

General Fund FY 2016 Year-End

The FY 2016 closing General Fund balance totaled \$93.0 million, \$70.9 million of which was budgeted and \$22.1 million was unbudgeted. The \$22.1 million unbudgeted surplus resulted from \$9.8 million in General Fund revenue surplus, \$7.5 million in unbudgeted lapsed program balances and \$4.8 million in other accounting adjustments. Under the current distribution rules for the year-end “cascade” of funds from the unappropriated surplus of the General Fund (5 MRSA §1507, §1511, §1519 and §1536), after all fixed dollar transfers were distributed; 80% (\$707,300) was distributed to the Maine Budget Stabilization Fund and 20% (\$176,825) was distributed to the Tax Relief Fund for Maine Residents. The table below summarizes the sources and uses of FY 2016 uncommitted funds. The FY 2016 budgeted General Fund balance of \$70.9 million remains as a budgeted resource for FY 2017.

FY 2016 General Fund Year-End Summary

Sources of General Fund Year-end Surplus:		
General Fund Revenue Variance		\$9,829,734
Unbudgeted Lapsed Balances		\$7,511,276
Other Accounting Adjustments Increasing (Decreasing) Balance		\$4,791,115
Total Increase in Uncommitted Unappropriated Surplus		<u>\$22,132,125</u>
Uses of General Fund Year-end Surplus:		
Fixed Dollar Transfers		
Replenish Contingent Account up to \$350,000 (5 MRSA §1507)		(\$348,000)
Transfer to Loan Insurance Reserve up to \$1,000,000 (5 MRSA §1511)		(\$1,000,000)
Transfer to General Fund Operating Capital (5 MRSA §1536)		(\$2,500,000)
Transfer to Retiree Health Insurance UAL (5 MRSA §1519)		(\$4,000,000)
Transfer to PUC Cost Recovery Fund (PL 2015, c 483)		(\$13,400,000)
Percentage Transfers of Remaining Surplus after Fixed Dollar Transfers		
Maine Budget Stabilization Fund	80.0%	(\$707,300)
Tax Relief Fund for Maine Residents	20.0%	(\$176,825)
Total Closing Transfers		<u>(\$22,132,125)</u>

GENERAL FUND STATUS - FUND BALANCE SUMMARY
Through the end of the 127th Legislature, 2nd Regular Session and FY 16 Closing Transfers

	FY 16	FY 17
<u>AVAILABLE FUNDS</u>		
Transfers/Adjustments to Balance:		
2016-2017 Biennial Budget Bill (LD 1019 - PL 2015, c. 267)	\$137,761	(\$262,239)
Special Appropriations Table Bills - 127th, 1st Reg.	\$168,884	\$237,280
PL 2015, c. 388 - LD 1583 (Tax Conformity Bill)	\$19,199,083	\$8,961,355
PL 2015, c. 389 - LD 1641 (2016-2017 Education Funding Supplemental Budget Bill)	\$0	(\$15,000,000)
PL 2015, c. 481 - LD 1606 (Budget Stabilization Fund Transfer Bill)	\$0	\$10,555,982
Other 127th 2nd Regular Session Bills	\$725,000	\$1,133,720
Unbudgeted Lapsed Balances	\$7,511,276	\$0
Other Accounting Adjustments	\$4,791,115	\$0
Statutory Year-end Transfers	(\$22,132,125)	\$0
Subtotal - Transfers/Adjustments to Balance	\$10,400,994	\$5,626,098
Undedicated Revenue:		
December 2014 Base Revenue Estimate	\$3,174,719,545	\$3,300,786,423
May 2015 Revenue Forecast	(\$32,307,756)	\$3,083,541
December 2015 Revenue Forecast	(\$2,239,140)	\$4,872,534
March 2016 Revenue Forecast	\$67,292,995	\$5,389,377
PL 2015, c. 1 - LD 138 (Tax Conformity Bill)	\$107,150	\$4,576,150
2016-2017 Biennial Budget Bill (LD 1019 - PL 2015, c. 267)	\$168,925,247	\$58,997,781
2016-2017 Biennial Budget Technical Changes Bill (LD 1452 - PL 2015, c. 328)	\$0	\$39,900
Special Appropriations Table Bills - 127th, 1st Reg.	(\$137,384)	(\$313,881)
Other 127th 1st Regular Session Bills	\$0	\$27,875
IB 2015 c. 1 - LD 806 (Maine Clean Election Bill)	(\$1,000,000)	(\$1,000,000)
PL 2015, c. 388 - LD 1583 (Tax Conformity Bill)	(\$18,974,760)	(\$19,404,000)
PL 2015, c. 481 - LD 1606 (Budget Stabilization Fund Transfer Bill)	\$0	(\$3,508,792)
Other 127th 2nd Regular Session Bills	(\$24,500)	(\$1,288,558)
Revenue Variances	\$9,829,734	\$0
Subtotal - Undedicated Revenue	\$3,366,191,131	\$3,352,258,350
TOTAL PROJECTED RESOURCES	\$3,376,592,125	\$3,357,884,448
<u>APPROPRIATIONS</u>		
2016-2017 Biennial Budget Bill (LD 1019 - PL 2015, c. 267) - Baseline Budget	\$3,254,672,484	\$3,263,889,387
2016-2017 Biennial Budget Bill (LD 1019 - PL 2015, c. 267) - Adjustments to Baseline	\$78,031,122	\$131,538,846
2016-2017 Technical Changes Bill (LD 1452 - PL 2015, c. 328)	\$0	(\$27,935,100)
EFY15 Budget Bills	\$285,180	\$278,666
Special Appropriations Table Bills - 127th, 1st Reg.	\$1,704,881	\$204,362
PL 2015, c. 388 - LD 1583 (Tax Conformity Bill)	(\$6,128,120)	\$0
PL 2015, c. 481 - LD 1606 (Budget Stabilization Fund Transfer Bill)	\$0	\$6,897,190
Other 127th 2nd Regular Session Bills	\$2,733,175	(\$1,693,129)
TOTAL APPROPRIATIONS	\$3,331,298,722	\$3,373,180,222
NET CHANGE (Resources less Appropriations)	\$45,293,403	(\$15,295,774)
BEGINNING BALANCE	\$25,567,200	\$70,860,603
NET CHANGE (FROM ABOVE)	\$45,293,403	(\$15,295,774)
ENDING BALANCE	\$70,860,603	\$55,564,829

Fiscal Briefing

September 22, 2016

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached)

Total General Fund Revenue - FY 2017 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
August	\$278.4	\$297.3	\$18.9	6.8%	\$259.3	14.7%
FYTD	\$519.7	\$535.5	\$15.8	3.0%	\$505.6	5.9%

General Fund revenue was over budget by \$18.9 million (6.8%) for the month of August and over budget by \$15.8 million (3.0%) for the fiscal year to date. Individual income tax revenues were over budget for the month by \$1.1 million and over budget for the fiscal year to date by \$3.5 million. Withholding was the primary factor for the August variance. Sales and use taxes were over budget by \$3.2 million for the month and over budget by \$5.3 million for the fiscal year to date. July sales (August revenue) were 6.0% higher than the previous year. Corporate income tax revenue was over budget by \$4.3 million for the month of August and over budget by \$2.5 million for the fiscal year to date. The majority of this variance was due to estimated payments. Transfers for tax relief programs were over budget (less transferred than budgeted) by \$4.0 million due to timing of the BETR transfer.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2017 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
August	\$29.6	\$31.0	\$1.4	4.6%	\$30.1	2.9%
FYTD	\$59.0	\$60.9	\$1.9	3.2%	\$59.2	2.9%

Highway Fund revenue was over budget by \$1.4 million (4.6%) for the month of August. Fuel taxes were over budget by \$0.5 million for the month. Motor vehicle registrations and fees were over budget by \$1.0 million for the month, with motor vehicle registrations and title fees accounting for the majority of the variance.

3. Cash Balances Update

The average balance in the cash pool in August of \$925.4 million was down from the July average of \$946.9 million but was well above both last year's average balance for August and the ten-year average for the month. General Fund internal borrowing from other funds was once again not needed in August. The average Highway Fund balance of \$56.1 million in August decreased from July's average of \$74.3 million. The State Controller transferred \$10 million to the Maine Budget Stabilization Fund (MBSF) on July 25, 2016, bringing the balance in the MBSF to just over \$122 million. The transfer was authorized to be made by October 30, 2016, in PL 2015, c.481, Part A (LD 1606).

General Fund Revenue
Fiscal Year Ending June 30, 2017 (FY 2017)

Updated 9/13/16

August 2016 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2017 Budgeted Totals
	August '16 Budget	August '16 Actual	August '16 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	130,739,443	133,919,277	3,179,834	256,897,704	262,219,151	5,321,447	2.1%	6.7%	1,317,511,722
Service Provider Tax	5,682,459	6,533,722	851,263	11,035,929	11,347,744	311,815	2.8%	44.2%	66,149,448
Individual Income Tax	115,050,000	116,134,751	1,084,751	200,050,000	203,575,418	3,525,418	1.8%	-7.7%	1,466,148,976
Corporate Income Tax	2,000,000	6,278,846	4,278,846	9,700,000	12,180,999	2,480,999	25.6%	260.8%	149,293,471
Cigarette and Tobacco Tax	12,340,896	12,913,944	573,048	26,223,564	24,705,766	(1,517,798)	-5.8%	-11.2%	135,279,000
Insurance Companies Tax	86,985	66,161	(20,824)	290,304	217,993	(72,311)	-24.9%	-34.8%	82,700,000
Estate Tax	2,050,000	3,874,422	1,824,422	4,100,000	5,210,837	1,110,837	27.1%	64.7%	18,378,323
Other Taxes and Fees *	10,674,810	11,685,080	1,010,270	21,443,375	22,815,184	1,371,809	6.4%	9.3%	140,091,830
Fines, Forfeits and Penalties	1,879,716	2,156,612	276,896	3,821,006	3,466,661	(354,345)	-9.3%	-1.4%	22,527,275
Income from Investments	129,616	241,977	112,361	129,616	241,977	112,361	86.7%	187.6%	1,744,002
Transfer from Lottery Commission	4,223,073	4,731,578	508,505	9,501,928	9,816,650	314,722	3.3%	14.4%	54,900,000
Transfers to Tax Relief Programs *	(4,000,000)	4,934	4,004,934	(4,050,000)	5,907	4,055,907	100.1%	100.2%	(65,948,340)
Transfers for Municipal Revenue Sharing	(4,484,234)	(4,529,134)	(44,900)	(10,398,547)	(10,385,856)	12,691	0.1%	23.6%	(64,326,883)
Other Revenue *	2,022,408	3,296,690	1,274,282	(9,068,931.00)	(9,968,079)	(899,148)	-9.9%	-24.8%	27,809,526
Totals	278,395,172	297,308,860	18,913,688	519,675,948	535,450,352	15,774,404	3.0%	5.9%	3,352,258,350

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

General Fund Revenue
Fiscal Year Ending June 30, 2017 (FY 2017)

Updated 9/13/16

August 2016 Revenue Variance Report

Revenue Category	August '16			Fiscal Year-To-Date					FY 2017 Budgeted Totals
	Budget	Actual	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	14,513,169
- Real Estate Transfer Tax	1,679,733	1,515,249	(164,485)	3,123,140	3,103,353	(19,787)	-0.6%	6.2%	15,294,043
- Liquor Taxes and Fees	2,246,660	2,079,480	(167,180)	4,509,960	4,433,666	(76,294)	-1.7%	-5.1%	21,415,688
- Corporation Fees and Licenses	252,959	280,996	28,037	655,516	841,932	186,416	28.4%	11.0%	9,088,649
- Telecommunication Excise Tax	0	0	0	0	0	0	N/A	N/A	7,500,000
- Finance Industry Fees	2,195,991	2,723,400	527,409	4,391,982	4,478,350	86,368	2.0%	5.4%	26,851,990
- Milk Handling Fee	422,947	765,625	342,678	845,894	1,659,171	813,277	96.1%	168.3%	5,075,362
- Racino Revenue	837,666	756,230	(81,436)	1,675,332	1,515,712	(159,620)	-9.5%	-9.1%	8,850,013
- Boat, ATV and Snowmobile Fees	366,851	305,615	(61,236)	910,760	831,596	(79,164)	-8.7%	-5.9%	4,523,561
- Hunting and Fishing License Fees	1,930,105	2,265,499	335,394	3,841,603	4,078,307	236,704	6.2%	7.3%	15,878,217
- Other Miscellaneous Taxes and Fees	741,898	992,987	251,089	1,489,188	1,873,097	1,873,097	N/A	43.5%	11,101,138
Subtotal - Other Taxes and Fees	10,674,810	11,685,080	1,010,270	21,443,375	22,815,184	1,371,809	N/A	9.3%	140,091,830
Detail of Other Revenue:									
- Liquor Sales and Operations	2,239	2,100	(139)	3,548.00	6,530	2,982	N/A	33.8%	9,845,500
- Targeted Case Management (DHHS)	267,640	182,614	(85,026)	535,280	318,547	(216,733)	-40.5%	-18.3%	2,560,000
- State Cost Allocation Program	1,142,836	1,984,313	841,477	2,795,789	3,569,303	773,514	27.7%	23.6%	18,296,832
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	7,000,000
- Tourism Transfer	0	0	0	(8,514,079)	(8,961,182)	(447,103)	-5.3%	-10.0%	(13,701,204)
- Transfer to Maine Milk Pool	(2,074,556)	(2,040,259)	34,297	(4,346,334)	(4,953,067)	(606,733)	-14.0%	-59.4%	(12,622,360)
- Transfer to STAR Transportation Fund	0	0	0	(4,287,346)	(5,192,801)	(905,455)	-21.1%	-12.7%	(6,800,000)
- Other Miscellaneous Revenue	2,684,249	3,167,922	483,673	4,744,211	5,244,592	500,381	10.5%	14.2%	23,230,758
Subtotal - Other Revenue	2,022,408	3,296,690	1,274,282	(9,068,931)	(9,968,079)	(899,148)	-9.9%	-24.8%	27,809,526
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	0	1,670	1,670	0	1,970	1,970	N/A	269.0%	0
- BETR - Business Equipment Tax Reimb.	(4,000,000)	0	4,000,000	(4,000,000)	0	4,000,000	100.0%	100.0%	(30,500,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	0	3,264	3,264	(50,000)	3,937	53,937	107.9%	N/A	(35,448,340)
Subtotal - Tax Relief Transfers	(4,000,000)	4,934	4,004,934	(4,050,000)	5,907	4,055,907	100.1%	100.2%	(65,948,340)
Inland Fisheries and Wildlife Revenue - Total	2,387,826	2,667,511	279,685	4,918,468	5,091,750	173,282	3.5%	N/A	21,499,761

Highway Fund Revenue
Fiscal Year Ending June 30, 2017 (FY 2017)

Updated 9/13/16

August 2016 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2017 Budgeted Totals
	August '16 Budget	August '16 Actual	August '16 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	19,479,597	19,084,420	(395,177)	36,697,379	36,733,034	35,655	0.1%	1.1%	200,201,200
- Special Fuel and Road Use Taxes	3,295,839	4,135,860	840,021	7,685,498	8,101,554	416,056	5.4%	2.2%	47,086,700
- Transcap Transfers - Fuel Taxes	(1,671,623)	(1,705,728)	(34,105)	(3,259,889)	(3,293,700)	(33,811)	-1.0%	-1.3%	(18,171,111)
- Other Fund Gasoline Tax Distributions	(487,126)	(477,244)	9,882	(917,692)	(918,583)	(891)	-0.1%	-1.1%	(5,006,432)
Subtotal - Fuel Taxes	20,616,687	21,037,308	420,621	40,205,296	40,622,305	417,009	1.0%	1.3%	224,110,357
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	5,124,831	5,651,161	526,330	11,207,175	12,530,689	1,323,514	11.8%	7.0%	66,345,787
- License Plate Fees	367,491	422,247	54,756	728,434	802,549	74,115	10.2%	1.0%	3,458,710
- Long-term Trailer Registration Fees	554,559	585,876	31,317	1,018,300	1,109,814	91,514	9.0%	-7.0%	9,884,523
- Title Fees	1,107,440	1,315,389	207,949	2,385,218	2,428,955	43,737	1.8%	-2.8%	13,366,264
- Motor Vehicle Operator License Fees	712,354	851,294	138,940	1,402,586	1,595,688	193,102	13.8%	15.1%	8,499,545
- Transcap Transfers - Motor Vehicle Fees	0	0	0	0	0	0	N/A	N/A	(15,570,414)
Subtotal - Motor Vehicle Reg. & Fees	7,866,675	8,825,967	959,292	16,741,713	18,467,695	30,880	0.2%	5.0%	85,984,415
Motor Vehicle Inspection Fees	296,875	381,724	84,849	593,750	522,163	(71,587)	-12.1%	-5.5%	2,982,500
Other Highway Fund Taxes and Fees	96,290	116,868	20,578	234,639	250,323	15,684	6.7%	0.8%	1,280,229
Fines, Forfeits and Penalties	55,847	74,508	18,661	114,715	133,303	18,588	16.2%	7.5%	739,039
Interest Earnings	39,028	45,628	6,600	78,056	45,628	(32,428)	-41.5%	193.9%	468,341
Other Highway Fund Revenue	646,041	505,668	(140,373)	1,035,769	873,908	(161,861)	-15.6%	-13.1%	9,962,600
Totals	29,617,443	30,987,672	1,370,229	59,003,938	60,915,324	1,911,386	3.2%	2.9%	325,527,481



FISCAL NEWS

NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

2016 NUMBER 2

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Questions or comments regarding specific sections contact:

**Christopher Nolan, Director
Office of Fiscal and
Program Review
5 State House Station
Augusta, Maine 04333-0005
Telephone: (207) 287-1635**

Christopher.Nolan@legislature.maine.gov

www.maine.gov/legis/ofpr/

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.



Summary

General Fund revenue ended the fiscal year with a \$9.8 million revenue surplus. Sales and use taxes and cigarette and tobacco taxes were the primary contributors. Individual income taxes, while over budget for the month of June, came in under budget for the fiscal year.

Highway Fund revenue ended the fiscal year with a \$4.7 million surplus. Strong performances in the motor vehicle registrations and fees and the motor vehicle inspection fees categories were the primary reasons for the positive year-end results.

The FY 2016 closing General Fund balance totaled \$93.0 million, \$70.9 million of which was budgeted and \$22.1 million was unbudgeted. The \$22.1 million not budgeted included the \$9.8 million General Fund revenue surplus, \$7.5 million in unbudgeted lapsed program balances and \$4.8 million in other accounting adjustments. Under the current distribution rules for the year-end “cascade” of funds from the unbudgeted surplus, after \$21.2 million in fixed dollar transfers were distributed for FY 2016, 80% (\$707,300) was distributed to the Maine Budget Stabilization Fund and 20% (\$176,825) was distributed to the Tax Relief Fund for Maine Residents.

The Highway Fund had a FY 2016 closing unallocated balance of \$11.6 million resulting from the \$4.7 million Highway Fund revenue surplus, \$5.1 million in unexpended Highway Fund allocations that lapsed back to the unallocated surplus and \$1.9 million in other net accounting adjustments. Under the Highway Fund’s year-end transfer provisions all but \$100,000 of the increase in the unallocated surplus above the budgeted amount was transferred to the Department of Transportation for highway and bridge improvement projects in the next fiscal year.

The FY 2016 Fund for a Healthy Maine balance benefited from closing transactions totaling \$7.4 million, including a \$2.3 million increase in revenue above budgeted levels; \$1.7 million in adjustments to prior year balances (primarily audit settlements and recoveries from providers); and \$3.4 million in unspent program funds returned to the Fund.

The average balance in the cash pool in June was \$847.9 million. This was below the May average of \$858.5 million but well above both last year’s balances for June and the ten-year average for the month. General Fund internal borrowing from other funds was, once again, not needed in June and was only needed in four months of this fiscal year. The average Highway Fund balance of \$47.9 million in June was below the average for May of \$51.8 million but above last June’s average.

Total state operating funds expenditures for FY 2016 increased by \$275.1 million (4.6%) compared to FY 2015. This increase was across all operating funds, but on a percentage basis was greatest for Other Special Revenue Funds programs (8.8%). General Fund spending increased by 3.4% in FY 2016 compared to FY 2015.

**Summary (Continued)**

Total MaineCare weekly cycle spending (state and federal dollars) in FY 2016 increased from FY 2015 levels but remained within appropriated and allocated funding levels. Similarly, General Fund MaineCare spending for FY 2016 was also up over FY 2015 levels but remained within FY 2016 funding levels. MaineCare caseload for FY 2016 continued its downward trend.

General Fund Revenue Update**Total General Fund Revenue - FY 2016 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
June	\$369.4	\$369.6	\$0.2	0.0%	\$545.9	-32.3%
FYTD	\$3,356.4	\$3,366.2	\$9.8	0.3%	\$3,329.3	1.1%

General Fund revenue was over budget by \$0.2 million for the month of June and over budget by \$9.8 million (0.3%) for the fiscal year. Sales and use taxes and cigarette and tobacco taxes were the primary contributors to the positive variance. Sales and use taxes were under budget by \$3.6 million for the month but over budget for the fiscal year by \$14.0 million. May taxable sales (June revenue) increased by 3.4% over one year ago. Cigarette and tobacco taxes were over budget by \$4.8 million for the fiscal year. Estate taxes were \$1.1 million over budget for the month and \$0.6 million over budget for the fiscal year. Lottery revenues were \$1.9 million under budget for June but over budget for the fiscal year by \$2.1 million. Partially offsetting these positive annual variances was the service provider tax, which was \$7.4

million under budget for the month and \$10.2 million under budget for the fiscal year. This negative variance was primarily the result of accruals in July of 2015 that were reversed in June of 2016. Individual income tax revenues were over budget for the month by \$8.4 million but under budget for the fiscal year by \$3.6 million (0.2%). Income tax withholding and estimated payments were the primary factors in the June variance. Estimated payments for April and June of 2016 were consistent with such payments for 2015, but the March 2016 revenue forecast had assumed a 5% decrease attributed to the January 1, 2016 tax cuts.

A summary of FY 2016 General Fund revenue detail is included as an attachment.

Highway Fund Revenue Update**Total Highway Fund Revenue - FY 2016 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
June	\$25.4	\$25.7	\$0.2	0.9%	\$47.6	-46.1%
FYTD	\$322.7	\$327.4	\$4.7	1.5%	\$323.5	1.2%

Highway Fund revenue was over budget by \$0.2 million (0.9%) for the month of June and over budget by \$4.7 million (1.5%) for the fiscal year. Strong performances in the motor vehicle registrations and fees and the motor vehicle inspection fees categories were the primary reasons for the positive year-end results. Motor vehicle registrations and fees were over budget by \$3.8 million

for the fiscal year, with motor vehicle registration and long-term trailer registration fees accounting for the majority of the overage. Motor vehicle inspection fees were over budget by \$0.5 million for the fiscal year.

A summary of FY 2016 Highway Fund revenue detail is included as an attachment.

General Fund FY 2016 Year-End

The FY 2016 closing General Fund balance totaled \$93.0 million, \$70.9 million of which was budgeted and \$22.1 million was unbudgeted. The \$22.1 million unbudgeted surplus resulted from the \$9.8 million General Fund revenue surplus, \$7.5 million in unbudgeted lapsed program balances and \$4.8 million in other

accounting adjustments. Under the current distribution rules for the year-end "cascade" of funds from the unappropriated surplus of the General Fund (5 MRSA §1507, §1511, §1519 and §1536), after all fixed dollar transfers were distributed; 80% (\$707,300) was distributed to the



Maine Budget Stabilization Fund and 20% (\$176,825) was distributed to the Tax Relief Fund for Maine Residents. The table below summarizes the sources and uses of FY 2016 uncommitted funds. The FY 2016 budgeted General Fund balance of \$70.9 million remains as a budgeted resource for FY 2017.

FY 2016 General Fund Year-End Summary

Sources of General Fund Year-end Surplus:		
General Fund Revenue Variance		\$9,829,734
Unbudgeted Lapsed Balances		\$7,511,276
Other Accounting Adjustments Increasing (Decreasing) Balance		\$4,791,115
Total Increase in Uncommitted Unappropriated Surplus		\$22,132,125
Uses of General Fund Year-end Surplus:		
Fixed Dollar Transfers		
Replenish Contingent Account up to \$350,000 (5 MRSA §1507)		(\$348,000)
Transfer to Loan Insurance Reserve up to \$1,000,000 (5 MRSA §1511)		(\$1,000,000)
Transfer to General Fund Operating Capital (5 MRSA §1536)		(\$2,500,000)
Transfer to Retiree Health Insurance UAL (5 MRSA §1519)		(\$4,000,000)
Transfer to PUC Cost Recovery Fund (PL 2015, c 483)		(\$13,400,000)
Percentage Transfers of Remaining Surplus after Fixed Dollar Transfers		
Maine Budget Stabilization Fund	80.0%	(\$707,300)
Tax Relief Fund for Maine Residents	20.0%	(\$176,825)
Total Closing Transfers		(\$22,132,125)

Highway Fund FY 2016 Year-End

The Highway Fund also has a statutory year-end transfer provision that transfers all but \$100,000 of the increase in the unallocated surplus above the budgeted amount to the Department of Transportation for highway and bridge improvement projects in the next fiscal year. The amounts that transferred and are available in FY 2017 are \$11.6 million. In addition to the \$4.7 million revenue surplus, unexpended Highway Fund allocations that lapsed back to the unallocated surplus totaled \$5.1 million and other net accounting adjustments equaled \$1.9 million.

FY 2016 Highway Fund Year-End Summary

Sources of Highway Fund Year-end Surplus:		
Highway Fund Revenue Variance		\$4,709,320
Unbudgeted Lapsed Balances		\$5,090,423
Other Accounting Adjustments Increasing (Decreasing) Balance		\$1,855,131
Total Increase in Uncommitted Unallocated Surplus		\$11,654,874
Uses of Highway Fund Year-end Surplus:		
Required Increase to Budgeted Balance		\$100,000
Net Unallocated Transferred to Transportation		\$11,554,874

**Fund for a Healthy Maine**

Maine received its annual tobacco settlement payment in settlements and recoveries from providers) and \$3.4 April of 2016. This year's payment of \$51.8 million in unspent program funds returned to the Fund, was above the \$49.4 million budgeted for the FY 2016. increased the balance in the fund by \$7.4 million. The final This increase in revenue combined with other FY 2016 FY 2016 balance of \$14.3 million remains in the Fund for closing transactions, including \$1.7 million in A Healthy Maine as a resource for FY 2017 and future adjustments to prior year balances (primarily audit years.

FY 2016 Fund for a Healthy Maine Year-End Summary**Sources of Fund for a Healthy Maine Year-end Surplus:**

Revenue Variance (primarily Tobacco Settlement Payment)	\$2,304,070
Adjustments to Prior Year Balances (primarily provider audits and recoveries)	\$1,702,584
Lapsed Balances from Unexpended Funds	\$3,354,073

Total Increase in Unallocated Surplus	\$7,360,727
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Year-end Balance	\$14,317,214
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Cash Update

The average balance in the cash pool in June of \$847.9 million was below the May average of \$858.5 million but well above both last year's June average of \$720.4 million and the ten-year average for the month of \$465.6 million. Cash balances remained strong during the fiscal year with General Fund internal borrowing from other funds needed only in four of the months – see the monthly summary below. In the nine years that the State has been doing internal borrowing to meet

cash needs this is the first time that such borrowing was unnecessary in any given month of the year – not to mention in eight of the months of the year.

The average Highway Fund balance of \$47.9 million in June decreased from Mays's average of \$51.8 million but was above last June's average of \$44.5 million. For the fiscal year, Highway Fund balances remained consistent and strong.

Summary of Treasurer's Cash Pool**June 2016 Average Daily Balances**

(\$'s Millions)

	<u>2015</u>	<u>2016</u>
General Fund (GF) Total	\$43.2	\$129.0
General Fund (GF) Detail:		
Budget Stabilization Fund	\$70.6	\$111.5
Reserve for Operating Capital	\$4.9	\$7.4
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$45.7	\$0.0
Other General Fund Cash	(\$78.0)	\$10.0
Other Spec. Rev. - Interest to GF	\$206.7	\$237.3
Other State Funds - Interest to GF	\$17.3	\$15.0
Highway Fund	\$44.5	\$47.9
Other Spec. Rev. - Retaining Interest	\$82.8	\$67.8
Other State Funds	\$239.0	\$246.3
Independent Agency Funds	\$86.8	\$104.6
Total Cash Pool	\$720.4	\$847.9

**Cash Pool - Average Daily Balances by Month- FY 2016**

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-16	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
General Fund (GF) - Total	40,154,490	35,385,755	60,112,350	37,603,612	35,862,685	45,329,134	110,311,289	103,386,354	27,520,666	53,922,741	140,388,742	128,977,857
General Fund - Detail												
General Fund - Other	(58,628,410)	(83,127,047)	(65,097,220)	(98,400,159)	(82,760,654)	(73,332,563)	(8,391,910)	(15,356,702)	(121,107,801)	(111,747,580)	21,488,392	10,016,580
Budget Stabilization Fund	93,864,346	111,094,249	111,124,349	111,165,863	111,204,785	111,243,143	111,284,644	111,324,502	111,371,203	111,418,434	111,481,796	111,542,724
GF Operating Capital Reserve	4,918,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554	7,418,554
Internal Borrowing from Other Funds	0	0	6,666,667	17,419,355	0	0	0	0	29,838,710	46,833,333	0	0
Tax Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0
Highway Fund	52,453,762	61,254,757	63,652,834	56,321,378	54,434,816	36,697,290	39,128,098	39,962,691	46,552,979	55,629,913	51,812,687	47,909,194
Other Spec Rev - Contributing to GF	252,759,230	255,652,559	266,496,775	260,934,016	254,724,892	247,083,488	256,996,320	240,736,925	214,335,505	196,026,169	237,252,099	237,316,331
Other Spec Rev - Retaining Interest	83,854,919	81,791,920	77,680,571	73,742,321	75,866,689	74,695,975	66,650,139	43,739,439	44,654,248	51,932,845	62,137,767	67,770,642
Other State Funds - Interest to GF	16,713,108	16,889,011	15,215,808	14,256,941	15,078,569	13,864,306	15,637,253	13,063,086	13,871,392	14,621,689	13,836,639	15,033,667
Other State Funds	274,281,530	246,561,917	229,675,881	222,840,776	219,222,190	218,988,067	225,434,651	248,425,464	241,294,709	221,000,350	222,676,215	246,298,930
Independent Agency Funds	98,288,511	101,411,929	137,457,870	152,800,885	146,644,926	132,919,525	121,107,228	151,331,397	146,089,847	144,727,803	130,361,537	104,592,662
Total Cash Pool	818,505,550	798,947,849	850,292,089	818,499,931	801,834,767	769,577,784	835,264,977	840,645,355	734,319,346	737,861,510	858,465,686	847,899,282

State Expenditure Update

Total state operating funds expenditures for FY 2016 increased by \$318.5 million (4.6%) when compared to FY 2015. This increase was across all operating funds, but on a percentage basis was greatest for Other Special Revenue Funds (8.8%). This Other Special Revenue Funds increase was mainly within the Department of Transportation, and relates to three major areas: additional spending on the Sarah Mildred Long bridge project; increased spending on light capital paving and an unusually large municipal partnership initiative project.

General Fund expenditures increased by \$106.7 million (3.4%) in FY 2016 compared to FY 2015. Increases in General Fund spending for the Department of Corrections (+\$25.8; million; 17.0%) and the Department of Health and Human Services (+\$38.9 million; 3.5%) were major contributors to the increase.

The magnitude of the Department of Corrections increase was primarily the result of moving the State Board of Corrections (Other Departments and Agencies category) to the Department of Corrections beginning in FY 2016. MaineCare and related spending was the major contributor to the Department of Health and Human Services' increase, although its growth rate has moderated from historical levels.

Total Highway Fund spending increased by \$9.1 million (3.0%) in FY 2016 compared to FY 2015. The increase was driven by Department of Transportation spending which increased by \$4.1 million (1.7%), largely the result of timing issues and the allocation of spending between operating and bond funds.

Operating Funds - Expenditures through Close of Fiscal Year

Operating Funds:	FY 2015	FY 2016	% Change
General Fund	\$3,165,523,838	\$3,272,174,288	3.4%
Highway Fund	\$303,597,502	\$312,668,230	3.0%
Other Special Revenue Funds	\$991,392,253	\$1,078,867,496	8.8%
Federal Funds	\$2,420,838,529	\$2,536,124,842	4.8%
Total Operating Funds	\$6,881,352,121	\$7,199,834,856	4.6%
General Fund Expenditures by Major Department			
Education	\$1,137,145,300	\$1,152,896,463	1.4%
Health and Human Services	\$1,115,341,751	\$1,154,209,618	3.5%
Corrections	\$151,316,682	\$177,090,094	17.0%
Administrative and Financial Services	\$120,028,495	\$130,202,433	8.5%
Other Departments and Agencies	\$641,691,610	\$657,775,681	2.5%
Highway Fund Expenditures by Major Department			
Transportation	\$243,858,699	\$247,945,831	1.7%
Secretary of State	\$32,738,172	\$35,977,402	9.9%
Public Safety	\$24,310,542	\$26,410,260	8.6%
Other Departments and Agencies	\$2,690,089	\$2,334,737	-13.2%



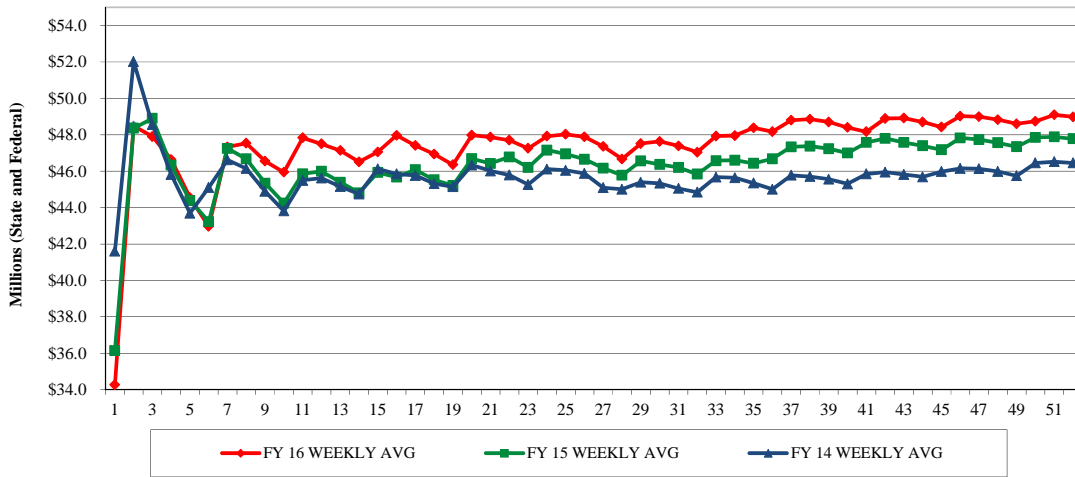
MaineCare Update

MaineCare Spending

The average weekly MaineCare cycle for FY 2016 was \$48.7 million (state and federal dollars), a 1.9% increase above the FY 2015 average of \$47.8 million. MaineCare Chart 1 below summarizes average weekly MaineCare cycle payments for FY 2016 as well as comparable payment cycle averages for FY 2014 and FY 2015.

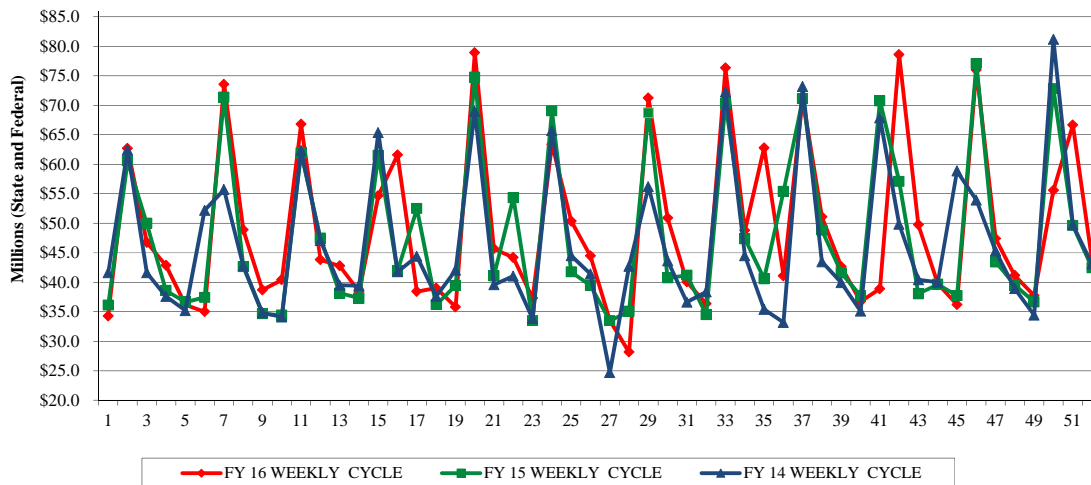
MaineCare Chart 2 summarizes the actual cycles each week for FY 2016 and for FY 2014 and FY 2015. While the average cycle for FY 2016 was higher than the FY 2015 cycle average, overall Maine Care FY 2016 spending remained within appropriated and allocated funding levels.

MaineCare Chart 1. Weekly Cycle Averages - FY 14, FY 15 and FY 16
FY 16 Through 06/30/16 - Week 53



° FY 14 cycles do not reflect MaineCare hospital settlements of \$490.2 million paid in the 9/21/13 (12th) cycle and do include \$9.3 million to reimburse in-State hospitals for crossover claims incurred between late March and June 2011 paid in the 6/11/14 (50th) cycle.

MaineCare Chart 2. Weekly Cycles - FY 14, FY 15 and FY 16
FY 16 Through 06/30/16 - Week 53



° FY 14 cycles do not reflect MaineCare hospital settlements of \$490.2 million paid in the 9/21/13 (12th) cycle and do include \$9.3 million to reimburse in-State hospitals for crossover claims incurred between late March and June 2011 paid in the 6/11/14 (50th) cycle.

**MaineCare Update (Continued)****MaineCare Expenditure Detail**

MaineCare Table 1 uses expenditure data from the State's financial warehouse (MFASIS) through the end of FY 2016 to compare MaineCare expenditures by expenditure category for the last three fiscal years. Total MaineCare "All Funds" spending through the end of the year increased by \$120.1 million from FY 2015 to FY 2016. As detailed in MaineCare Table 1, FY 2016 spending through the end of the year increased significantly in the home and community-based services (HCBS) waivers, pharmacy and related, mental health services, clinic services and home health expenditure categories; and decreased in the rehabilitation services, hospital services, Medicare crossover payments and transportation expenditure categories.

FY 2016 MaineCare "All Funds" spending through the end of the year was offset by the "16 Other

Adjustments" category that reflects financial transactions (third party liability collections, audit settlements, etc.) that are not assigned to another expenditure category, and by the "15 Accounting Adjustments" category that includes bad-debt write-offs. The impact of these offsets was reduced from FY 2015 levels. Spending for FY 2016 without these offsets increased by 3.2% over last year's spending (as compared to the 4.7% increase when the offsets are included in the two years). MaineCare Table 1 also shows that aggregate General Fund MaineCare expenditures for FY 2016 increased by 3.2% compared to FY 2015. General Fund spending for FY 2016 without the offsets noted above increased by 3.0% compared to FY 2015. Overall for the year, General Fund spending was slightly over the original budgeted amount for FY 2016. However, the spending was within the final allotment funding levels for MaineCare and did not require additional appropriations.

MaineCare Table 1. MaineCare and Related Expenditures Detail Through 12 Months
All Funds - Through 12 Months

Expenditure Categories	FY 2014	FY 2015	FY 2016	Chgs. FY 2015 to FY 2016	
	12 Months	12 Months	12 Months	\$	%
1 Hospital Services	\$604,211,767	\$640,635,189	\$610,329,080	(\$30,306,109)	-4.7%
1A Hospital Settlements	\$490,200,000			\$0	na
2 Residential Care	\$532,036,514	\$553,823,972	\$574,847,984	\$21,024,012	3.8%
3 HCBS Waivers	\$339,593,602	\$351,510,360	\$378,624,736	\$27,114,375	7.7%
4 Pharmacy and Related	\$328,508,335	\$331,228,567	\$357,549,608	\$26,321,041	7.9%
5 Medical Professionals	\$159,935,271	\$156,294,949	\$158,824,042	\$2,529,092	1.6%
6 Medicare Crossover Payments	\$106,901,770	\$96,460,794	\$95,419,337	(\$1,041,457)	-1.1%
7 Mental Health Services	\$281,312,987	\$293,857,311	\$327,868,773	\$34,011,461	11.6%
8 Clinic Services	\$49,403,456	\$52,554,445	\$56,956,726	\$4,402,281	8.4%
9 Home Health	\$32,108,068	\$33,000,170	\$37,247,016	\$4,246,845	12.9%
10 Rehabilitation Services	\$24,377,889	\$24,668,712	\$22,244,368	(\$2,424,344)	-9.8%
11 Case Management	\$43,743,234	\$44,863,117	\$45,426,558	\$563,441	1.3%
12 Certified Seed	\$26,370,611	\$28,757,059	\$28,703,834	(\$53,225)	-0.2%
13 Transportation Services	\$44,954,005	\$50,388,177	\$49,654,706	(\$733,472)	-1.5%
14 Other Expenditure Codes	\$12,627,176	\$13,266,861	\$12,108,577	(\$1,158,284)	-8.7%
15 Accounting Adjustments	\$10,266,792	\$5,161,744	(\$1,067,913)	(\$6,229,657)	-120.7%
16 Other Adjustments	(\$82,860,836)	(\$99,206,441)	(\$57,399,415)	\$41,807,026	-42.1%
All Funds Total	\$3,003,690,641	\$2,577,264,987	\$2,697,338,016	\$120,073,029	4.7%
Minus Accounting and Other Adjustment	(\$417,605,956)	\$94,044,697	\$58,467,328	(\$35,577,369)	-37.8%
All Funds Adjusted Total	\$2,586,084,685	\$2,671,309,685	\$2,755,805,344	\$84,495,660	3.2%
General Fund Totals	\$772,883,954	\$780,442,825	\$805,582,387	\$25,139,562	3.2%
Minus Accounting and Other Adjustment	\$26,022,574	\$25,834,459	\$25,066,306	(\$768,153)	-3.0%
General Fund Adjusted Totals	\$798,906,528	\$806,277,284	\$830,648,693	\$24,371,408	3.0%

¹ Includes bad debt write-offs and other adjustments (e.g., third party liability collections, audit settlements, etc.) that are not assigned to a specific expenditure category.

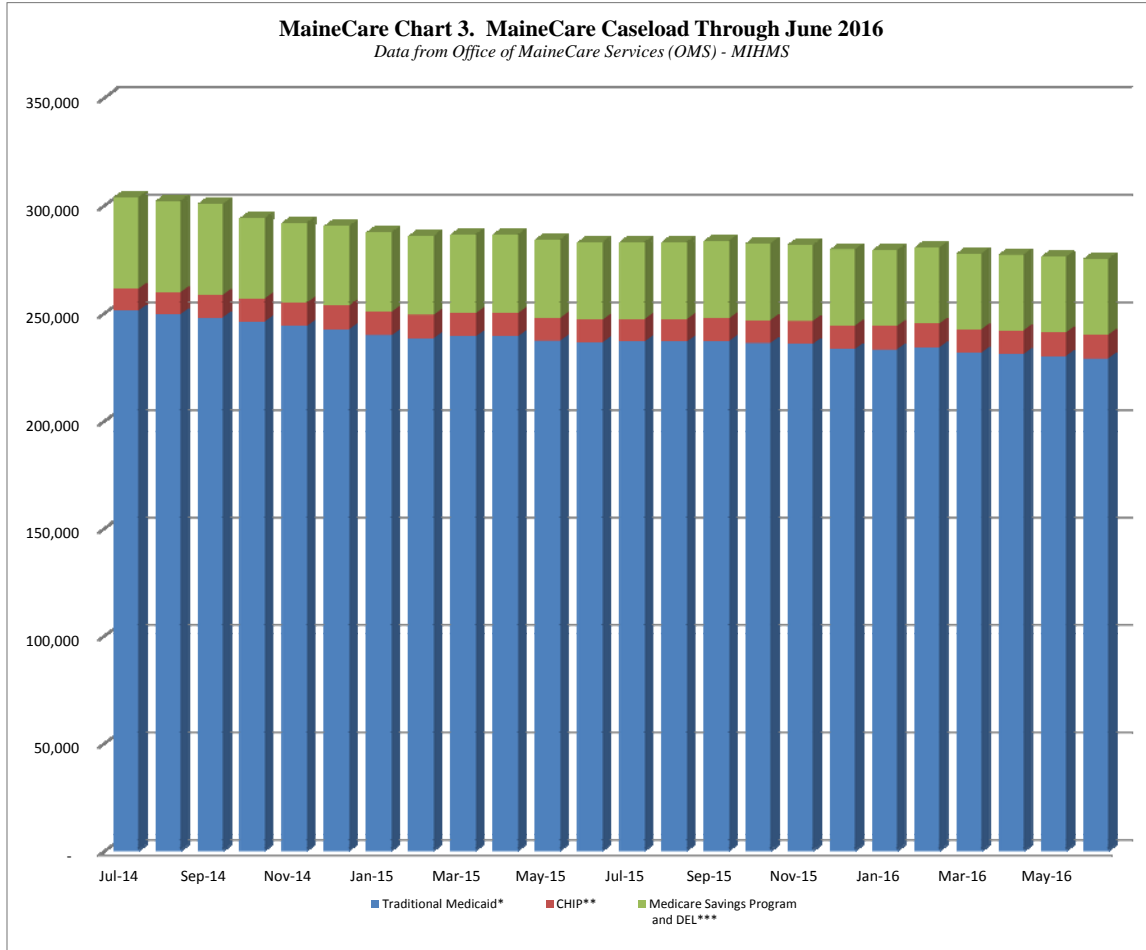


MaineCare Update (Continued)

MaineCare Caseload

MaineCare caseload data for June released by the Department of Health and Human Services, Office of MaineCare Services (OMS) show aggregate MaineCare caseload continuing to decrease. MaineCare caseload

decreased by 7,608 persons (2.8%) during FY 2016, or just over 630 persons per month. MaineCare Chart 3 shows OMS caseload data over time, while MaineCare Table 2 shows the caseload detail over that period.



**MaineCare Update (Continued)****MaineCare Table 2. MaineCare Caseload Detail**

Source of OMS data - MIHMS

Month	Traditional Medicaid*	CHIP**	Medicare Savings Program and DEL***	Total Caseload	Change	% Change
Jul-14	250,840	10,157	42,439	303,519	(2,761)	-0.90%
Aug-14	249,220	10,230	42,372	301,894	(1,625)	-0.54%
Sep-14	247,726	10,444	42,200	300,432	(1,462)	-0.48%
Oct-14	245,835	10,754	37,228	293,863	(6,569)	-2.19%
Nov-14	243,777	10,852	37,121	291,784	(2,079)	-0.71%
Dec-14	242,316	10,993	36,879	290,218	(1,566)	-0.54%
Jan-15	239,407	10,971	36,840	287,242	(2,976)	-1.03%
Feb-15	238,121	10,849	36,590	285,581	(1,661)	-0.58%
Mar-15	238,971	10,789	36,495	286,265	684	0.24%
Apr-15	239,044	10,743	36,417	286,214	(51)	-0.02%
May-15	237,005	10,604	36,165	283,782	(2,432)	-0.85%
Jun-15	236,190	10,500	35,770	282,460	(1,322)	-0.47%
Jul-15	236,629	10,418	35,662	282,709	249	0.09%
Aug-15	236,517	10,477	35,653	282,647	(62)	-0.02%
Sep-15	236,910	10,519	35,695	283,124	477	0.17%
Oct-15	235,858	10,622	35,648	282,128	(996)	-0.35%
Nov-15	235,329	10,676	35,545	281,550	(578)	-0.20%
Dec-15	233,006	10,852	35,451	279,309	(2,241)	-0.80%
Jan-16	232,858	10,864	35,251	278,973	(336)	-0.12%
Feb-16	233,814	11,038	35,308	280,160	1,187	0.43%
Mar-16	231,380	10,852	35,167	277,399	(2,761)	-0.99%
Apr-16	230,742	10,999	35,170	276,911	(488)	-0.18%
May-16	229,801	10,925	35,135	275,861	(1,050)	-0.38%
Jun-16	228,700	10,984	35,168	274,852	(1,009)	-0.37%

*TRADITIONAL: Adults and children eligible for traditional Medicaid.

**CHIP: Children with family incomes above 125/133%, based on age, and up to and including 200% of the Federal Poverty Level (FPL).

***MSP & DEL: Persons not eligible for traditional Medicaid, but have family income up to 175% of the Federal Poverty Level (FPL) and are eligible for other federal and state programs such as: Medicaid Savings Plan (MSP) and Low-cost Drugs To Maine's Elderly (DEL).



General Fund Revenue Fiscal Year Ending June 30, 2016 (FY 2016) June 2016 Revenue Variance Report

Revenue Category	June '16		June '16		Fiscal Year-To-Date			FY 2016 Budgeted Totals
	Budget	Actual	Actual	Variance	Budget	Actual	Variance	
								% Change from Prior Year
Sales and Use Tax	119,058,577	115,431,376	(3,627,201)	1,260,137,966	1,274,144,957	14,006,991	1.1%	6.6%
Service Provider Tax	7,545,639	154,282	(7,391,357)	55,073,214	44,916,959	(10,156,255)	-18.4%	-7.5%
Individual Income Tax	134,023,659	142,414,395	8,390,736	1,546,329,595	1,542,687,615	(3,641,980)	-0.2%	1.4%
Corporate Income Tax	34,779,483	34,836,018	56,535	138,354,603	137,492,442	(862,161)	-0.6%	-18.6%
Cigarette and Tobacco Tax	11,267,078	10,922,234	(344,844)	136,641,000	141,464,095	4,823,095	3.5%	3.3%
Insurance Companies Tax	26,367,642	28,002,957	1,635,315	82,700,000	81,250,784	(1,449,216)	-1.8%	-0.3%
Estate Tax	2,649,900	3,778,176	1,128,276	26,598,740	27,198,153	599,413	2.3%	-12.8%
Other Taxes and Fees *	14,965,204	15,370,078	404,874	140,329,152	143,422,744	3,093,592	2.2%	2.9%
Fines, Forfeits and Penalties	2,069,104	1,920,060	(149,044)	22,411,725	20,610,571	(1,801,154)	-8.0%	-8.8%
Income from Investments	223,868	461,781	237,913	1,076,328	1,483,723	407,395	37.9%	146.1%
Transfer from Lottery Commission	4,928,981	3,005,099	(1,923,882)	54,900,000	56,972,851	2,072,851	3.8%	5.5%
Transfers to Tax Relief Programs *	1	(300,503)	(300,504)	(64,771,938)	(64,744,050)	27,888	0.0%	-8.8%
Transfers for Municipal Revenue Sharing	(8,166,930)	(8,054,938)	111,992	(67,259,423)	(67,355,586)	(96,163)	-0.1%	-5.9%
Other Revenue *	19,720,716	21,670,494	1,949,778	23,840,435	26,645,874	2,805,439	11.8%	-48.7%
Totals	369,432,922	369,611,508	178,586	3,356,361,397	3,366,191,131	9,829,734	0.3%	1.1%

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



**General Fund Revenue
Fiscal Year Ending June 30, 2016 (FY 2016)
June 2016 Revenue Variance Report**

Revenue Category	June '16			Fiscal Year-To-Date			FY 2016 Budgeted Totals
	Budget	Actual	Variance	Budget	Actual	Variance	
			%			%	
Detail of Other Taxes and Fees:							
- Property Tax - Unorganized Territory	3,018,795	1,571,680	(1,447,115)	14,225,984	12,778,868	(1,447,116)	14,225,984
- Real Estate Transfer Tax	1,320,122	278,537	(1,041,585)	15,697,389	15,394,715	(302,674)	15,697,389
- Liquor Taxes and Fees	2,161,399	2,186,849	25,450	21,214,918	22,352,169	1,137,251	21,214,918
- Corporation Fees and Licenses	1,808,478	2,440,648	632,170	9,088,649	10,052,935	964,286	9,088,649
- Telecommunication Excise Tax	0	(137,691)	(137,691)	7,500,000	6,403,740	(1,096,260)	7,500,000
- Finance Industry Fees	2,196,090	3,377,900	1,181,810	26,851,990	29,463,631	2,611,641	26,851,990
- Milk Handling Fee	497,136	758,502	261,366	5,357,705	5,132,699	(225,006)	5,357,705
- Racino Revenue	711,578	794,311	82,733	8,761,475	8,753,125	(8,350)	8,761,475
- Boat, ATV and Snowmobile Fees	835,909	842,072	6,163	4,523,561	4,291,061	(232,500)	4,523,561
- Hunting and Fishing License Fees	1,847,115	2,457,986	610,871	15,850,342	16,432,790	582,448	15,850,342
- Other Miscellaneous Taxes and Fees	568,582	799,285	230,703	11,257,139	12,367,010	1,109,871	11,257,139
Subtotal - Other Taxes and Fees	14,965,204	15,370,078	404,874	140,329,152	143,422,744	3,093,592	140,329,152
Detail of Other Revenue:							
- Liquor Sales and Operations	9,641,288	9,646,830	5,542	9,667,500	9,682,240	14,740	9,667,500
- Targeted Case Management (DHHS)	216,915	145,563	(71,352)	2,640,000	2,246,910	(393,090)	2,640,000
- State Cost Allocation Program	1,741,009	1,415,912	(325,097)	18,296,832	18,161,858	(134,974)	18,296,832
- Unclaimed Property Transfer	7,000,000	9,660,866	2,660,866	7,000,000	9,660,866	2,660,866	7,000,000
- Tourism Transfer	0	0	0	(12,854,128)	(13,112,062)	(257,934)	(12,854,128)
- Transfer to Maine Milk Pool	(1,243,919)	(2,132,074)	(888,155)	(15,709,907)	(17,025,855)	(1,315,948)	(15,709,907)
- Transfer to STAR Transportation Fund	0	0	0	(6,800,000)	(7,308,989)	(508,989)	(6,800,000)
- Other Miscellaneous Revenue	2,365,423	2,933,397	567,974	21,600,138	24,340,906	2,740,768	21,600,138
Subtotal - Other Revenue	19,720,716	21,670,494	1,949,778	23,840,435	26,645,874	2,805,439	23,840,435
Detail of Transfers to Tax Relief Programs:							
- Me. Resident Prop. Tax Program (Circuitbreak	0	73,128	73,128	0	82,425	82,425	0
- BETR - Business Equipment Tax Reimb.	1	(1,654)	(1,655)	(34,000,000)	(35,078,530)	(1,078,530)	(34,000,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	0	(371,977)	(371,977)	(30,771,938)	(29,747,945)	1,023,993	(30,771,938)
Subtotal - Tax Relief Transfers	1	(300,503)	(300,504)	(64,771,938)	(64,744,050)	27,888	(64,771,938)
Inland Fisheries and Wildlife Revenue - Total	2,765,473	3,383,696	618,223	21,467,907	21,685,246	217,339	21,467,907



Highway Fund Revenue Fiscal Year Ending June 30, 2016 (FY 2016) June 2016 Revenue Variance Report

Revenue Category	June '16		June '16		Fiscal Year-To-Date			FY 2016 Budgeted Totals
	Budget	Actual	Actual	Variance	Budget	Actual	Variance	
Fuel Taxes:								
- Gasoline Tax	16,837,931	17,078,165	240,234	198,030,576	776,276	0.4%	197,254,300	0.8%
- Special Fuel and Road Use Taxes	3,449,255	3,577,408	128,153	46,070,971	(322,629)	-0.7%	46,393,600	-1.2%
- Transcap Transfers - Fuel Taxes	(1,489,962)	(1,517,137)	(27,175)	(17,967,176)	(63,539)	-0.4%	(17,903,637)	-0.5%
- Other Fund Gasoline Tax Distributions	(421,068)	(427,074)	(6,006)	(4,961,004)	(28,266)	-0.6%	(4,932,738)	-1.0%
Subtotal - Fuel Taxes	18,376,156	18,711,362	335,206	221,173,367	361,842	0.2%	220,811,525	0.4%
Motor Vehicle Registration and Fees:								
- Motor Vehicle Registration Fees	7,736,811	7,274,411	(462,400)	68,540,478	1,807,736	2.7%	66,732,742	1.4%
- License Plate Fees	264,748	293,259	28,511	3,674,537	215,827	6.2%	3,458,710	1.7%
- Long-term Trailer Registration Fees	424,804	560,329	135,525	11,571,388	886,865	8.3%	10,684,523	-0.2%
- Title Fees	1,225,049	1,326,670	101,621	13,964,505	598,241	4.5%	13,366,264	6.1%
- Motor Vehicle Operator License Fees	670,123	809,603	139,480	8,703,579	680,362	8.5%	8,023,217	17.3%
- Transcap Transfers - Motor Vehicle Fees	(4,444,385)	(4,600,490)	(156,105)	(15,956,815)	(386,401)	-2.5%	(15,570,414)	-1.9%
Subtotal - Motor Vehicle Reg. & Fees	5,877,150	5,663,781	(213,369)	90,497,672	3,802,630	4.4%	86,695,042	3.2%
Motor Vehicle Inspection Fees	510,630	328,317	(182,314)	3,515,288	532,788	17.9%	2,982,500	6.7%
Other Highway Fund Taxes and Fees	141,765	151,314	9,549	1,660,665	366,936	28.4%	1,293,729	26.3%
Fines, Forfeits and Penalties	32,982	66,860	33,878	791,496	52,457	7.1%	739,039	-7.4%
Interest Earnings	19,439	56,187	36,748	255,421	10,476	4.3%	244,945	60.5%
Other Highway Fund Revenue	477,100	690,580	213,480	9,553,791	(417,809)	-4.2%	9,971,600	-4.0%
Totals	25,435,222	25,668,402	233,180	327,447,700	4,709,320	1.5%	322,738,380	1.2%

**DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
78 STATE HOUSE STATION
AUGUSTA, ME 04333-0078**

**PHONE: 207-624-7800
FAX: 207-624-7804
TDD: 207-287-4537**

M E M O R A N D U M

TO: Governor Paul R. LePage
Members, Legislative Council
Members, Joint Standing Committee on Appropriations and Financial Affairs
Members, Joint Standing Committee on Taxation

FROM: Richard W. Rosen, Commissioner
Department of Administrative & Financial Services

DATE: September 26, 2016

SUBJ: Revenues – August

August General Fund revenues were over budget by \$18.9 million or 6.8 percent. For the first two months of the fiscal year, General Fund revenues are \$15.8 million over budget (+3.0%). Adjusting for timing issues with BETR payments and one-time Service Provider Tax audit payments, General Fund revenues would still be over budget through August by approximately \$10 million. Compared to the same two-month period of last fiscal year, FY17 General Fund revenues are up by 5.9 percent (+\$29.8 million).

July taxable sales (August revenue) increased by 4 percent over a year ago. Business sectors representing taxable sales primarily to households increased by 5 percent over last July. For the month, sales and use and service provider taxes combined were \$4 million over budget. Auto/transportation sales decreased by 4.1 percent over last July and are down 1.2 percent year-over-year for the three-month period. Tourism-related sales, specifically those tied to restaurants and lodging, increased over last July, growing 7 percent and 10.1 percent, respectively.

Building supply store sales in July increased by 1.8 percent year-over-year. During the first seven months of CY16, industry sales have risen by 9 percent, benefiting, in part, from Maine's mild winter and an early start to the construction season.

Corporate income tax receipts were over budget in August by \$4.3 million. Most of the monthly surplus (\$3.6 million) came from estimated payments. Since September is usually a big month for estimated payments, the August surplus may come at the expense of September receipts.

Estate tax revenue was over budget for the month by \$1.8 million, bringing the year-to-date variance to \$1.1 million over budget. As a reminder, Maine will begin to realize the effect of increasing the estate tax exemption amount starting with estate tax returns due to be filed in October.

Sales & Use Taxes

Revenue was \$3.2 million over budget for the month and \$5.3 million (+2.1%) over budget fiscal year-to-date. Revenue was \$16.4 million (+6.7%) over prior fiscal year-to-date collections. The year-to-date revenue growth is attributable, in part, to tax changes that became effective on January 1, 2016.

Taxable Sales

Total taxable sales for the month of July (August revenue) were 4.0 percent over July 2015. The annual rate of change, excluding utilities, was 6.1 percent. Building supply sales were up 1.8 percent for the month and 7.3 percent for the year ending in July. Sales of taxable items in food stores were up 23.2 percent for the month and 15.5 percent for the year. General merchandise sales (primarily sales of goods sold in large department and discount stores) were up 5.4 percent for the month and 4.4 percent for the year. Sales in other retail stores such as jewelry, drug, sporting goods, book, antique, pet, photo, toy, and craft stores were up 3.7 percent for the month and 6.4 percent for the year.

Auto/transportation sector sales were down 4.1 percent for the month and up 5.9 percent for the year. As noted in last month's revenue report, auto sales have flattened out and most of the robust growth occurred during the first quarter of the calendar year.

Sales of meals and other prepared foods were up 7.0 percent for the month and 6.5 percent for the year. Lodging sales were up 10.1 percent for the month and 7.1 percent for the year. Business operating sales (primarily use tax paid by businesses) were down 0.8 percent for the month and 0.4 percent for the year.

Service Provider Tax

Revenue was \$851,263 over budget for the month and \$311,815 (+2.8%) over budget fiscal year-to-date. Revenue was \$3.5 million (+44.2%) over prior fiscal year-to-date collections.

Individual Income Tax

Revenue was \$1.1 million over budget for the month and \$3.5 million (+1.8%) over budget fiscal year-to-date. Fiscal year-to-date withholding payments were 11.2 percent under fiscal year 2016. Estimated payments were up 3.1 percent and final payments were up 7.6 percent fiscal year-to-date. Revenue was \$17 million (-7.7%) under prior fiscal year-to-date collections. These differences reflect changes made by Maine Revenue Services to tax withholding tables as a result of tax changes that became effective on January 1, 2016.

Corporate Income Tax

Revenue was \$4.3 million over budget for the month and \$2.5 million (+25.6%) over budget fiscal year-to-date. Estimated payments were up 17 percent and final payments were down (-42.9%) fiscal year-to-date. Revenue was \$19.8 million (+260.8%) over prior fiscal year-to-date collections.

Cigarette & Tobacco Taxes

Cigarette and tobacco products tax revenue was \$573,048 over budget for the month and \$1.5 million (-5.8%) under budget fiscal year-to-date. Fiscal year-to-date revenue was \$3.1 million (-11.2%) under prior fiscal year-to-date collections.

Insurance Companies Taxes

The Insurance Companies Taxes were \$20,824 under budget for the month and \$72,311 under budget fiscal year-to-date.

Estate Tax

The estate tax was \$1.8 million over budget for the month and \$1.1 million over budget fiscal year-to-date.

Transfers for Tax Relief Programs

Refunds for the Business Equipment Tax Reimbursement (BETR) and Business Equipment Tax Exemption (BETE) programs were under budget in August by \$4 million. August is the start of the new BETR reimbursement year. There were no BETR payments issued this August, but it is anticipated that payments will begin in September and quickly catch up to forecasted amounts.

Municipal Revenue Sharing

Revenue sharing was very close to budget in August, and is essentially on budget year-to-date.

Lottery

Lottery revenues were over budget for the month by \$0.5 million and are now over budget for the fiscal year by \$0.3 million.

Other Revenues

Other Revenues were over budget for the month by \$1.3 million. For the fiscal year other revenues are under budget by \$0.9 million or 9.9 percent.

Highway Fund

Motor fuel excise tax receipts were over budget in August by \$0.4 million. The Highway Fund, as a whole, was over budget for the month by \$1.4 million (+4.6%). For the first two months of FY17 motor fuel excise tax revenues are over budget by \$0.4 million and total Highway Fund receipts are over budget by \$1.9 million.

National Economy

Incoming data on manufacturing, retail sales, inflation, and inventories have caused most economic forecasters to revise down their projections of third quarter GDP growth. After economic growth of approximately 1 percent during the first half of 2016, economic forecasters had originally expected third quarter growth to be well in excess of 3 percent. After reviewing recent releases from the federal government, the general tendency for these economic projections is in the range of 2.5 percent growth. If the weaker than expected third quarter growth extends into the final quarter of 2016 overall economic growth in 2016 will fall below 2 percent.

The Federal Reserve is expected to delay any increase in short-term interest rates until after the November election.

Maine Economy

The July-August Beige Book Report of the New England region by the Boston Federal Reserve Bank shows that the regional economy continues to expand, but with some signs of slowing growth. Travel-related sectors reported a moderation in sales activity, but most of that came from business travel; leisure travel was strong over the summer tourism season. All sectors surveyed by the Boston Fed reported tight labor markets, with staffing firms experiencing high demand for their services and a short supply of labor.

Tourism-related sales were extremely strong in July (August revenue) and for the three-month period ending in July. For the latest three-month period, restaurant and lodging sales increased by 5.2 percent and 8.2 percent, respectively. In July alone restaurant sales increased by 7 percent on top of 7.4 percent growth a year ago. Lodging sales increased by 10.1 percent on top of 7.4 percent growth a year ago. Warm dry weather combined with low gas prices boosted tourism activity during a period that included two of the three holiday weekends of the summer season.

RWR: mja

Attachments

cc: John McGough
Aaron Chadbourne
Grant Pennoyer
Chris Nolan
Marc Cyr
Amanda Rector
Jim Breece
Jerome Gerard
Melissa Gott

STATE OF MAINE

Undedicated Revenues - General Fund
For the Second Month Ended August 31, 2016
For the Fiscal Year Ending June 30, 2017
Comparison to Budget

EXHIBIT I

	Month			Year to Date			Total Budgeted Fiscal Year Ending 6-30-2017		
	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	Actual	Budget		Variance Over/(Under)	Percent Over/(Under)
Sales and Use Tax	133,919,277	130,739,443	3,179,834	2.4%	262,219,151	256,897,704	5,321,447	2.1%	1,321,250,522
Service Provider Tax	6,533,722	5,682,459	851,263	15.0%	11,347,744	11,035,929	311,815	2.8%	66,149,448
Individual Income Tax	116,134,751	115,050,000	1,084,751	0.9%	203,575,418	200,050,000	3,525,418	1.8%	1,466,148,976
Corporate Income Tax	6,278,846	2,000,000	4,278,846	213.9%	12,180,999	9,700,000	2,480,999	25.6%	149,293,471
Cigarette and Tobacco Tax	12,913,944	12,340,896	573,048	4.6%	24,705,766	26,223,564	(1,517,798)	(5.8%)	135,279,000
Insurance Companies Tax	66,161	86,985	(20,824)	(23.9%)	217,993	290,304	(72,311)	(24.9%)	82,700,000
Estate Tax	3,874,422	2,050,000	1,824,422	89.0%	5,210,837	4,100,000	1,110,837	27.1%	18,378,323
Fines, Forfeits & Penalties	2,156,612	1,879,716	276,896	14.7%	3,466,661	3,821,006	(354,345)	(9.3%)	22,527,275
Income from Investments	241,977	129,616	112,361	86.7%	241,977	129,616	112,361	86.7%	1,744,002
Transfer from Lottery Commission	4,731,578	4,223,073	508,505	12.0%	9,816,650	9,501,928	314,722	3.3%	54,900,000
Transfers for Tax Relief Programs	4,934	(4,000,000)	4,004,934	100.1%	5,907	(4,050,000)	4,055,907	100.1%	(65,948,340)
Transfer to Municipal Revenue Sharing	(4,529,134)	(4,484,234)	(44,900)	(1.0%)	(10,385,856)	(10,398,547)	12,691	0.1%	(64,401,659)
Other Taxes and Fees	11,685,080	10,674,810	1,010,270	9.5%	22,815,184	21,443,375	1,371,809	6.4%	140,091,830
Other Revenues	3,296,690	2,022,408	1,274,282	63.0%	(9,968,079)	(9,068,931)	(899,148)	(9.9%)	27,809,526
Total Collected	297,308,860	278,395,172	18,913,688	6.8%	535,450,352	519,675,948	15,774,404	3.0%	3,355,922,374

NOTES: (1) Included in the above is \$4,529,134 for the month and \$10,385,856 year to date, that was set aside for Revenue Sharing with cities and towns.

(2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in March 2016 and laws enacted through the 127th Legislature, 2nd Regular Session, excluding PL 2015 c. 481 and c. 495.

(3) This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE
 Undedicated Revenues - General Fund
 For the Second Month Ended August 31, 2016 and 2015
 For the Fiscal Years Ending June 30, 2017 and 2016
 Comparison to Prior Year

	Month			Year to Date				
	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)
Sales and Use Tax	133,919,277	124,752,102	9,167,175	7.3%	262,219,151	245,844,208	16,374,943	6.7%
Service Provider Tax	6,533,722	4,070,269	2,463,453	60.5%	11,347,744	7,869,056	3,478,688	44.2%
Individual Income Tax	116,134,751	117,952,058	(1,817,308)	(1.5%)	203,575,418	220,528,038	(16,952,619)	(7.7%)
Corporate Income Tax	6,278,846	1,693,241	4,585,605	270.8%	12,180,999	(7,576,838)	19,757,837	260.8%
Cigarette and Tobacco Tax	12,913,944	11,432,286	1,481,658	13.0%	24,705,766	27,829,716	(3,123,950)	(11.2%)
Insurance Companies Tax	66,161	182,610	(116,450)	(63.8%)	217,993	334,437	(116,443)	(34.8%)
Estate Tax	3,874,422	1,506,860	2,367,562	157.1%	5,210,837	3,163,850	2,046,986	64.7%
Fines, Forfeits & Penalties	2,156,612	1,833,013	323,598	17.7%	3,466,661	3,516,204	(49,544)	(1.4%)
Income from Investments	241,977	84,145	157,833	187.6%	241,977	84,145	157,833	187.6%
Transfer from Lottery Commission	4,731,578	4,621,771	109,807	2.4%	9,816,650	8,577,926	1,238,723	14.4%
Transfers for Tax Relief Programs	4,934	(4,225,320)	4,230,254	100.1%	5,907	(3,864,131)	3,870,038	100.2%
Transfer to Municipal Revenue Sharing	(4,529,134)	(4,363,936)	(165,198)	(3.8%)	(10,385,856)	(13,591,404)	3,205,548	23.6%
Other Taxes and Fees	11,685,080	10,281,528	1,403,552	13.7%	22,815,184	20,879,252	1,935,932	9.3%
Other Revenues	3,296,690	(10,522,448)	13,819,137	131.3%	(9,968,079)	(7,988,768)	(1,979,311)	(24.8%)
Total Collected	297,308,860	259,298,181	38,010,679	14.7%	535,450,352	505,605,690	29,844,662	5.9%

NOTE: This report has been prepared from preliminary month end figures and is subject to change

STATE OF MAINE

Undedicated Revenues - General Fund
For the Second Month Ended August 31, 2016
For the Fiscal Year Ending June 30, 2017
Comparison to Budget

EXHIBIT III

	Month			Year-to-Date			Total Budgeted Fiscal Year Ending 6-30-2017		
	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	Actual	Budget		Variance Over/(Under)	Percent Over/(Under)
<u>Detail of Other Taxes & Fees</u>									
0100s All Others	1,552,185	1,703,603	(151,418)	(8.9%)	3,183,965	3,173,632	10,333	0.3%	32,592,780
0300s Aeronautical Gas Tax	25,772	26,306	(534)	(2.0%)	49,605	49,557	48	0.1%	270,355
0400s Alcohol Excise Tax	1,836,010	1,926,741	(90,731)	(4.7%)	3,931,471	3,962,076	(30,605)	(0.8%)	18,061,850
0700s Corporation Taxes	280,996	252,959	28,037	11.1%	841,932	655,516	186,416	28.4%	9,088,649
0800s Public Utilities	-	-	-	-	-	-	-	-	7,500,000
1000s Banking Taxes	2,723,400	2,195,991	527,409	24.0%	4,478,350	4,391,982	86,368	2.0%	26,851,990
1100s Alcoholic Beverages	729,384	436,318	293,066	67.2%	1,418,432	752,827	665,605	88.4%	4,722,838
1200s Amusements Tax	-	-	-	-	-	-	-	-	-
1300s Harness Racing Pari-mutuel	756,230	837,666	(81,436)	(9.7%)	1,515,712	1,675,332	(159,620)	(9.5%)	8,850,013
1400s Business Taxes	1,137,699	794,763	342,936	43.1%	2,449,756	1,766,293	683,463	38.7%	11,591,277
1500s Motor Vehicle Licenses	345,683	537,577	(191,894)	(35.7%)	809,794	1,113,244	(303,450)	(27.3%)	4,281,202
1700s Inland Fisheries & Wildlife	2,265,499	1,930,105	335,394	17.4%	4,078,307	3,841,603	236,704	6.2%	15,878,217
1900s Other Licenses	32,223	32,781	(558)	(1.7%)	57,861	61,313	(3,452)	(5.6%)	402,659
Total Other Taxes & Fees	11,685,080	10,674,810	1,010,270	9.5%	22,815,184	21,443,375	1,371,809	6.4%	140,091,830
<u>Detail of Other Revenues</u>									
2200s Federal Revenues	26,052	32,916	(6,864)	(20.9%)	42,820	65,833	(23,013)	(35.0%)	395,000
2300s County Revenues	-	-	-	-	-	-	-	-	-
2400s Revenues from Cities and Towns	4,824	(444)	5,268	1186.5%	60,030	38,300	21,730	56.7%	277,996
2500s Revenues from Private Sources	95,593	138,924	(43,331)	(31.2%)	246,732	277,848	(31,116)	(11.2%)	1,645,000
2600s Current Service Charges	3,103,487	2,720,264	383,223	14.1%	5,598,802	5,395,390	203,412	3.8%	25,318,692
2700s Transfers from Other Funds	41,721	(881,720)	923,441	104.7%	(15,941,740)	(14,866,970)	(1,074,770)	(7.2%)	39,238
2800s Sales of Property & Equipment	25,014	12,468	12,546	100.6%	25,278	20,668	4,610	22.3%	133,600
Total Other Revenues	3,296,690	2,022,408	1,274,282	63.0%	(9,968,079)	(9,068,931)	(899,148)	(9.9%)	27,809,526

NOTE: This report has been prepared from preliminary month end figures and is subject to change

STATE OF MAINE
 Undedicated Revenues - General Fund
 For the Second Month Ended August 31, 2016 and 2015
 For the Fiscal Years Ending June 30, 2017 and 2016
 Comparison to Prior Year

	Month			Year to Date				
	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)
<u>Detail of Other Taxes & Fees</u>								
0100s All Others	1,552,185	1,566,428	(14,243)	(0.9%)	3,183,965	3,082,547	101,417	3.3%
0300s Aeronautical Gas Tax	25,772	25,659	113	0.4%	49,605	48,350	1,215	2.5%
0400s Alcohol Excise Tax	1,836,010	1,996,620	(160,610)	(8.0%)	3,931,471	4,090,668	(159,198)	(3.9%)
0700s Corporation Taxes	280,996	292,059	(11,063)	(3.8%)	841,932	758,311	83,621	11.0%
0800s Public Utilities	-	-	-	-	-	-	-	-
1000s Banking Taxes	2,723,400	2,023,600	699,800	34.6%	4,478,350	4,248,950	229,400	5.4%
1100s Alcoholic Beverages	729,384	512,011	217,373	42.5%	1,418,432	918,461	499,971	54.4%
1200s Amusements Tax	-	-	-	-	-	-	-	-
1300s Harness Racing Pari-mutuel	756,230	757,449	(1,219)	(0.2%)	1,515,712	1,668,034	(152,323)	(9.1%)
1400s Business Taxes	1,137,699	596,490	541,209	90.7%	2,449,756	1,360,636	1,089,120	80.0%
1500s Motor Vehicle Licenses	345,683	367,406	(21,723)	(5.9%)	809,794	842,865	(33,072)	(3.9%)
1700s Inland Fisheries & Wildlife	2,265,499	2,111,698	153,801	7.3%	4,078,307	3,800,944	277,364	7.3%
1900s Other Licenses	32,223	32,111	112	0.3%	57,861	59,446	(1,584)	(2.7%)
Total Other Taxes & Fees	11,685,080	10,281,528	1,403,552	13.7%	22,815,184	20,879,252	1,935,932	9.3%
<u>Detail of Other Revenues</u>								
2200s Federal Revenues	26,052	58,318	(32,266)	(55.3%)	42,820	70,346	(27,526)	(39.1%)
2300s County Revenues	-	-	-	-	-	-	-	-
2400s Revenues from Cities and Towns	4,824	(354)	5,178	1463.1%	60,030	30,840	29,190	94.6%
2500s Revenues from Private Sources	95,593	168,137	(72,544)	(43.1%)	246,732	312,031	(65,299)	(20.9%)
2600s Current Service Charges	3,103,487	2,208,292	895,194	40.5%	5,598,802	4,607,455	991,347	21.5%
2700s Transfers from Other Funds	41,721	(12,989,772)	13,031,493	100.3%	(15,941,740)	(13,052,422)	(2,889,319)	(22.1%)
2800s Sales of Property & Equipment	25,014	32,931	(7,917)	(24.0%)	25,278	42,981	(17,703)	(41.2%)
Total Other Revenues	3,296,690	(10,522,448)	13,819,137	131.3%	(9,968,079)	(7,988,768)	(1,979,311)	(24.8%)

NOTE: This report has been prepared from preliminary month end figures and is subject to change

STATE OF MAINE

Undedicated Revenues - Highway Fund
For the Second Month Ended August 31, 2016
For the Fiscal Year Ending June 30, 2017
Comparison to Budget

EXHIBIT V

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2017
	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	
Fuel Taxes	21,037,308	20,616,687	420,621	2.0%	40,622,305	40,205,296	417,009	1.0%	224,110,357
Motor Vehicle Registration & Fees	8,826,110	7,866,675	959,435	12.2%	18,467,695	16,741,713	1,725,982	10.3%	85,984,415
Motor Vehicle Inspection Fees	381,724	296,875	84,849	28.6%	522,163	593,750	(71,587)	(12.1%)	2,982,500
Miscellaneous Taxes & Fees	116,725	96,290	20,435	21.2%	250,323	234,639	15,684	6.7%	1,280,229
Fines, Forfeits & Penalties	74,508	55,847	18,661	33.4%	133,303	114,715	18,588	16.2%	739,039
Earnings on Investments	45,628	39,028	6,600	16.9%	45,628	78,056	(32,428)	(41.5%)	468,341
All Other	505,668	646,041	(140,373)	(21.7%)	873,908	1,035,769	(161,861)	(15.6%)	9,962,600
Total Collected	30,987,672	29,617,443	1,370,229	4.6%	60,915,324	59,003,938	1,911,386	3.2%	325,527,481

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE
 Undedicated Revenues - Highway Fund
 For the Second Month Ended August 31, 2016 and 2015
 For the Fiscal Years Ending June 30, 2017 and 2016
 Comparison to Prior Year

	Month			Year to Date				
	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)
Fuel Taxes	21,037,308	20,745,500	291,808	1.4%	40,622,305	39,668,429	953,876	2.4%
Motor Vehicle Registration & Fees	8,826,110	8,207,364	618,746	7.5%	18,467,695	17,584,193	883,503	5.0%
Motor Vehicle Inspection Fees	381,724	397,862	(16,138)	(4.1%)	522,163	552,802	(30,639)	(5.5%)
Miscellaneous Taxes & Fees	116,725	103,494	13,231	12.8%	250,323	248,227	2,096	0.8%
Fines, Forfeits & Penalties	74,508	58,868	15,640	26.6%	133,303	124,023	9,280	7.5%
Earnings on Investments	45,628	15,527	30,101	193.9%	45,628	15,527	30,101	193.9%
All Other	505,668	576,623	(70,954)	(12.3%)	873,908	1,006,210	(132,302)	(13.1%)
Total Collected	30,987,672	30,105,238	882,434	2.9%	60,915,324	59,199,409	1,715,915	2.9%

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

**Maine Revenue Services
Taxable Sales by Sector
In Thousands of Dollars**

	July '16	% Ch.	July '15	% Ch.	July '14	Average Last 3 Mos. Vs. Last Yr. % Change	Moving Total Last 12 Mos. Vs. Prior % Change	YTD Growth CY'16 vs. '15 Thru. July % Change
Building Supply	\$235,435.3	1.8%	\$231,381.2	3.5%	\$223,479.6	3.8%	7.3%	9.0%
Food Store	\$220,125.2	23.2%	\$178,630.0	4.6%	\$170,737.2	25.2%	15.5%	25.2%
General Merchandise	\$296,160.9	5.4%	\$281,040.3	2.8%	\$273,393.2	5.4%	4.4%	7.8%
Other Retail	\$215,320.5	3.7%	\$207,548.7	3.6%	\$200,266.1	5.2%	6.4%	8.1%
Auto/Transportation	\$406,605.9	-4.1%	\$423,912.2	9.6%	\$386,649.1	-1.2%	5.9%	4.2%
Restaurant	\$318,879.3	7.0%	\$298,083.3	7.4%	\$277,589.5	5.2%	6.5%	7.1%
Lodging	\$193,980.9	10.1%	\$176,265.1	7.4%	\$164,191.8	8.2%	7.1%	8.8%
Consumer Sales	\$1,886,508.0	5.0%	\$1,796,860.8	5.9%	\$1,696,306.5	5.6%	7.0%	8.8%
Business Operating	\$175,388.1	-0.8%	\$176,839.1	5.7%	\$167,259.7	-1.1%	-0.4%	-2.0%
Total	\$2,061,896.1	4.5%	\$1,973,699.9	5.9%	\$1,863,566.2	4.9%	6.1%	7.5%
Utilities	\$114,113.6	-4.4%	\$119,369.2	6.8%	\$111,728.7			
Total plus Utilities	\$2,176,009.7	4.0%	\$2,093,069.1	6.0%	\$1,975,294.9			