480	5,399	21,033	16,355	6,718	41,292	340,667
Dec-10	239,176	10,478	5,491	21,024	15,789	6,746	41,427	340,131
Jan-11	239,421	10,411	5,531	20,974	17,446	6,830	41,620	342,233
Feb-11	239,742	10,201	5,469	20,748	17,106	6,830	41,846	341,942
Mar-11	241,095	10,040	5,507	20,738	16,714	6,955	41,702	342,751
Apr-11	241,114	10,054	5,485	20,708	16,197	6,957	41,734	342,249
May-11	241,298	9,984	5,543	20,691	15,659	6,963	41,836	341,974
Detail June 2011 through April 2012								
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>
Revised Jan-12	241,530	10,385	5,664	20,709	15,231	6,969	43,959	344,447
Feb-12	243,780	10,216	5,725	20,736	14,846	6,990	44,162	346,455
Mar-12	243,450	10,338	5,580	21,639	12,279	6,852	45,404	345,542
<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>
Revised Mar-12	241,720	9,912	5,668	20,471	14,308	6,932	44,174	343,185
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

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 September 2012 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, 2013 (FY 2013) September 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	September '12 Budget	September '12 Actual	September '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	99,722,022	98,778,982	(943,040)	202,770,438	193,214,608	(9,555,830)	-4.7%	-1.2%	1,015,901,512
Service Provider Tax	4,502,094	4,308,533	(193,561)	7,526,135	8,165,106	638,971	8.5%	15.3%	53,586,812
Individual Income Tax	144,900,000	138,687,996	(6,212,004)	316,649,714	311,878,997	(4,770,717)	-1.5%	-2.4%	1,437,134,214
Corporate Income Tax	38,366,163	32,666,791	(5,699,372)	50,230,316	37,043,406	(13,186,910)	-26.3%	-30.7%	204,177,901
Cigarette and Tobacco Tax	12,829,167	10,397,352	(2,431,815)	37,880,321	36,907,313	(973,008)	-2.6%	-2.5%	139,555,285
Insurance Companies Tax	214,425	(935,127)	(1,149,552)	1,251,468	2,232,242	980,774	78.4%	-17.3%	79,215,000
Estate Tax	3,270,482	1,647,680	(1,622,802)	3,270,482	5,908,923	2,638,441	80.7%	89.2%	42,736,287
Other Taxes and Fees *	15,457,421	11,481,560	(3,975,861)	33,674,016	30,503,534	(3,170,482)	-9.4%	21.3%	156,489,377
Fines, Forfeits and Penalties	2,194,386	2,017,671	(176,715)	6,344,020	6,219,190	(124,830)	-2.0%	-2.8%	25,145,756
Income from Investments	29,865	19,648	(10,217)	73,205	40,319	(32,886)	-44.9%	-49.5%	141,684
Transfer from Lottery Commission	5,052,893	4,202,778	(850,115)	13,137,501	12,679,359	(458,142)	-3.5%	-1.6%	52,550,000
Transfers to Tax Relief Programs *	(22,519,628)	(21,302,659)	1,216,969	(35,044,316)	(35,069,945)	(25,629)	-0.1%	2.4%	(110,914,175)
Transfers for Municipal Revenue Sharing	(3,242,638)	(2,005,010)	1,237,628	(23,054,378)	(22,778,534)	275,844	1.2%	3.7%	(94,592,750)
Other Revenue *	2,539,087	1,218,579	(1,320,508)	(2,876,650)	(2,013,276)	863,374	30.0%	-136.0%	55,107,725
Totals	303,315,739	281,184,774	(22,130,965)	611,832,272	584,931,243	(26,901,029)	-4.4%	-4.1%	3,056,234,628

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

General Fund Revenue Fiscal Year Ending June 30, 2013 (FY 2013) September 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	September '12 Budget	September '12 Actual	September '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	0	0	0	0	0	0	N/A	N/A	13,479,881
- Real Estate Transfer Tax	1,082,851	628,092	(454,759)	2,424,555	1,679,461	(745,094)	-30.7%	-6.2%	11,153,467
- Liquor Taxes and Fees	1,758,994	1,967,079	208,085	5,192,562	6,194,632	1,002,070	19.3%	1.6%	20,770,313
- Corporation Fees and Licenses	185,901	182,505	(3,396)	713,638	927,396	213,758	30.0%	24.0%	7,847,099
- Telecommunication Excise Tax	0	(493,878)	(493,878)	0	(493,878)	(493,878)	N/A	-788.9%	11,574,108
- Finance Industry Fees	1,904,581	2,003,895	99,314	5,713,743	5,975,945	262,202	4.6%	4.7%	23,265,980
- Milk Handling Fee	328,571	330,307	1,736	985,713	1,375,520	389,807	39.5%	382.5%	3,942,852
- Racino Revenue	1,458,873	786,445	(672,428)	4,376,619	2,760,228	(1,616,391)	-36.9%	-11.7%	17,506,617
- Boat, ATV and Snowmobile Fees	265,569	283,121	17,552	1,211,447	1,199,409	(12,038)	-1.0%	-6.1%	4,763,561
- Hunting and Fishing License Fees	892,232	1,029,538	137,306	4,495,727	5,021,972	526,245	11.7%	10.7%	16,214,189
- Other Miscellaneous Taxes and Fees	7,579,849	4,764,456	(2,815,393)	8,560,012	5,862,850	(2,697,162)	-31.5%	287.4%	25,971,310
Subtotal - Other Taxes and Fees	15,457,421	11,481,560	(3,975,861)	33,674,016	30,503,534	(3,170,482)	-9.4%	21.3%	156,489,377
Detail of Other Revenue:									
- Liquor Sales and Operations	2,292	1,050	(1,242)	6,876	7,950	1,074	15.6%	-11.7%	28,084,900
- Targeted Case Management (DHHS)	175,449	42,365	(133,084)	526,347	443,212	(83,135)	-15.8%	-82.1%	2,105,386
- State Cost Allocation Program	1,004,779	1,259,640	254,861	3,661,585	3,973,679	312,094	8.5%	27.9%	15,000,000
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	6,000,000
- Toursim Transfer	0	0	0	(6,121,789)	(6,121,789)	0	0.0%	-4.2%	(9,786,425)
- Transfer to Maine Milk Pool	(847,673)	(27,790)	819,883	(3,503,294)	(1,520,704)	1,982,590	56.6%	N/A	(6,667,897)
- Transfer to STAR Transportation Fund	0	0	0	(4,030,254)	(4,030,254)	0	0.0%	-94.5%	(6,157,681)
- Other Miscellaneous Revenue	2,204,240	(56,686)	(2,260,926)	6,583,879	5,234,630	(1,349,249)	-20.5%	-34.2%	26,529,442
Subtotal - Other Revenue	2,539,087	1,218,579	(1,320,508)	(2,876,650)	(2,013,276)	863,374	30.0%	-136.0%	55,107,725
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(13,400,600)	(7,629,887)	5,770,713	(21,670,168)	(21,328,619)	341,549	1.6%	-0.7%	(43,081,877)
- BETR - Business Equipment Tax Reimb.	(9,119,028)	(13,672,772)	(4,553,744)	(13,374,148)	(13,741,326)	(367,178)	-2.7%	6.9%	(47,632,583)
- BETE - Municipal Bus. Equip. Tax Reimb.	0	0	0	0	0	0	N/A	N/A	(20,199,715)
Subtotal - Tax Relief Transfers	(22,519,628)	(21,302,659)	1,216,969	(35,044,316)	(35,069,945)	(25,629)	-0.1%	2.4%	(110,914,175)
Inland Fisheries and Wildlife Revenue - Total	1,246,256	1,407,212	160,956	5,960,490	6,500,964	540,474	9.1%	6.9%	21,899,276

Highway Fund Revenue Fiscal Year Ending June 30, 2013 (FY 2013) September 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	September '12 Budget	September '12 Actual	September '12 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	19,453,752	19,388,137	(65,615)	38,662,848	38,548,464	(114,384)	-0.3%	0.0%	197,590,000
- Special Fuel and Road Use Taxes	4,616,603	4,019,972	(596,631)	7,267,176	7,080,158	(187,018)	-2.6%	6.3%	44,850,000
- Transcap Transfers - Fuel Taxes	(1,768,165)	(1,719,326)	48,839	(4,932,510)	(4,911,672)	20,838	0.4%	-0.6%	(17,804,916)
- Other Fund Gasoline Tax Distributions	(486,479)	(484,902)	1,577	(1,388,209)	(1,385,413)	2,796	0.2%	7.0%	(4,941,133)
Subtotal - Fuel Taxes	21,815,711	21,203,880	(611,831)	39,609,305	39,331,537	(277,768)	-0.7%	1.3%	219,693,951
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	4,317,056	5,258,148	941,092	15,597,426	16,915,919	1,318,493	8.5%	6.7%	64,805,936
- License Plate Fees	287,805	374,531	86,726	961,739	1,139,651	177,912	18.5%	8.9%	3,351,681
- Long-term Trailer Registration Fees	255,170	296,296	41,126	984,820	1,215,571	230,751	23.4%	21.9%	9,384,523
- Title Fees	905,357	1,670,132	764,775	2,997,373	3,869,151	871,778	29.1%	27.5%	11,905,216
- Motor Vehicle Operator License Fees	736,681	702,590	(34,092)	2,231,067	2,250,623	19,556	0.9%	6.8%	8,761,371
- Transcap Transfers - Motor Vehicle Fees	(3,825,255)	(4,329,043)	(503,788)	(3,825,255)	(4,329,043)	(503,788)	-13.2%	-11.6%	(14,966,712)
Subtotal - Motor Vehicle Reg. & Fees	2,676,814	3,972,653	1,295,839	18,947,170	21,061,872	2,114,702	11.2%	9.9%	83,242,015
Motor Vehicle Inspection Fees	248,540	257,355	8,815	745,620	980,353	234,733	31.5%	39.4%	2,982,500
Other Highway Fund Taxes and Fees	96,583	94,902	(1,681)	318,347	325,322	6,975	2.2%	-8.3%	1,276,365
Fines, Forfeits and Penalties	76,861	100,804	23,943	239,482	285,700	46,218	19.3%	13.3%	993,049
Interest Earnings	9,270	6,469	(2,801)	27,810	17,103	(10,707)	-38.5%	-4.6%	111,259
Other Highway Fund Revenue	576,744	794,942	218,198	1,732,909	1,597,917	(134,992)	-7.8%	2.6%	8,380,404
Totals	25,500,523	26,431,005	930,482	61,620,643	63,599,804	1,979,161	3.2%	4.5%	316,679,543