



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
BURTON M. CROSS BUILDING, 3RD FLOOR
78 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0078

SERVING THE PUBLIC AND DELIVERING ESSENTIAL SERVICES TO STATE GOVERNMENT

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Budget Basics Discussion
Before the
Joint Standing Committee on Appropriations and Financial Affairs
February 28, 2019

Personal Services, All Other, Capital

Personal Services – salary and benefits for state employees

All Other – operating expenses such as computers, rents, supplies, Medicaid payments, unemployment benefit payments, payments to schools for essential services

Capital – equipment over \$5,000

Funding sources

General Fund

Highway Fund

Federal Expenditures Fund

Other Special Revenue Funds

Federal Block Grants

Other – such as Internal Service Funds, Enterprise Funds, Unemployment Compensation Fund

Appropriation – applies only to General Fund

Allocation – the authority to spend funds derived from sources other than General Funds

Baseline vs. Initiative

Baseline is the proposed budget amount for “status quo”, adjusted for certain Personal Services assumptions such as health insurance rate increases and merit increases

Initiative is a proposal for a change to appropriation or allocation. Could be ongoing or one time. Could be new effort or a change to an existing effort. Depending on type of initiative and what programs may be affected, one initiative may be repeated on several pages; to help connect the dots, we will refer to those pages as we present.

Positions and salaries/benefits

How salaries/benefits are calculated:

Moment in time, assumes existing employees at current rate of pay with merit increase (if applicable) for each year, then assumption of health, dental, workers comp, retirement (attached for example), life insurance increases. These are detailed in the Biennial Budget Instructions.

Vacant positions budgeted at step 3 in year one and step 4 in year two.

Potential position actions:

Add/Eliminate

Adjustments to position funding sources (reallocation)

Transfers from one program to another or department to department

Reclasses

Employee initiated

Management initiated

May appear in Part A (not self funded or not yet BHR approved) or Part B (self funded)

Attrition: Does not impact individual employee's pay. It is an assumption that the Program's Personal Services budget can be reduced as a result of knowing that some number of positions will be vacant for some amount of time in the fiscal year.

First – Personal Services budget includes statewide attrition reduction of 1.6%.

Second – Biennial Budget increases that to 5% in each year.

Third – Covers other self-funded Personal Services costs (i.e. hiring above budgeted step; vacation payouts; unanticipated overtime, callout, standby)

All Other – operating costs and any other non-Capital and non-Personal Services expenses

May need increases due to vendor rate changes, change in scope of services, or to maintain existing efforts

Cost Allocation Plans

STACAP: Statewide Cost Allocation Plan. The State of Maine provides unbilled administrative services to state programs that operate with federal and/or other special revenue funds. To recover the costs of providing these services, the State prepares a cost allocation plan that is used to develop indirect cost rates that are used to bill the agencies and cover these statewide services.

DICAP: Department Indirect Cost Allocation Plan. Similarly, departments also have unbilled central services to recover, such as accounting, budgeting, administrative. Cost allocation plans are approved by federal regulators.

Other:

DHHS Funding Adjustments.

FMAP is the federal share of certain Medicaid expenses.

Revenue Forecasting is a non-partisan review and update of anticipated revenues.

When these change, the funding source for certain lines will change. This does not result in additional program costs. It changes the way the program costs are funded.

If FMAP rate goes down, more General Funds are needed. If Revenue Forecasting increases Nursing Facilities tax revenues, fewer General Funds are needed.

Budget Presentations

Testimony will include:

- Department overview

- Page number

- Program Description

- Reference to baseline amount

- Description of new initiative, including dollar amount and funding source

We will do our best to answer questions, and will be available at work sessions.

Attachment A Retirement Rates

PLAN	Plan	Plan	FY20			FY21		
	ID	Option	Normal	UAL	Pickup	Normal	UAL	Pickup
State Regular	110	00	4.44%	17.54%	4.80%	4.44%	17.54%	4.80%
State Regular	110	01	4.44%	17.54%	4.80%	4.44%	17.54%	4.80%
State Regular	110	05	4.44%	17.54%	4.80%	4.44%	17.54%	4.80%
State Police	120	10	11.78%	20.11%	5.10%	11.78%	20.11%	5.10%
State Police	120	15	11.78%	20.11%	4.40%	11.78%	20.11%	4.40%
25 & Out	120	23	4.36%	18.58%	5.10%	4.36%	18.58%	5.10%
25 & Out	120	28	4.36%	18.58%	4.40%	4.36%	18.58%	4.40%
Capitol Police	120	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
Capitol Police	120	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
Game Wardens	140	15	13.29%	19.39%	4.40%	13.29%	19.39%	4.40%
Prison Employees	150	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
Prison Employees	150	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
Liquor Insp 1998 SP Plan <25 yr	160	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
Liquor Insp 1998 SP Plan >25 yr	160	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
Fire Marshalls	180	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
Fire Marshalls	180	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
Forest Rangers	190	10	4.33%	16.60%	5.10%	4.33%	16.60%	5.10%
	190	20	4.33%	16.60%	4.40%	4.33%	16.60%	4.40%
Forest Rangers	190	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
	190	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
Bangor Firefighters	200	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
	200	35	5.90%	20.42%	4.40%	5.92%	20.27%	4.40%
Governors	220	00						
Baxter Park Rangers	230	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
Baxter Park Rangers	230	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
DEP	240	30	5.90%	20.42%	5.10%	5.90%	20.42%	5.10%
DEP	240	35	5.90%	20.42%	4.40%	5.90%	20.42%	4.40%
25 & Out - Mar Patrol	330	30	4.36%	18.58%	5.10%	4.36%	18.58%	5.10%
25 & Out - Mar Patrol	330	35	4.36%	18.58%	4.40%	4.36%	18.58%	4.40%
25 & Out - Game Warden	340	30	4.36%	18.58%	5.10%	4.36%	18.58%	5.10%
25 & Out - Game Warden	340	35	4.36%	18.58%	4.40%	4.36%	18.58%	4.40%
Judges ¹	410	00	11.81%	-2.92%		11.81%	-2.92%	
	410	01	11.81%	-2.92%		11.81%	-2.92%	
Legislators ²	510	00	5.04%	-5.04%		5.04%	-5.04%	
	510	01	5.04%	-5.04%		5.04%	-5.04%	
Ret Regular	810	01	0.00%	17.54%		0.00%	17.54%	
Ret State Police	810	02	0.00%	18.58%		0.00%	18.58%	
Ret Marine Patrol	810	03	0.00%	18.58%		0.00%	18.58%	
Ret Game Warden	810	04	0.00%	18.58%		0.00%	18.58%	
Ret State Prison	810	05	0.00%	20.42%		0.00%	20.42%	
Ret State Liquor Inspector	810	06	0.00%	20.42%		0.00%	20.42%	
Ret State Pilot	810	07	0.00%	0.00%		0.00%	0.00%	
Ret State Fire Marshall	810	08	0.00%	20.42%		0.00%	20.42%	
Ret State Forest Ranger	810	09	0.00%	20.42%		0.00%	20.42%	
Ret State Firefighter	810	10	0.00%	20.42%		0.00%	20.42%	
Ret Baxter State Park	810	11	0.00%	20.42%		0.00%	20.42%	
Ret State Oil & Harardous	810	12	0.00%	20.42%		0.00%	20.42%	
Ret State Judges	810	13	0.00%	0.00%		0.00%	0.00%	
Ret State Legislators	810	14	0.00%	0.00%		0.00%	0.00%	
75% Ret Regular	820	01	0.00%	17.54%		0.00%	17.54%	
75% Ret St Police	820	02	0.00%	18.58%		0.00%	18.58%	

footnote

1 Netted Judges UAL and Normal for rate of .0889 for Normal with no UAL rate

2 Netted Legislators UAL and Normal no rate in either

