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Maine State Legislature

Office of Fiscal and Program Review

Grant T. Pennoyer
Maine State Legislature, grant.pennoyer@legislature.maine.gov

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General Fund revenue was over budget for the month of December and the first half of FY 2012. The December variance reflects a new monthly distribution of budgeted revenue based on the December 2011 Revenue Forecast and actual performance through November. Highway Fund revenue was also over budget for the first half of FY 2012 despite a very poor performance for gasoline tax collections in December. The good news in the December revenue report will be short-lived as January preliminary data suggests some widespread negative variances in January revenue.

The Consensus Economic Forecasting Commission (CEFC) reviewed their November 2011 economic forecast at the end of January and recommended no changes to their forecast of slow economic growth. The CEFC ignored some updated federal data on personal income that reflected a sizeable drop in wage and salary growth in 2011, which was inconsistent with State revenue data. The Revenue Forecasting Committee (RFC) will meet on February 22nd to revise the revenue forecast. While the RFC will not have to address underlying economic changes, they will have to grapple with January’s poor revenue performance and some other non-economic effects on the revenue forecast.

A major concern and one of the risks to the economic and revenue forecasts remains the price of heating oil and its effect on Maine consumers. While prices moderated in December, January was slightly higher. A mild winter has helped mitigate the potentially significant effects of these costs on the Maine consumer.

Cash balances are starting to show the adverse effects of the MaineCare funding shortfall and the one-day borrowing from Other Special Revenue Funds. In November and December, General Fund internal cash flow borrowing started a trend that will push this borrowing above FY 2011 amounts, despite improved reserve balances.

A strong performance in U.S. equities markets last quarter provided a substantial increase in the assets of the Maine Public Employees Retirement System with just two quarters remaining before establishing the valuation that will set retirement contribution rates for the 2014-2015 biennium.

Work continues on a supplemental budget bill to address a significant MaineCare budget shortfall. The Governor has been urging the Legislature to enact his proposals by early February, but the policy choices presented in the bill have made negotiations difficult for the Legislature. Weekly MaineCare cycle payments remain very high with the average through 29 weeks in FY 2012 at $44.2 million per week.
General Fund Revenue Update

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Var.</th>
<th>% Var.</th>
<th>Prior Year</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>$244.4</td>
<td>$250.7</td>
<td>$6.3</td>
<td>2.6%</td>
<td>$237.3</td>
<td>5.6%</td>
</tr>
<tr>
<td>FYTD</td>
<td>$1,303.8</td>
<td>$1,312.6</td>
<td>$8.9</td>
<td>0.7%</td>
<td>$1,283.5</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

General Fund revenue was over budget by $6.3 million (2.6%) for December and $8.9 million (0.7%) over budget for the fiscal year-to-date (FYTD). For the first half of FY 2012, General Fund revenue grew at 2.3% compared with the same period last fiscal year. The December revenue report now reflects the December 2011 revenue forecast, which increased budgeted revenue by $10.6 million in FY 2012. The December report also reflects a new monthly distribution that was updated for actual revenue performance through November.

January preliminary data indicate that there are negative variances in most of the major taxes that will potentially more than offset the positive variance built up through the first half of FY 2012. The major contributor to the positive variance through the first half of FY 2012 was the Corporate Income Tax, which was over budget by $5.6 million through December. However, estimated payments fell well short of budget in January, based on preliminary data, and will reverse that positive variance when the January revenue report is released.

Individual income tax estimated payments were also disappointing in January and may be as much as $10 million under projections. A large batch of refunds at the end of January also will result in refunds running ahead of projections, a negative revenue variance, by roughly $10 million in January.

Sales tax collections in January, primarily reflecting December 2011 taxable sales, will be under budget by roughly $5 million. The holiday shopping season that started out relatively well in November appears to have fizzled in December.

Cigarette and Tobacco Tax revenue was under budget by $1.9 million due to some month-end tax receivable adjustments, but appears to have fared better in January.

The other major negative variance through December was fine revenue. For the first half of FY 2012, this category has fallen $1.0 million (17.2%) below budget despite the $1.7 million FY 2012 downward adjustment for this category in the December 2011 revenue forecast. January revenue will again be under budget by more than $0.5 million. This shortfall is the result of a substantial drop in the number of traffic infractions filed in the Violations Bureau of the Judicial Department.

Highway Fund Revenue Update

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Var.</th>
<th>% Var.</th>
<th>Prior Year</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>$23.7</td>
<td>$23.1</td>
<td>($0.6)</td>
<td>-2.7%</td>
<td>$22.7</td>
<td>1.7%</td>
</tr>
<tr>
<td>FYTD</td>
<td>$141.2</td>
<td>$142.2</td>
<td>$1.0</td>
<td>0.7%</td>
<td>$140.0</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Highway Fund revenue was under budget by $0.6 million (2.7%) for December, but remained over budget for the FYTD by $1.0 million (0.7%). Fuel Taxes revenue performed poorly relative to budget in December and has fallen $0.7 million under budget for the FYTD. Within this category, the Gasoline Tax was adjusted upward in FY 2012 by almost $2.0 million assuming gasoline prices would decline. Recent gasoline price increases have obviously been contrary to that assumption and gasoline tax collections were more than $1.0 million under budget through January based on preliminary data.

Bureau of Motor Vehicles revenue had been performing very well and its positive variances were more than sufficient to offset the negative variances in Fuel Taxes, at least through the first half of FY 2012. Preliminary January revenue figures for the Bureau of Motor Vehicles appear to be much closer to budget and will no longer be sufficient to offset the shortfall in fuel tax collections.
Economic Forecast Update

The Consensus Economic Forecasting Commission met on Thursday, January 26 to review and revise the November 2011 forecast. The key elements of the review were an examination of the “tracking” of the macroeconomic data with forecast values, the consistency of actual revenue collections with the revised revenue forecast based on the November CEFC baseline and the revisions in other macroeconomic forecasts for Maine.

Given the short period of time that has passed since the October CEFC forecast, there were only minor deviations of actual macroeconomic data from the forecast values, and the November 2011 forecast trends generally remain within the center of alternative macroeconomic outlooks. One area of some potential concern is in income growth, where preliminary estimates from the Bureau of Economic Analysis indicate that total personal income in Maine grew by 3.1% and wage-and-salary income grew 1.4% year-over-year for the first three quarters of 2011. These growth rates are substantially below the growth rates indicated by preliminary data from the Maine Department of Labor, and are lower than the growth rates indicated by changes in income tax receipts from Maine Revenue Services.

Apart from the uncertainty around the growth in personal income and its components, there were few significant changes in most economic indicators, observed actual economic performance or other economic forecasts. As a result, the CEFC has left the November 2011 forecast in place without change. The principle risks to the forecast are the depths and longevity of the continuing economic crisis in Europe, prospects for global economic growth, and uncertainty in energy markets.

MainePERS Investment Update

Maine Public Employees Retirement System (MainePERS) investments were up 5.7% for the second quarter of fiscal year 2012 and 0.2% over the previous one year period. The total fund increased $0.5 billion over the quarter, from $9.6 billion as of September 30, 2011 to $10.1 billion as of December 31, 2011, due primarily to U.S. stocks increasing approximately 12.0% over the same time period. International stocks and U.S. bonds were also up in the second quarter, increasing 3.7% and 1.1%, respectively.

The table below has the long-term return information as of December 31, 2011. 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.

It is also important to remember that this performance will not affect the rates for the 2012-2013 biennium, which were established based on the returns and value for the total fund as of June 30, 2010. The performance over the next 2 quarters will be critical to the next rate adjustment which will set rates for the 2014-2015 biennium based on values as of June 30, 2012.

<table>
<thead>
<tr>
<th>Long-Term Performance ending December 31, 2011 (annualized performance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>Total Fund</td>
</tr>
</tbody>
</table>
Heating Oil Price Update

The average price of #2 home heating oil in Maine rose $.014 per gallon, or 3.9% during January 2012, from $3.57 per gallon as of the end of December to $3.71 per gallon as of the end of January. The average price for the first 4 months of the winter heating season is approximately 15.7%, or $0.50 per gallon higher than one year ago. As the chart below illustrates, the average price of home heating oil in Maine is at the highest average price for Maine ever recorded for the first four months of a winter heating season. Warmer than normal temperatures from October through January of this year (approximately 12.5% warmer than normal and 11.8% warmer than the same time period last year) have helped mitigate the impact on consumers.

Cash Update

The average total cash pool balance for December was $453.8 million, $59.2 million less than one year ago. However, General Fund internal cash flow borrowing, which had been below FY 2011 amounts through October, increased above FY 2011 levels by $2.5 million in November and $13.5 million in December. This decline in the General Fund cash position was expected as a result of the $43 million General Fund borrowing from Other Special Revenue Funds to balance the FY 2012 General Fund budget. The recent increases of MaineCare weekly cycle payments also have contributed to the declining cash position. Some new concerns are being voiced in light of the poor General Fund revenue performance in January.

Summary of Treasurer's Cash Pool

<table>
<thead>
<tr>
<th>December Average Daily Balances</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund (GF) Total</td>
<td>$28.0</td>
<td>$24.6</td>
</tr>
<tr>
<td>General Fund (GF) Detail:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Stabilization Fund</td>
<td>$25.4</td>
<td>$71.5</td>
</tr>
<tr>
<td>Reserve for Operating Capital</td>
<td>$11.2</td>
<td>$17.1</td>
</tr>
<tr>
<td>Tax Anticipation Notes</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Internal Borrowing</td>
<td>$180.0</td>
<td>$193.5</td>
</tr>
<tr>
<td>Other General Fund Cash</td>
<td>($188.6)</td>
<td>($257.6)</td>
</tr>
<tr>
<td>Other Spec. Rev. - Interest to GF</td>
<td>$12.4</td>
<td>($5.7)</td>
</tr>
<tr>
<td>Other State Funds - Interest to GF</td>
<td>$14.8</td>
<td>$25.8</td>
</tr>
<tr>
<td>Highway Fund</td>
<td>$55.5</td>
<td>$29.8</td>
</tr>
<tr>
<td>Other Spec. Rev. - Retaining Interest</td>
<td>$55.3</td>
<td>$25.5</td>
</tr>
<tr>
<td>Other State Funds</td>
<td>$234.1</td>
<td>$237.8</td>
</tr>
<tr>
<td>Independent Agency Funds</td>
<td>$113.0</td>
<td>$116.1</td>
</tr>
<tr>
<td><strong>Total Cash Pool</strong></td>
<td><strong>$513.1</strong></td>
<td><strong>$453.8</strong></td>
</tr>
</tbody>
</table>
MaineCare Update

MaineCare Spending

The average weekly MaineCare cycle for FY 2012 through Week 29 was $44.2 million (state and federal dollars), a slight decrease from the average through Week 25 of $44.4 million and a continued significant increase over the MaineCare weekly cycle averages for FY 2011 of $40.4 million and for FY 2010 of $42.0 million. While FY 2012 MaineCare cycles continue to fluctuate, the sustained increase in the cycle average to date continues to suggest a significant increase in FY 2012 MaineCare spending over FY 2011 spending and FY 2012 budgeted levels. MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2012 as well as comparable payment cycle averages for FYs 2010 and 2011. The chart shows the sustained FY 2012 weekly average of approximately $44 million over the last 11 weeks. MaineCare Chart 2 on the next page summarizes the actual cycles each week for FY 2012 and for FY’s 2010 and 2011. Chart 2 shows five distinct FY 2012 weekly cycles of approximately $60 million (weeks 6, 15, 19, 24 and 28) that are a significant cause of the increase in the FY 2012 cycle average to date. The causes of these “high cycles” and whether they repeat this year will play a major role in determining the extent that FY 2012 MaineCare spending exceeds budgeted levels.

MaineCare Caseload

MaineCare caseload data through December 2011 is presented in the table on page 7. Data from June 2011 through December 2011 were compiled using the new Maine Integrated Health Management System (MIHMS). Data from July 2010 through May 2011 were "re-calculated" using the new system. The re-calculated data allow for an analysis of trend over the last 18 months. While MaineCare caseload remains at historically high levels, recent months have seen a moderation in the sustained growth experienced over the previous three years. As shown in MaineCare Chart 3 on the next page, the MaineCare caseload in recent months has remained relatively stable after controlling for the monthly fluctuations caused by decisions to open and close the non-categorical adult waiver and fluctuations in the Medicare Savings Program/DEL programs. The growth rate that peaked at 6.5% annual growth for the twelve-month period ending in December 2009 (see June 2011 Fiscal News) has continued to moderate in recent months.
MaineCare Update (continued)

MaineCare Chart 2 - Weekly Cycles - FY 10, FY 11 and FY 12
FY 12 Through 1/20/12 - Cycle 29

- 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 10 cycles do not reflect the $132.5 million in MaineCare hospital settlements paid in the 10/23/09 (17th) cycle but do reflect the delayed FY 09 hospital and long-term care payments paid in the first weekly cycle of FY 10.

MaineCare Chart 3 - MaineCare Caseload
(w/out Non-Categorical Adult Waiver and MSP/DEL Programs)
Through December 2011

- Caseload (individuals)
- % Change - 6 Month Moving Total
**MaineCare Update (continued)**

**MaineCare and Related Caseload Summary**

<table>
<thead>
<tr>
<th>Month</th>
<th>Traditional Medicaid</th>
<th>SCHIP Medicaid Expansion</th>
<th>SCHIP &quot;Cub Care&quot;</th>
<th>Medicaid Expansion Parents ≤ 150% FPL</th>
<th>Non-Categorical Adults ≤ 100% FPL</th>
<th>Medicaid Expansion Parents &gt;150% FPL</th>
<th>MSP and DEL/Me Rx</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-10</td>
<td>242,810</td>
<td>9,459</td>
<td>5,381</td>
<td>20,067</td>
<td>16,139</td>
<td>6,914</td>
<td>40,243</td>
<td>341,013</td>
</tr>
<tr>
<td>Aug-10</td>
<td>244,839</td>
<td>9,530</td>
<td>5,434</td>
<td>20,116</td>
<td>16,706</td>
<td>6,999</td>
<td>40,265</td>
<td>343,889</td>
</tr>
<tr>
<td>Sep-10</td>
<td>245,903</td>
<td>9,633</td>
<td>5,520</td>
<td>20,233</td>
<td>17,815</td>
<td>7,027</td>
<td>40,595</td>
<td>346,726</td>
</tr>
<tr>
<td>Oct-10</td>
<td>246,600</td>
<td>9,645</td>
<td>5,572</td>
<td>20,302</td>
<td>17,422</td>
<td>7,088</td>
<td>40,866</td>
<td>347,495</td>
</tr>
<tr>
<td>Nov-10</td>
<td>247,267</td>
<td>9,590</td>
<td>5,641</td>
<td>20,381</td>
<td>17,146</td>
<td>7,112</td>
<td>41,105</td>
<td>348,242</td>
</tr>
<tr>
<td>Dec-10</td>
<td>247,725</td>
<td>9,650</td>
<td>5,730</td>
<td>20,503</td>
<td>16,832</td>
<td>7,218</td>
<td>41,473</td>
<td>349,131</td>
</tr>
<tr>
<td>Jan-11</td>
<td>248,561</td>
<td>9,770</td>
<td>5,800</td>
<td>20,667</td>
<td>18,756</td>
<td>7,373</td>
<td>41,790</td>
<td>352,717</td>
</tr>
<tr>
<td>Feb-11</td>
<td>249,277</td>
<td>9,616</td>
<td>5,790</td>
<td>20,548</td>
<td>18,373</td>
<td>7,443</td>
<td>42,117</td>
<td>353,164</td>
</tr>
<tr>
<td>Mar-11</td>
<td>250,522</td>
<td>9,691</td>
<td>5,819</td>
<td>20,726</td>
<td>18,002</td>
<td>7,612</td>
<td>42,311</td>
<td>354,683</td>
</tr>
<tr>
<td>Apr-11</td>
<td>250,497</td>
<td>9,834</td>
<td>5,824</td>
<td>20,955</td>
<td>17,520</td>
<td>7,697</td>
<td>42,600</td>
<td>354,927</td>
</tr>
<tr>
<td>May-11</td>
<td>251,361</td>
<td>9,911</td>
<td>5,856</td>
<td>21,278</td>
<td>17,142</td>
<td>7,709</td>
<td>42,824</td>
<td>356,081</td>
</tr>
<tr>
<td>Jun-11</td>
<td>251,147</td>
<td>10,110</td>
<td>5,835</td>
<td>21,465</td>
<td>16,629</td>
<td>7,715</td>
<td>43,090</td>
<td>355,991</td>
</tr>
<tr>
<td>Aug-11</td>
<td>252,163</td>
<td>10,434</td>
<td>5,841</td>
<td>21,809</td>
<td>15,853</td>
<td>7,752</td>
<td>43,610</td>
<td>357,462</td>
</tr>
<tr>
<td>Sep-11</td>
<td>250,207</td>
<td>10,588</td>
<td>5,834</td>
<td>22,059</td>
<td>18,957</td>
<td>7,713</td>
<td>43,871</td>
<td>359,229</td>
</tr>
<tr>
<td>Oct-11</td>
<td>251,932</td>
<td>10,874</td>
<td>5,825</td>
<td>22,566</td>
<td>18,819</td>
<td>7,862</td>
<td>43,437</td>
<td>361,315</td>
</tr>
<tr>
<td>Nov-11</td>
<td>252,087</td>
<td>10,741</td>
<td>5,829</td>
<td>21,884</td>
<td>18,496</td>
<td>7,850</td>
<td>43,667</td>
<td>360,554</td>
</tr>
<tr>
<td>Dec-11</td>
<td>253,016</td>
<td>10,943</td>
<td>5,817</td>
<td>21,977</td>
<td>18,023</td>
<td>7,929</td>
<td>43,940</td>
<td>361,645</td>
</tr>
</tbody>
</table>

**Change**

- Latest month: 929, 202, -12, 93, -473, 79, 273, 1,091

Note: Beginning with its June 2011 MaineCare Caseload report, the 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 December 2011 compiled using the new system and data from July 2010 though May 2011 "re-calculated" using the new system.

**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-CCHIP)** (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** (effective 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, 2012 (FY 2012)
#### December 2011 Revenue Variance Report

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>December '11 Budget</th>
<th>December '11 Actual</th>
<th>December '11 Variance</th>
<th>Fiscal Year-To-Date Budget</th>
<th>Fiscal Year-To-Date Actual</th>
<th>Fiscal Year-To-Date Variance</th>
<th>% Change from Prior Year</th>
<th>% Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Use Tax</td>
<td>72,084,258</td>
<td>72,847,656</td>
<td>763,398</td>
<td>435,268,265</td>
<td>436,031,663</td>
<td>763,398</td>
<td>0.2%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Service Provider Tax</td>
<td>4,283,149</td>
<td>4,382,858</td>
<td>99,709</td>
<td>19,959,513</td>
<td>20,059,222</td>
<td>99,709</td>
<td>0.5%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>130,737,575</td>
<td>131,017,425</td>
<td>279,850</td>
<td>681,595,311</td>
<td>681,875,161</td>
<td>279,850</td>
<td>0.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>39,395,953</td>
<td>45,009,365</td>
<td>5,613,412</td>
<td>103,837,483</td>
<td>109,441,574</td>
<td>5,604,091</td>
<td>5.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Cigarette and Tobacco Tax</td>
<td>11,793,559</td>
<td>9,802,431</td>
<td>(1,991,128)</td>
<td>74,832,200</td>
<td>72,918,194</td>
<td>(1,914,006)</td>
<td>-2.6%</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Insurance Companies Tax</td>
<td>37,281</td>
<td>9,989</td>
<td>(27,292)</td>
<td>12,159,482</td>
<td>14,479,696</td>
<td>2,320,214</td>
<td>19.1%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Estate Tax</td>
<td>2,555,612</td>
<td>2,916,665</td>
<td>361,053</td>
<td>12,204,352</td>
<td>12,565,287</td>
<td>360,935</td>
<td>3.0%</td>
<td>-32.1%</td>
</tr>
<tr>
<td>Other Taxes and Fees *</td>
<td>4,304,683</td>
<td>4,546,498</td>
<td>241,815</td>
<td>55,340,210</td>
<td>55,334,977</td>
<td>(5,233)</td>
<td>0.0%</td>
<td>-16.2%</td>
</tr>
<tr>
<td>Fines, Forfeits and Penalties</td>
<td>2,043,633</td>
<td>1,772,880</td>
<td>(270,753)</td>
<td>12,605,454</td>
<td>11,647,202</td>
<td>(958,252)</td>
<td>-7.6%</td>
<td>-17.2%</td>
</tr>
<tr>
<td>Income from Investments</td>
<td>(1,183)</td>
<td>38,111</td>
<td>39,294</td>
<td>122,602</td>
<td>184,510</td>
<td>61,908</td>
<td>50.5%</td>
<td>37.8%</td>
</tr>
<tr>
<td>Transfer from Lottery Commission</td>
<td>4,783,038</td>
<td>5,155,723</td>
<td>372,685</td>
<td>25,828,404</td>
<td>26,689,130</td>
<td>860,726</td>
<td>3.3%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Transfers to Tax Relief Programs *</td>
<td>(22,476,794)</td>
<td>(23,055,637)</td>
<td>(578,843)</td>
<td>(90,001,527)</td>
<td>(90,580,328)</td>
<td>(578,801)</td>
<td>-0.6%</td>
<td>-18.4%</td>
</tr>
<tr>
<td>Transfers for Municipal Revenue Sharing</td>
<td>(7,336,709)</td>
<td>(7,336,709)</td>
<td>0</td>
<td>(48,714,253)</td>
<td>(48,714,252)</td>
<td>1</td>
<td>0.0%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Other Revenue *</td>
<td>2,169,545</td>
<td>3,568,126</td>
<td>1,398,581</td>
<td>8,748,819</td>
<td>10,713,680</td>
<td>1,964,861</td>
<td>22.5%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Totals</td>
<td>244,373,600</td>
<td>250,675,382</td>
<td>6,301,782</td>
<td>1,303,786,315</td>
<td>1,312,645,714</td>
<td>8,859,399</td>
<td>0.7%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

* Additional detail by subcategory for these categories is presented on the following page.
### General Fund Revenue

**Fiscal Year Ending June 30, 2012 (FY 2012)**

**December 2011 Revenue Variance Report**

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>December '11 Budget</th>
<th>December '11 Actual</th>
<th>December '11 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Detail of Other Taxes and Fees:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Property Tax - Unorganized Territory</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Real Estate Transfer Tax</td>
<td>727,053</td>
<td>484,600</td>
<td>(242,453)</td>
</tr>
<tr>
<td>- Liquor Taxes and Fees</td>
<td>1,436,022</td>
<td>1,509,630</td>
<td>73,608</td>
</tr>
<tr>
<td>- Corporation Fees and Licenses</td>
<td>142,375</td>
<td>166,724</td>
<td>24,349</td>
</tr>
<tr>
<td>- Telecommunication Personal Prop. Tax</td>
<td>(2,646,902)</td>
<td>(2,644,174)</td>
<td>2,728</td>
</tr>
<tr>
<td>- Finance Industry Fees</td>
<td>1,904,581</td>
<td>2,193,050</td>
<td>288,469</td>
</tr>
<tr>
<td>- Milk Handling Fee</td>
<td>96,945</td>
<td>96,945</td>
<td>0</td>
</tr>
<tr>
<td>- Racino Revenue</td>
<td>740,341</td>
<td>740,341</td>
<td>0</td>
</tr>
<tr>
<td>- Boat, ATV and Snowmobile Fees</td>
<td>145,756</td>
<td>145,755</td>
<td>(1)</td>
</tr>
<tr>
<td>- Hunting and Fishing License Fees</td>
<td>941,069</td>
<td>941,069</td>
<td>0</td>
</tr>
<tr>
<td>- Other Miscellaneous Taxes and Fees</td>
<td>817,443</td>
<td>912,559</td>
<td>95,116</td>
</tr>
<tr>
<td><strong>Subtotal - Other Taxes and Fees</strong></td>
<td>4,304,683</td>
<td>4,546,498</td>
<td>241,815</td>
</tr>
<tr>
<td><strong>Detail of Other Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Liquor Sales and Operations</td>
<td>1,593</td>
<td>3,000</td>
<td>1,407</td>
</tr>
<tr>
<td>- Targeted Case Management (DHHS)</td>
<td>295,841</td>
<td>295,841</td>
<td>0</td>
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<tr>
<td>- State Cost Allocation Program</td>
<td>224,006</td>
<td>957,474</td>
<td>733,468</td>
</tr>
<tr>
<td>- Unclaimed Property Transfer</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Tourism Transfer</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>- Transfer to Maine Milk Pool</td>
<td>(50,983)</td>
<td>(14,977)</td>
<td>36,006</td>
</tr>
<tr>
<td>- Transfer to STAR Transportation Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Other Miscellaneous Revenue</td>
<td>1,699,088</td>
<td>2,326,788</td>
<td>627,700</td>
</tr>
<tr>
<td><strong>Subtotal - Other Revenue</strong></td>
<td>2,169,545</td>
<td>3,568,126</td>
<td>1,398,581</td>
</tr>
<tr>
<td><strong>Detail of Transfers to Tax Relief Programs:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Me. Resident Prop. Tax Program (Circuitbreaker)</td>
<td>(2,000,000)</td>
<td>(2,470,496)</td>
<td>(470,496)</td>
</tr>
<tr>
<td>- BETR - Business Equipment Tax Reimb.</td>
<td>(7,153,222)</td>
<td>(6,360,566)</td>
<td>792,656</td>
</tr>
<tr>
<td>- BETE - Municipal Bus. Equip. Tax Reimb.</td>
<td>(13,323,572)</td>
<td>(14,224,575)</td>
<td>(901,003)</td>
</tr>
<tr>
<td><strong>Subtotal - Tax Relief Transfers</strong></td>
<td>(22,476,794)</td>
<td>(23,055,637)</td>
<td>(578,843)</td>
</tr>
<tr>
<td><strong>Inland Fisheries and Wildlife Revenue - Total</strong></td>
<td>1,163,132</td>
<td>1,199,463</td>
<td>36,331</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year-To-Date</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>% Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>December '11 budget</td>
<td>12,414,698</td>
<td>12,043,355</td>
<td>(371,343)</td>
<td>-3.0% 1.2%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>3,857,054</td>
<td>3,845,837</td>
<td>(11,217)</td>
<td>-0.3% 50.3%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>10,503,280</td>
<td>10,881,157</td>
<td>377,877</td>
<td>3.6% 0.3%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>1,335,995</td>
<td>1,249,894</td>
<td>(86,101)</td>
<td>-6.4% -8.4%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(2,646,902)</td>
<td>(2,543,388)</td>
<td>103,514</td>
<td>3.9% -10134.1%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>11,427,486</td>
<td>11,542,450</td>
<td>114,964</td>
<td>1.0% -0.3%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>1,904,581</td>
<td>2,193,050</td>
<td>288,469</td>
<td>1.0% 6.9%</td>
</tr>
<tr>
<td><strong>Subtotal - Other Taxes and Fees</strong></td>
<td>4,304,683</td>
<td>4,546,498</td>
<td>241,815</td>
<td>0.0% -16.2%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>1,593</td>
<td>3,000</td>
<td>1,407</td>
<td>16.7% 12.6%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>3,012,606</td>
<td>3,022,540</td>
<td>9,934</td>
<td>0.3% -54.3%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>5,771,170</td>
<td>6,208,430</td>
<td>437,260</td>
<td>7.6% -12.5%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A N/A</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(9,419,745)</td>
<td>(9,419,745)</td>
<td>0</td>
<td>0.0% -4.1%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(630,031)</td>
<td>(24,117)</td>
<td>605,914</td>
<td>96.2% 99.3%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(3,196,872)</td>
<td>(3,196,872)</td>
<td>0</td>
<td>0.0% -3.1%</td>
</tr>
<tr>
<td><strong>Subtotal - Other Revenue</strong></td>
<td>2,169,545</td>
<td>3,568,126</td>
<td>1,398,581</td>
<td>6.9% 21.2%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(35,211,226)</td>
<td>(35,683,026)</td>
<td>(471,800)</td>
<td>-1.3% -10.0%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(37,261,790)</td>
<td>(36,467,788)</td>
<td>794,002</td>
<td>2.1% -20.2%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>(17,528,511)</td>
<td>(18,429,514)</td>
<td>(901,003)</td>
<td>-5.1% -34.1%</td>
</tr>
<tr>
<td><strong>Subtotal - Tax Relief Transfers</strong></td>
<td>(22,476,794)</td>
<td>(23,055,637)</td>
<td>(578,843)</td>
<td>-0.6% -18.4%</td>
</tr>
<tr>
<td>December '11 budget</td>
<td>9,569,020</td>
<td>9,633,746</td>
<td>64,726</td>
<td>0.7% 1.1%</td>
</tr>
</tbody>
</table>

### Highway Fund Revenue
**Fiscal Year Ending June 30, 2012 (FY 2012)**

**December 2011 Revenue Variance Report**

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>December '11 Budget</th>
<th>December '11 Actual</th>
<th>December '11 Variance</th>
<th>% Var Budget</th>
<th>% Var Actual</th>
<th>% Var Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gasoline Tax</td>
<td>16,477,534</td>
<td>15,747,007</td>
<td>(730,527)</td>
<td>88,823,726</td>
<td>88,206,880</td>
<td>(616,846)</td>
</tr>
<tr>
<td>- Special Fuel and Road Use Taxes</td>
<td>4,684,631</td>
<td>4,033,876</td>
<td>(650,755)</td>
<td>19,322,721</td>
<td>19,199,494</td>
<td>(123,227)</td>
</tr>
<tr>
<td>- Transcap Transfers - Fuel Taxes</td>
<td>(1,556,258)</td>
<td>(1,437,534)</td>
<td>118,724</td>
<td>(9,436,882)</td>
<td>(9,420,389)</td>
<td>16,493</td>
</tr>
<tr>
<td>- Other Fund Gasoline Tax Distributions</td>
<td>(412,059)</td>
<td>(388,145)</td>
<td>23,914</td>
<td>(2,724,322)</td>
<td>(2,727,157)</td>
<td>(2,835)</td>
</tr>
<tr>
<td>Subtotal - Fuel Taxes</td>
<td>19,193,848</td>
<td>17,955,204</td>
<td>(1,238,644)</td>
<td>95,985,243</td>
<td>95,258,828</td>
<td>(726,415)</td>
</tr>
<tr>
<td>Motor Vehicle Registration and Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Motor Vehicle Registration Fees</td>
<td>4,467,684</td>
<td>5,073,465</td>
<td>605,781</td>
<td>31,066,192</td>
<td>31,567,964</td>
<td>1,611,772</td>
</tr>
<tr>
<td>- License Plate Fees</td>
<td>242,431</td>
<td>287,292</td>
<td>44,861</td>
<td>1,662,327</td>
<td>1,800,479</td>
<td>138,152</td>
</tr>
<tr>
<td>- Long-term Trailer Registration Fees</td>
<td>779,593</td>
<td>856,932</td>
<td>77,339</td>
<td>2,681,711</td>
<td>3,301,144</td>
<td>619,433</td>
</tr>
<tr>
<td>- Title Fees</td>
<td>774,954</td>
<td>914,274</td>
<td>139,320</td>
<td>5,388,858</td>
<td>5,761,888</td>
<td>373,030</td>
</tr>
<tr>
<td>- Motor Vehicle Operator License Fees</td>
<td>628,519</td>
<td>632,931</td>
<td>4,412</td>
<td>4,429,826</td>
<td>4,073,174</td>
<td>(356,653)</td>
</tr>
<tr>
<td>- Transcap Transfers - Motor Vehicle Fees</td>
<td>(3,405,128)</td>
<td>(3,675,443)</td>
<td>(270,315)</td>
<td>(7,622,416)</td>
<td>(7,553,821)</td>
<td>68,595</td>
</tr>
<tr>
<td>Subtotal - Motor Vehicle Reg. &amp; Fees</td>
<td>3,488,053</td>
<td>4,089,450</td>
<td>601,397</td>
<td>37,606,498</td>
<td>38,950,827</td>
<td>1,344,329</td>
</tr>
<tr>
<td>Motor Vehicle Inspection Fees</td>
<td>425,200</td>
<td>350,375</td>
<td>(74,826)</td>
<td>1,536,700</td>
<td>1,476,599</td>
<td>(60,102)</td>
</tr>
<tr>
<td>Other Highway Fund Taxes and Fees</td>
<td>97,346</td>
<td>105,292</td>
<td>7,946</td>
<td>690,051</td>
<td>681,321</td>
<td>(8,730)</td>
</tr>
<tr>
<td>Fines, Forfeits and Penalties</td>
<td>87,106</td>
<td>85,164</td>
<td>(1,942)</td>
<td>507,243</td>
<td>487,438</td>
<td>(19,805)</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>7,950</td>
<td>15,726</td>
<td>7,776</td>
<td>44,750</td>
<td>49,181</td>
<td>4,431</td>
</tr>
<tr>
<td>Other Highway Fund Revenue</td>
<td>441,774</td>
<td>492,475</td>
<td>50,701</td>
<td>4,796,732</td>
<td>5,269,896</td>
<td>473,164</td>
</tr>
<tr>
<td>Totals</td>
<td>23,741,277</td>
<td>23,093,686</td>
<td>(647,591)</td>
<td>141,167,217</td>
<td>142,174,089</td>
<td>1,006,872</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year-To-Date</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>% Var Budget</th>
<th>% Var Actual</th>
<th>% Var Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Taxes:</td>
<td>200,580,000</td>
<td>44,200,000</td>
<td>(17,974,807)</td>
<td>200,580,000</td>
<td>44,200,000</td>
<td>(17,974,807)</td>
</tr>
<tr>
<td>Subtotal - Fuel Taxes</td>
<td>5,115,905</td>
<td>221,689,288</td>
<td>(14,844,300)</td>
<td>5,115,905</td>
<td>221,689,288</td>
<td>(14,844,300)</td>
</tr>
<tr>
<td>Motor Vehicle Registration and Fees</td>
<td>64,805,936</td>
<td>8,884,523</td>
<td>11,044,291</td>
<td>64,805,936</td>
<td>8,884,523</td>
<td>11,044,291</td>
</tr>
<tr>
<td>Subtotal - Motor Vehicle Reg. &amp; Fees</td>
<td>82,360,585</td>
<td>9,124,826</td>
<td>(14,844,300)</td>
<td>82,360,585</td>
<td>9,124,826</td>
<td>(14,844,300)</td>
</tr>
<tr>
<td>Motor Vehicle Inspection Fees</td>
<td>2,982,500</td>
<td>1,313,165</td>
<td>1,103,049</td>
<td>2,982,500</td>
<td>1,313,165</td>
<td>1,103,049</td>
</tr>
<tr>
<td>Other Highway Fund Taxes and Fees</td>
<td>97,701</td>
<td>8,388,443</td>
<td>1,934,657</td>
<td>97,701</td>
<td>8,388,443</td>
<td>1,934,657</td>
</tr>
<tr>
<td>Totals</td>
<td>317,934,731</td>
<td>8,388,443</td>
<td>1,934,657</td>
<td>317,934,731</td>
<td>8,388,443</td>
<td>1,934,657</td>
</tr>
</tbody>
</table>