



FISCAL NEWS

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Month In Review

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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.



General Fund revenue performance for the month of June was disappointing with some unexpected large negative variances that came to light late in the month, the most significant being the Individual Income Tax and the Cigarette Tax. Despite June’s performance, the General Fund ended FY 2012 with a revenue surplus of \$20.1 million. Some modest unbudgeted lapsed balances and various other accounting adjustments increased the amounts to be distributed through the year-end Cascade to \$26.0 million, which fully funded the retirement reserve and partially funded the priority transfer for hospital settlement payments.

Highway Fund revenue ended the year with a positive variance for fuel tax collections in June and ended FY 2012 with a revenue surplus of \$2.2 million. With other net additions from lapsed balances and other accounting adjustments in the Highway Fund, \$7.4 million was available to be transferred to the Department of Transportation for highway and bridge improvements.

The Revenue Forecasting Committee (RFC) and the Consensus Economic Forecasting Commission (CEFC) met at the end of July for their annual planning retreat and not for the purpose of revising the economic or revenue forecasts. The RFC and CEFC, while happy with the performance of the forecasts in the short-term, noted some significant risks and uncertainties for FY 2013 and beyond.

Cash balances in June were roughly \$100 million less than the average June balance and \$85 million less than the previous year, but were healthy enough to avoid external cash flow borrowing once again in FY 2012. FY 2013 should show some recovery for General Fund cash balances as the budget had to accommodate repayment of \$91 million borrowed to balance FY 2012.

Investments of the Maine Public Employee Retirement System (MainePERS) during the last quarter of FY 2012 showed a 2.0% decline and ended FY 2012 with an annual return of 0.6% for the fiscal year. However, the performance over the last 2 fiscal years was strong enough to reduce the expected increase in the employer contribution rates for the next biennium.

The State’s operating fund expenditures declined by 1.4% from FY 2011 to FY 2012, but General Fund expenditures grew by 8.0%. This reflects the loss of federal stimulus dollars and a shift of funding from federal funds to state funds, primarily in the MaineCare program with the loss of enhanced federal matching rates.

The good news related to MaineCare was that the final weekly cycle payment for FY 2012 was processed without deferring payments. The bad news is that the Department of Health and Human Services received a federal audit finding that they had incorrectly billed \$9.2 million to the federal government. The timing of the recovery of those overpayments has not been established.



General Fund Revenue Update

Total General Fund Revenue - FY 2012 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
June	\$474.5	\$469.7	(\$4.8)	-1.0%	\$462.4	1.6%
FYTD	\$2,995.4	\$3,015.5	\$20.1	0.7%	\$2,945.0	2.4%

General Fund revenue was \$4.8 million (1.0%) under budget in June, but ended the fiscal year \$20.1 million (0.7%) over budget. General Fund revenue growth for FY 2012 was 2.4% over FY 2011. Budgeted growth for FY 2012 was forecasted to be 1.7%.

June's negative variance was due to the Individual Income Tax and Cigarette and Tobacco Tax categories, which were under budget by \$6.1 million and \$3.1 million, respectively. Individual Income Tax ended the fiscal year with a total negative variance of \$10.7 million. While sizeable in dollar terms it represents only a 0.7% negative variance. Much of the month's and FY 2012's negative variance for the Cigarette and Tobacco Tax category was due to the timing of the close of the fiscal year. These taxes are due at the end of the month and with June 30th falling on Saturday more revenue than usual was not recorded until July. Another sizeable negative variance in June was in the Other Revenue category. This was due to the early receipt in May of \$5.4 million from a legal settlement that was budgeted in June.

Some delays in some significant expenditures until July for Education in the Unorganized Territory reduced the amount to be transferred to the General Fund and contributed to a negative variance of \$2.8 million for the Property Tax – Unorganized Territory category.

The strength of collections in the Sales and Use Tax and Corporate Income Tax categories would have been more than sufficient to offset the negative revenue variances absent some of the timing issues. Corporate Income Tax was over budget by \$8.1 million in June and \$13.5 million for FY 2012. Some of this positive variance may represent the failure of some corporations to account for recently enacted tax credits in their estimated payments. We may experience negative variances from larger than anticipated refunds later this fall, when these corporations file their final taxes.

Preliminary July revenue data indicate that the Sales and Use Tax category will fall short of budget to open up FY 2013. However, positive variances in the Individual Income Tax, Estate Tax and Corporate Income Tax will more than offset this Sales and Use Tax shortfall.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2012 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
June	\$46.0	\$46.4	\$0.4	1.0%	\$48.0	-3.3%
FYTD	\$315.0	\$317.2	\$2.2	0.7%	\$311.4	1.9%

Highway Fund revenue was \$0.4 million over budget in June and ended FY 2012 with a total positive variance of \$2.2 million (0.7%). FY 2012 annual revenue growth rate for the Highway Fund was 1.9%. As noted in last month's issue, FY 2012 was the last year with automatic indexing of fuel tax rates and the FY 2013 growth rate for Highway Fund revenue is currently projected to decline from FY 2012 final receipts by 0.2%.

Fuel Taxes were over budget in June by \$1.1 million, due solely to a strong performance in special fuel tax receipts.

The broad Fuel Taxes category was over budget for FY 2012 by \$1.4 million, again due to special fuel taxes. Gasoline tax receipts were close to budget in June, likely due in part to May's declines in gasoline prices. However, if not for the \$2.3 million downward revision in the April 2012 special revenue forecast, this category would have fallen \$2.2 million short of budget.

Motor Vehicle Registration Fees fell short of budget by \$0.5 million in June, but ended FY 2012 with a positive variance of \$0.5 million.



Economic and Revenue Forecasting Update

The Consensus Economic Forecasting Commission (CEFC) and Revenue Forecasting Committee (RFC) held their annual joint retreat in Augusta on Thursday, July 26, 2012. These retreats are held for the purpose of discussing the forecasting process, planning for the next forecast and for getting economic and revenue updates, but not to revise either the economic or the revenue forecasts.

Members of both bodies were heartened by the report that undedicated General Fund and Highway Fund revenues for FY 2012 were both within 0.7% of the budgeted amount, but are cognizant of the uncertainty that underlies the existing economic and revenue forecasts for FY 2013 through FY 2015.

A review of recent economic trends indicated that there has been essentially no growth in nonfarm payroll employment in recent months, and inflation adjusted total wages paid remain below the pre-recession peak.

Despite the comparative success of the most recent forecasts, members of both panels expressed the need to monitor employment and income growth closely through the end of the year. The continuing financial crisis in Europe, the unknown effects of whatever

course of action Congress will take as it addresses the “fiscal cliff,” instability in the Middle East, the potentially harmful effects of a continuing drought in the United States and high energy prices are all potential sources of significant shocks to the Maine and national economies.

The inconsistency of State personal income data remains troubling for the forecast, given the importance of this variable in the tax forecasting models. This issue was discussed via a conference call with officials of the Bureau of Economic Analysis (BEA). BEA officials note that there is a tradeoff between data timeliness and accuracy. It is not clear that significant improvement in personal income data quality can be achieved over the near term.

The next step in the forecasting process is to collect and analyze the data that will form the basis of the next consensus forecast of the Maine economy. The CEFC has tentatively scheduled its next working meeting to review the economic outlook for October 25. Prior to this meeting, the CEFC will be soliciting input from various outside experts, including academicians and representatives from various private and public sector organizations.

Year-end Cascade Update

At the close of each fiscal year, the amount of General Fund ending balance above what is budgeted is committed and transferred to various purposes, a process referred to as the Cascade. The table on the next page summarizes the factors contributing to the unbudgeted increase in the General Fund balance and the various purposes according to law to which the increase was distributed. The increase in the unappropriated surplus above the final FY 2012 budgeted balance totaled \$26.0 million. All of the increase was distributed leaving the FY 2012 final General Fund ending balance at the original amount budgeted, \$42.3 million. This ending balance is nearly fully committed in the FY 2013 General Fund budget.

For FY 2012, the first two normal on-going priority transfers were fully funded. These include the replenishment of \$0.3 million to the Governor’s Contingent Account and the transfer of \$1.0 million to the Loan Insurance Reserve Fund at the Finance Authority of Maine (FAME). The transfer to the Loan Insurance Reserve Fund replenishes half of the amount that was transferred from FAME’s reserve

fund to the General Fund in FY 2012 to help balance the General Fund Budget.

The FY 2012’s Cascade included two preemptions of the normal on-going statutory distributions. The first was a \$15 million transfer to a Retirement Reserve for the purpose of providing a cost-of-living adjustment (COLA) for retired state employee and teachers that were suspended and not awarded on October 1, 2011. This third priority transfer was fully funded at the \$15 million authorized. Maine Public Employee Retirement System will be reporting very soon on the actual amount required to fund the non-cumulative COLA. It is likely to be much less than the amounts set-aside for this purpose, but those unspent balances carry forward in the Retirement Reserve until the end of FY 2015, when remaining balances would be transferred to the Budget Stabilization Fund.

The second preemption and fourth priority reserve was intended to set aside up to \$25 million to fund Medicaid hospital settlements. Only \$9.7 million was transferred to the Department of Health and Human Services to be expended in FY 2013.

**Year-end Cascade Update (continued)**

Although there were no transfers for the fifth priority transfers allocated to various reserve accounts as a percentage of the remaining increase in the unappropriated surplus, the Budget Stabilization Fund is currently budgeted to receive a \$13.0 million transfer from the General Fund in FY 2013. Some contingent transfers may reduce some of that budgeted FY 2013 increase.

While the Highway Fund does not have a so-called

Cascade, all but \$100,000 of the unbudgeted increase in the Highway Fund unallocated surplus is transferred to the Department of Transportation for highway and bridge improvements. At the close of FY 2012, the combination of the positive revenue variance, lapsed allocation balances and other accounting adjustments resulted in a \$7.4 million increase in FY 2013 Highway Fund allocations for the highway and bridge improvements.

FY 2012 Year-end Summary - General Fund Surplus		
General Fund Revenue Variance		
Actual Revenue		\$3,015,538,219
Less Final Budgeted Revenue		(\$2,995,444,736)
Sub-total Revenue Variance		\$20,093,483
Lapsed Balances		
Total Lapsed Balance from State Controller's Report		\$28,739,045
Less Budgeted Lapsed Balances		(\$27,477,793)
Sub-total - Lapsed Balances		\$1,261,252
Other Accounting Adjustments Increasing (Decreasing) Unappropriated Surplus		\$4,633,470
Increase in Uncommitted Unappropriated Surplus		\$25,988,205
FY 2012 Closing Transfers/"Cascade"		
Fixed Dollar Transfers		
Replenish Contingent Account up to \$350,000 (5 MRSA §1507)		(\$300,000)
Transfer to Loan Insurance Reserve up to \$1,000,000 (5 MRSA §1511)		(\$1,000,000)
Transfer to Retirement Reserve up to \$15,000,000 (5 MRSA §1522)		(\$15,000,000)
Transfer for Hospital Settlements up to \$25,000,000 (PL 2011, c. 380, Part QQ)		(\$9,688,205)
Percentage Transfers - Remaining Uncommitted Unappropriated Surplus		
Maine Budget Stabilization Fund	35%	\$0
Retirement Allowance Fund	20%	\$0
Reserve for General Fund Operating Capital	20%	\$0
Retiree Health Internal Service Fund	15%	\$0
Capital Construction & Improvements Reserve Fund	10%	\$0
Total Closing Transfers		(\$25,988,205)



State Expenditure Update

The table below summarizes the expenditures of the State’s operating funds for FY 2012 compared with FY 2011. Total expenditures of the operating funds declined by 1.4% from FY 2011. This decline reflects the loss of federal stimulus (ARRA) dollars and a shift back to the General Fund and other State funds. The \$341.0 million decline in Federal Funds reflects the decline in ARRA funding, which dropped from \$561.3 in FY 2011 to \$216.5 million in FY 2012.

General Fund expenditures grew by \$228.2 million or 8.0%. General Fund growth was due to a significant

increase in expenditures of the Department of Health and Human Services of \$245.2 million or 28.5%. This growth is due to the MaineCare and MaineCare-related programs and includes the significant shift of funds from federal to state with the ending of the ARRA enhanced federal matching rates.

Highway Fund expenditures declined by \$6.8 million or 2.1% from FY 2011 to FY 2012. The Department of Transportation with the lion’s share of the Highway Fund budget reflected \$5.8 million of this decline. Most of the decline was from reductions in Personal Services expenditures throughout the department.

Operating Funds - Expenditures through Close of Fiscal Year

Operating Funds:	FY 2011	FY 2012	% Change
General Fund	\$2,859,043,111	\$3,087,289,656	8.0%
Highway Fund	\$321,015,262	\$314,187,693	-2.1%
Other Special Revenue Funds	\$926,225,567	\$945,185,854	2.0%
Federal Funds	\$3,000,286,460	\$2,659,318,998	-11.4%
Total Operating Funds	\$7,106,570,401	\$7,005,982,201	-1.4%
General Fund Expenditures by Major Department			
Education	\$1,131,638,021	\$1,107,092,684	-2.2%
Health and Human Services	\$859,901,575	\$1,105,080,250	28.5%
Corrections	\$143,532,152	\$133,387,451	-7.1%
Administrative and Financial Services	\$104,759,499	\$118,652,925	13.3%
Other Departments and Agencies	\$619,211,864	\$623,076,347	0.6%
Highway Fund Expenditures by Major Department			
Transportation	\$257,795,158	\$251,975,515	-2.3%
Secretary of State	\$30,697,263	\$29,906,136	-2.6%
Public Safety	\$29,262,465	\$28,633,698	-2.1%
Other Departments and Agencies	\$3,260,377	\$3,672,345	12.6%



MainePERS Investment Update

Financial markets experienced negative growth in the fourth quarter of FY 2012 with the US stock market declining 3.2% and international stocks falling 7.5%. Although the US bond market increased by 2.3%. Maine Public Employees Retirement System (MainePERS) investments were down 2.0% for the quarter and up 0.6% over the previous one year period. Despite this slight gain, the total fund declined by approximately \$200 million, from \$10.7 billion as of June 30, 2011 to \$10.5 billion as of June 30, 2012, due to negative cash flow. The negative cash flow occurred as a result of retirement benefits paid exceeding the amount of contributions received from employers and employees. To make up for this shortfall in FY 2012, MainePERS liquidated \$322.5 million in investments causing the market value of assets to decline even though the total fund had a positive return.

The retirement system's overall investment performance over the past two-year period has helped to reduce the anticipated increase in employer

contributions that had been presented by System officials to the Appropriations and Financial Affairs Committee in 2011 by close to 50%. On July 12, 2012, the MainePERS Board of Trustees accepted the recommendation of the System's actuary that employer contributions for the State's plans be approximately \$296 million in FY 2014 and \$305 million in FY 2015, an increase of approximately \$97 million over the 2012-2013 biennium. In 2011, System officials thought the increase would be approximately \$180 million. According to MainePERS, the decrease is primarily due to investment returns over the past two years that, on average, have exceeded the earnings assumption of 7.25%. Investment returns were up approximately 22% in FY 2011 and 0.6% in FY 2012.

The table below has the long-term return information as of June 30, 2012. Over the past 30 years, the fund has had an average return of 10.0% per year. It is important to realize that quarterly and annual performance can deviate significantly from this long-term average in any given year.

Long-Term Performance ending June 30, 2012					
(annualized performance)					
	1 Year	3 Years	5 Years	10 Years	30 Years
Total Fund	0.6%	11.0%	1.5%	6.3%	10.0%

Cash Update

The average total cash pool balance for June was \$489.0 million, which was roughly \$85 million less than last June. General Fund internal cash flow borrowing averaged \$183.3 million in June, almost \$30 million higher than May. Also of note in June's average balance was a decline of roughly \$25 million in the Budget Stabilization Fund balance due to a budgeted transfer to the General Fund. The two major General Fund reserve funds, Budget Stabilization Fund and the Reserve for Operating Capital, normally would receive an infusion of funds at the end of a fiscal year with excess revenue. No dollars were available due to the insertion of preemptions in the normal year-end Cascade (see separate article).

As noted in last month's issue, the General Fund cash position should show some improvement due to the effect of the \$91 million borrowing to balance FY 2012. Assuming no significant budgetary shocks, it is likely that the State can avoid borrowing for one more year and achieve some budgeted debt service savings.

Summary of Treasurer's Cash Pool

June Average Daily Balances

Millions of \$'s

	2011	2012
General Fund (GF) Total	\$30.0	\$39.2
General Fund (GF) Detail:		
Budget Stabilization Fund	\$28.6	\$44.8
Reserve for Operating Capital	\$11.2	\$17.1
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$81.7	\$183.3
Other General Fund Cash	(\$91.4)	(\$206.0)
Other Spec. Rev. - Interest to GF	\$76.5	(\$8.2)
Other State Funds - Interest to GF	\$19.3	\$19.9
Highway Fund	\$49.4	\$47.2
Other Spec. Rev. - Retaining Interest	\$44.2	\$58.1
Other State Funds	\$243.1	\$228.2
Independent Agency Funds	\$111.0	\$104.6
Total Cash Pool	\$573.6	\$489.0



MaineCare Update

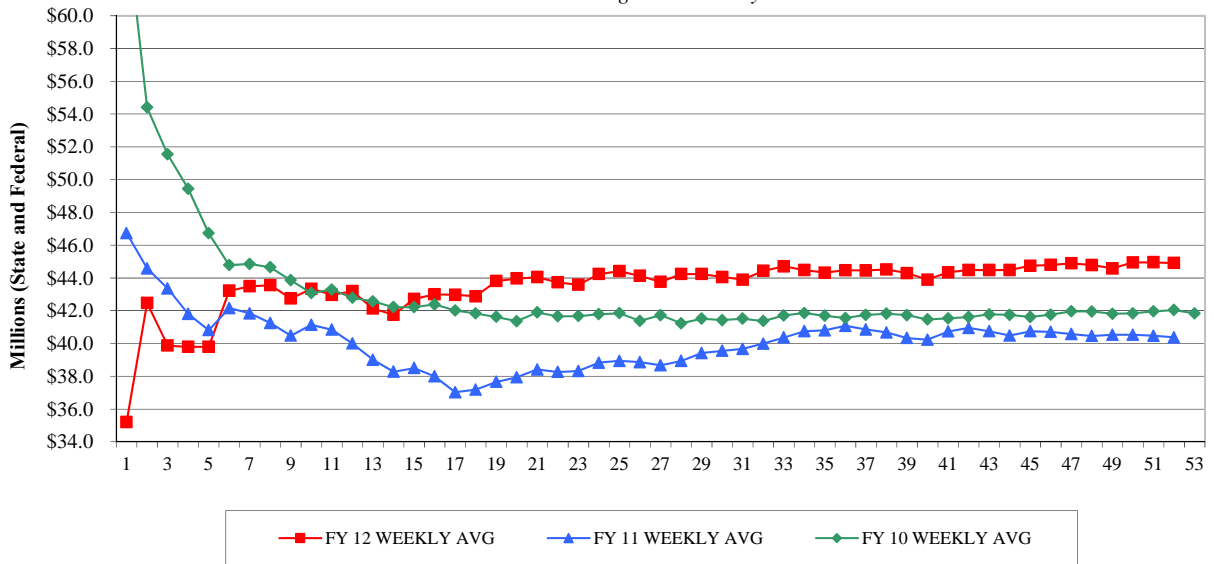
MaineCare Spending

The average weekly MaineCare cycle in FY 2012 was \$44.9 million (state and federal dollars); a significant increase over the MaineCare weekly cycle averages of \$40.4 million in FY 2011 and \$42.0 million in

FY 2010. MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2012 as well as comparable payment cycle averages for FY 2010 and FY 2011. MaineCare Chart 2 summarizes the actual cycles each week for FY 2012, FY 2011 and FY 2010.

MaineCare Chart 1 - Weekly Cycle Averages - FY 10, FY 11 and FY 12

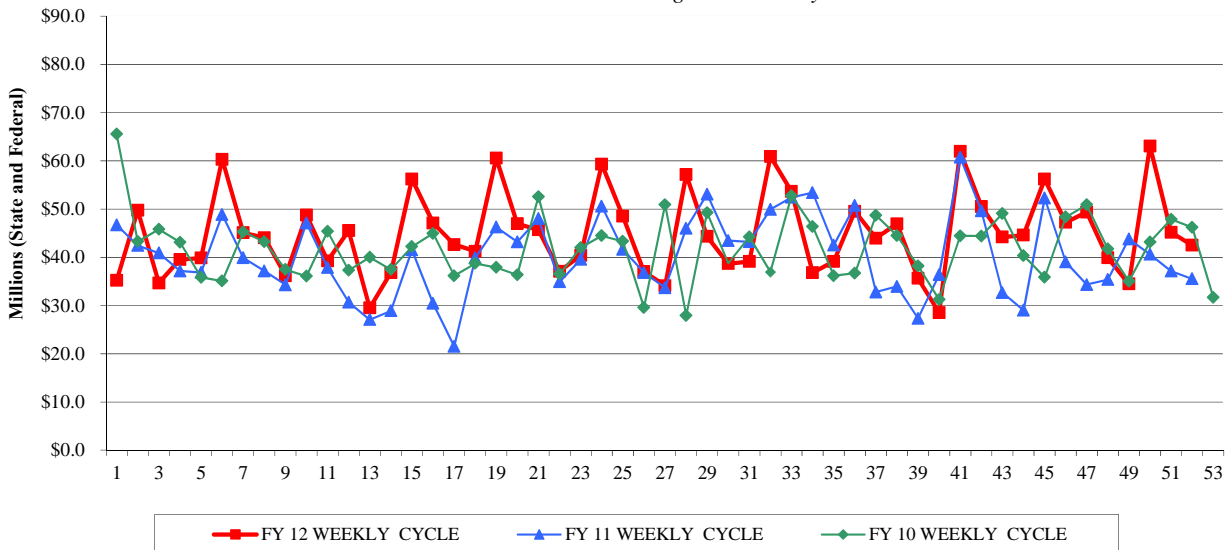
FY 12 Through 6/29/12 - Cycle 52



° 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 10 averages 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 2 - Weekly Cycles - FY 10, FY 11 and FY 12

FY 12 Through 6/29/12 - Cycle 52



° 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 Update (continued)**

MaineCare Chart 1 shows a sustained FY 2012 weekly MaineCare cycle average of approximately \$44 million from Week 19 through Week 46 – trending slightly higher in the final weeks, resulting in a \$44.9 million weekly average for the year. The FY 2012 pattern for weekly cycle payments was marked by high points of approximately \$60 million for one week each month reflecting providers billing on a monthly basis, followed by declines in the subsequent weeks. MaineCare Chart 2 shows that the Week 50 “monthly billing” high-point for June was \$63.1 million, an increase from the week 45 “monthly billing” cycle of \$56.2 million for May.

In a letter dated July 20th, the Commissioner of the Department of Health and Human Services notified the Legislature that the estimated \$12.5 million additional MaineCare shortfall for FY 2012 first reported by the Department in May did not materialize and FY 2012 cycle payments were not delayed until FY 2013. The Commissioner attributed this change to “lower than expected cycle payments, the reimbursement of more than \$3.4 million from other parts of state government, more than \$3 million in increased drug rebates and an unparalleled team effort across State Government to aggressively move financial orders forward to allot funding to the appropriate accounts.”

MaineCare Table 1 below summarizes General Fund appropriations/allotments and expenditures for FY 2012.

On July 20, 2012, the U.S. Department of Health and Human Services, Office of the Inspector General (OIG) released a final report entitled *Maine Did Not Always Make Correct Medicaid Claim Adjustments*.

After reviewing 637,057 Medicaid claims paid and adjusted during calendar years 2005 through 2009, the OIG found the State processed 573,068 claim adjustments using an incorrect Federal Medical Assistance Percentage (FMAP). The OIG estimated the amount of incorrect payment at \$9,179,177. This Medicaid claims adjustment issue (i.e., reprocessing the total adjusted claim at the current FMAP rather than just the incremental difference between the original claim and the adjusted claim) was discussed with the Appropriations Committee during consideration of 2012-2013 MaineCare supplemental budgets. The magnitude of the discrepancy results from changing from the normal FMAP of approximately 63 to 64 % to the enhanced ARRA FMAP rates of approximately 70 to 75%). The timetable for finalizing the amount and timing of re-payments to be made has not been determined.

MaineCare Table 1 - FY 2012 General Fund Summary

(\$'s millions)

MaineCare and Related Programs	2011-12		2011-12 Allotment	2011-12 Expenditures	Allotment Balance	Average Weekly Expend.
	Approp.\ Alloc. Thru 125th 1S	Approp.\ Alloc. Thru 125th 2R				
0147-01 Medical Care - Payments to Providers (MAP)	\$375.1	\$453.9	\$491.7	\$491.0	\$0.7	\$9.4
0148-01 Nursing Facilities	\$71.9	\$71.9	\$49.2	\$49.2	\$0.0	\$0.9
0705-12 Medicaid Services - Mental Retardation	\$23.0	\$23.0	\$16.1	\$15.8	\$0.2	\$0.3
0987-06 Developmental Services Waiver - MaineCare	\$82.9	\$88.8	\$87.0	\$86.9	\$0.1	\$1.7
Z006-01 Developmental Services Supports Waiver	\$6.3	\$8.2	\$12.1	\$12.0	\$0.1	\$0.2
0731-17 Mental Health Services - Child Medicaid	\$32.9	\$38.1	\$40.5	\$40.3	\$0.2	\$0.8
0732-14 Mental Health Services - Community Medicaid	\$37.4	\$37.4	\$21.4	\$21.3	\$0.1	\$0.4
0844-01 Office of Substance Abuse - Medicaid Seed	\$3.1	\$4.1	\$4.3	\$4.2	\$0.1	\$0.1
Z042-01 Traumatic Brain Injury - Medicaid Seed	\$0.1	\$0.1	\$0.2	\$0.2	\$0.0	\$0.0
0733-10 Disproportionate Share - Riverview	\$10.5	\$10.5	\$10.8	\$10.0	\$0.8	\$0.2
0734-15 Disproportionate Share - DDPC	\$7.3	\$6.9	\$7.0	\$6.1	\$0.8	\$0.1
Subtotal MaineCare	\$650.5	\$743.0	\$740.0	\$736.9	\$3.1	\$14.2
0202-01 Drugs for Maine Elderly	\$4.5	\$5.9	\$10.1	\$9.9	\$0.3	\$0.2
Z008-01 Maternal and Child Health Block Grant Match	\$5.5	\$5.5	\$5.4	\$4.6	\$0.9	\$0.1
Z009-01 State Boarding Homes	\$6.1	\$6.1	\$23.0	\$23.0	\$0.0	\$0.4
Total MaineCare and Related	\$666.5	\$760.4	\$778.6	\$774.3	\$4.3	\$14.9

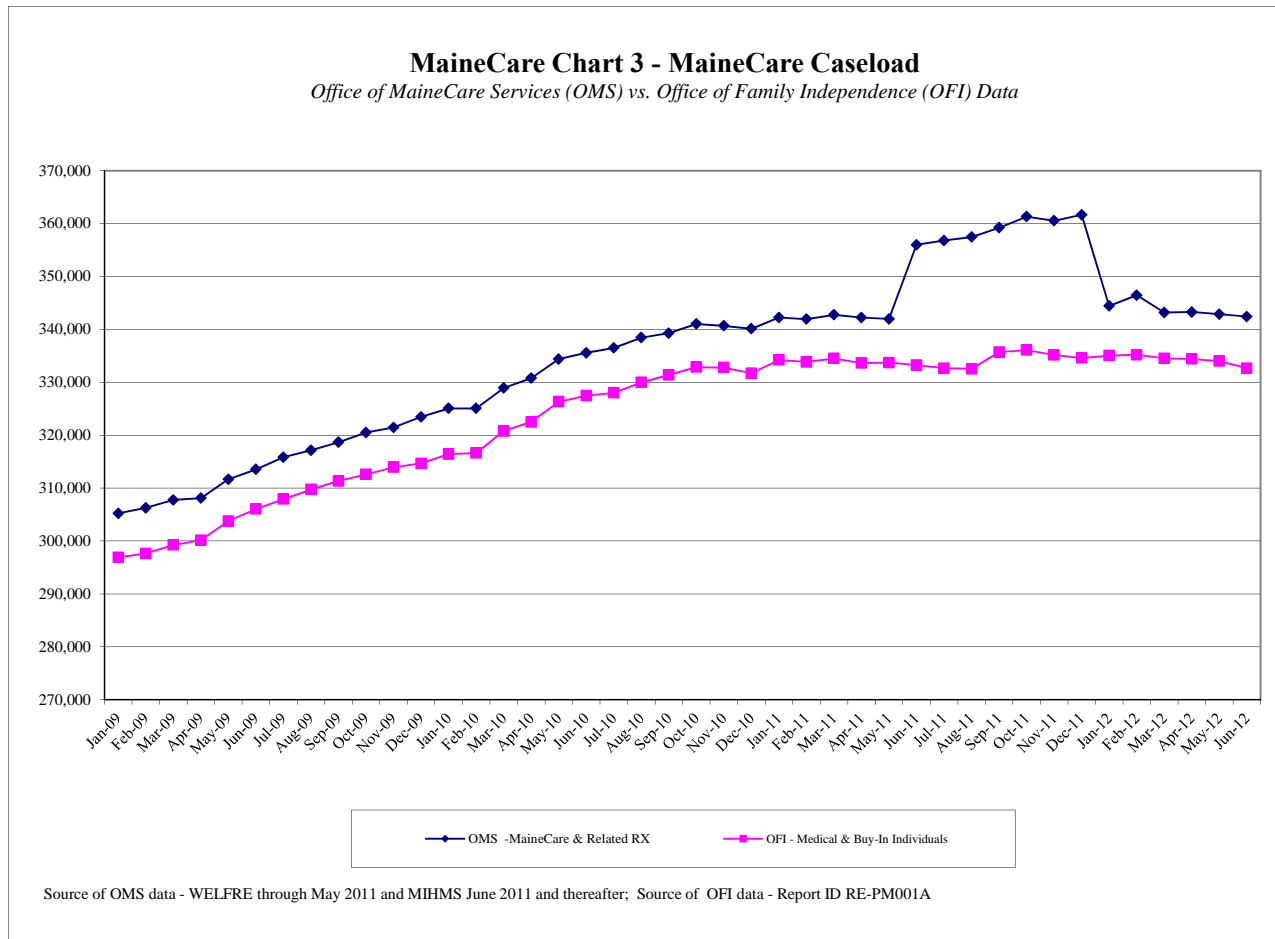


MaineCare Update (continued)

MaineCare Caseload

MaineCare caseload data detail for June 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 June caseload from May levels. MaineCare Chart 3 below 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 (discussed below) appears to have restored the historical relationship. For FY 2012 the OFI data show a slight decrease for the fiscal year. The OMS aggregate data show a similar pattern after taking into account the January and March caseload adjustments.



As discussed in previous issues of the Fiscal News, 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). MaineCare Table 2 below includes data from June 2011 through June 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. Analysis of the various sources and changes in data show that aggregate MaineCare caseload remained relatively stable during FY 2012 with decreases in the non-categorical adult waiver caseload offsetting increases in other categories.

*MaineCare Update (continued)***MaineCare Table 2 - 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	244,678	10,427	5,670	21,426	13,258	7,003	45,283	347,745
<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

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 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, 2012 (FY 2012)

June 2012 and Final Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	June '12 Budget	June '12 Actual	June '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	168,060,934	175,880,871	7,819,937	973,215,697	981,257,805	8,042,108	0.8%	6.2%	973,215,697
Service Provider Tax	9,928,243	8,346,962	(1,581,281)	50,366,313	48,255,501	(2,110,812)	-4.2%	-8.4%	50,366,313
Individual Income Tax	185,102,034	179,034,038	(6,067,996)	1,444,897,209	1,434,217,189	(10,680,020)	-0.7%	1.3%	1,444,897,209
Corporate Income Tax	32,748,060	40,891,761	8,143,701	218,610,460	232,117,995	13,507,535	6.2%	11.1%	218,610,460
Cigarette and Tobacco Tax	14,505,391	11,415,556	(3,089,835)	142,123,350	139,729,147	(2,394,203)	-1.7%	-3.8%	142,123,350
Insurance Companies Tax	24,721,072	23,547,937	(1,173,135)	79,215,000	82,985,771	3,770,771	4.8%	7.9%	79,215,000
Estate Tax	9,557,018	8,913,865	(643,153)	38,260,185	44,865,567	6,605,382	17.3%	-9.0%	38,260,185
Other Taxes and Fees *	14,141,845	11,350,326	(2,791,519)	132,077,778	131,893,407	(184,371)	-0.1%	-13.0%	132,077,778
Fines, Forfeits and Penalties	2,714,651	2,643,015	(71,636)	25,754,504	25,120,959	(633,545)	-2.5%	-11.9%	25,754,504
Income from Investments	8,556	72,358	63,802	106,808	155,531	48,723	45.6%	-44.0%	106,808
Transfer from Lottery Commission	4,782,838	3,794,389	(988,449)	50,700,000	53,785,567	3,085,567	6.1%	8.6%	50,700,000
Transfers to Tax Relief Programs *	(1,009,514)	(1,158,299)	(148,785)	(114,418,263)	(115,336,149)	(917,886)	-0.8%	-1.2%	(114,418,263)
Transfers for Municipal Revenue Sharing	(10,028,466)	(9,707,414)	321,052	(96,854,505)	(96,876,964)	(22,459)	0.0%	-4.0%	(96,854,505)
Other Revenue *	19,251,176	14,664,017	(4,587,159)	51,390,200	53,366,896	1,976,696	3.8%	6.9%	51,390,200
Totals	474,483,838	469,689,381	(4,794,457)	2,995,444,736	3,015,538,222	20,093,486	0.7%	2.4%	2,995,444,736

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

General Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)
June 2012 and Final Revenue Variance Report

Revenue Category	June '12 Budget	June '12 Actual	June '12 Variance	Fiscal Year-To-Date					FY 2012 Budgeted Totals
				Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	1,140,849	(1,316,358)	(2,457,207)	13,555,547	10,726,997	(2,828,550)	-20.9%	-19.8%	13,555,547
- Real Estate Transfer Tax	1,780,135	1,725,900	(54,235)	9,767,309	8,934,936	(832,373)	-8.5%	-35.3%	9,767,309
- Liquor Taxes and Fees	2,192,595	2,057,233	(135,362)	21,064,780	20,994,195	(70,585)	-0.3%	-0.1%	21,064,780
- Corporation Fees and Licenses	1,309,979	1,707,141	397,162	7,847,099	8,496,444	649,345	8.3%	0.2%	7,847,099
- Telecommunication Personal Prop. Tax	0	57,407	57,407	9,641,734	10,869,966	1,228,232	12.7%	-38.5%	9,641,734
- Finance Industry Fees	1,904,669	1,928,700	24,031	23,381,610	24,692,010	1,310,400	5.6%	0.0%	23,381,610
- Milk Handling Fee	343,450	359,178	15,728	2,062,785	1,997,125	(65,660)	-3.2%	-48.1%	2,062,785
- Racino Revenue	1,674,248	1,380,422	(293,826)	12,149,857	12,374,557	224,700	1.8%	16.8%	12,149,857
- Boat, ATV and Snowmobile Fees	1,096,157	1,358,325	262,168	4,620,911	4,340,403	(280,508)	-6.1%	-2.2%	4,620,911
- Hunting and Fishing License Fees	2,126,228	1,347,886	(778,342)	16,161,752	15,874,952	(286,800)	-1.8%	0.1%	16,161,752
- Other Miscellaneous Taxes and Fees	573,535	744,491	170,956	11,824,394	12,591,823	767,429	6.5%	-29.6%	11,824,394
Subtotal - Other Taxes and Fees	14,141,845	11,350,326	(2,791,519)	132,077,778	131,893,407	(184,371)	-0.1%	-13.0%	132,077,778
Detail of Other Revenue:									
- Liquor Sales and Operations	149,352	1,050	(148,302)	8,045,000	8,049,429	4,429	0.1%	10.1%	8,045,000
- Targeted Case Management (DHHS)	(9,447)	280,719	290,166	4,095,281	4,648,953	553,672	13.5%	-72.0%	4,095,281
- State Cost Allocation Program	1,786,038	1,119,453	(666,585)	14,101,011	13,652,052	(448,959)	-3.2%	-5.2%	14,101,011
- Unclaimed Property Transfer	7,000,000	7,517,760	517,760	7,000,000	7,517,760	517,760	7.4%	222.2%	7,000,000
- Toursim Transfer	0	0	0	(9,419,745)	(9,419,745)	0	0.0%	-4.1%	(9,419,745)
- Transfer to Maine Milk Pool	(336,893)	(369,599)	(32,706)	(1,375,443)	(1,602,708)	(227,265)	-16.5%	62.3%	(1,375,443)
- Transfer to STAR Transportation Fund	0	0	0	(3,196,872)	(3,196,872)	0	0.0%	-3.1%	(3,196,872)
- Other Miscellaneous Revenue	10,662,126	6,114,634	(4,547,492)	32,140,968	33,718,027	1,577,059	4.9%	31.3%	32,140,968
Subtotal - Other Revenue	19,251,176	14,664,017	(4,587,159)	51,390,200	53,366,896	1,976,696	3.8%	6.9%	51,390,200
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(1,009,513)	(1,131,210)	(121,697)	(42,083,286)	(43,411,086)	(1,327,800)	-3.2%	-4.7%	(42,083,286)
- BETR - Business Equipment Tax Reimb.	(1)	(27,089)	(27,088)	(52,902,995)	(52,805,042)	97,953	0.2%	4.4%	(52,902,995)
- BETE - Municipal Bus. Equip. Tax Reimb.	0	0	0	(19,431,982)	(19,120,021)	311,961	1.6%	-10.7%	(19,431,982)
Subtotal - Tax Relief Transfers	(1,009,514)	(1,158,299)	(148,785)	(114,418,263)	(115,336,149)	(917,886)	-0.8%	-1.2%	(114,418,263)
Inland Fisheries and Wildlife Revenue - Total	3,282,446	2,815,337	(467,109)	21,767,919	21,347,429	(420,490)	-1.9%	-0.4%	21,767,919

Highway Fund Revenue Fiscal Year Ending June 30, 2012 (FY 2012) June 2012 and Final Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	June '12 Budget	June '12 Actual	June '12 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	33,462,767	33,411,129	(51,638)	196,280,000	196,418,900	138,900	0.1%	0.7%	196,280,000
- Special Fuel and Road Use Taxes	7,086,143	8,171,736	1,085,593	44,500,000	45,804,718	1,304,718	2.9%	2.7%	44,500,000
- Transcap Transfers - Fuel Taxes	(1,478,421)	(1,468,749)	9,672	(17,682,872)	(17,746,710)	(63,838)	-0.4%	-1.1%	(17,682,872)
- Other Fund Gasoline Tax Distributions	(433,668)	(414,114)	19,554	(5,008,374)	(5,013,790)	(5,416)	-0.1%	-1.1%	(5,008,374)
Subtotal - Fuel Taxes	38,636,821	39,700,002	1,063,181	218,088,754	219,463,118	1,374,364	0.6%	1.1%	218,088,754
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	7,631,949	7,083,986	(547,963)	64,805,936	65,342,628	536,692	0.8%	0.4%	64,805,936
- License Plate Fees	458,646	423,134	(35,512)	3,345,309	3,476,000	130,691	3.9%	1.5%	3,345,309
- Long-term Trailer Registration Fees	271,632	384,375	112,743	9,384,523	9,436,350	51,827	0.6%	-3.6%	9,384,523
- Title Fees	1,094,180	1,160,568	66,388	11,803,313	12,074,653	271,340	2.3%	7.2%	11,803,313
- Motor Vehicle Operator License Fees	732,158	734,507	2,349	8,423,641	8,358,214	(65,427)	-0.8%	36.7%	8,423,641
- Transcap Transfers - Motor Vehicle Fees	(4,079,551)	(4,336,718)	(257,167)	(15,024,536)	(15,124,443)	(99,907)	-0.7%	-2.1%	(15,024,536)
Subtotal - Motor Vehicle Reg. & Fees	6,109,014	5,449,852	(659,162)	82,738,186	83,563,402	825,216	1.0%	3.4%	82,738,186
Motor Vehicle Inspection Fees	318,300	372,749	54,449	2,982,500	2,997,953	15,453	0.5%	0.7%	2,982,500
Other Highway Fund Taxes and Fees	134,722	158,272	23,550	1,313,165	1,361,886	48,721	3.7%	0.3%	1,313,165
Fines, Forfeits and Penalties	102,216	95,401	(6,815)	993,049	1,044,271	51,222	5.2%	-8.8%	993,049
Interest Earnings	11,157	34,773	23,616	121,761	141,082	19,321	15.9%	13.3%	121,761
Other Highway Fund Revenue	648,033	598,881	(49,152)	8,734,112	8,630,697	(103,415)	-1.2%	9.7%	8,734,112
Totals	45,960,263	46,409,930	449,667	314,971,527	317,202,409	2,230,882	0.7%	1.9%	314,971,527