

Summary of LR 2847

Governor's Second Supplemental Budget

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Office of Fiscal and Program Review**

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Governor's Second Supplemental Budget Bill (LR 2847)
Summary of Governor's Proposals
Summary of Changes to General Fund Balance

	FY 12	FY 13
Summary of General Fund Status - Prior to Proposed Solutions		
Beginning Balances - Through March 2012 Revenue Forecast	\$19,019,140	(\$4,573,038)
Net Changes to Balances - Through March 2012 Revenue Forecast	(\$23,592,178)	(\$7,667,492)
Budgeted Ending Balances - Prior to LR 2847	(\$4,573,038)	(\$12,240,530)

Summary of Appropriations and Revenue/Transfers - Governor's Proposals in LR 2847

Resources (Transfers/Adjustments to Balance and Revenue):		
- General Fund Transfers and Adjustments to Balance	\$892,793	\$20,156,008
- General Fund Revenue	\$6,846,717	\$13,808,409
Net Increase (Decrease) to Resources	\$7,739,510	\$33,964,417
General Fund Appropriations:		
- General Fund Appropriations	\$2,677,018	\$25,984,529
Net Increase (Decrease) of Appropriations	\$2,677,018	\$25,984,529
Net Increase (Decrease) to Balance - Gov's Supplemental	\$5,062,492	\$7,979,888

Summary General Fund "Spending" and "Savings" - Governor's Proposals in LR 2847

Initiatives Decreasing Resources ("Spending")		
- Funding for Program Shortfalls (see Summary Pages 2 and 3)	(\$10,841,685)	(\$25,756,781)
- Other Spending Initiatives (see Summary Pages 2 and 3)	(\$499,917)	(\$3,192,058)
Total Items Increasing Resources ("Savings")		
- Savings Initiatives (see Summary Pages 4 and 5)	\$28,904,094	\$24,428,727
Other Initiatives		
- Decrease Interfund Borrowing	(\$12,500,000)	\$12,500,000
Net Increase (Decrease) to General Fund Resources	\$5,062,492	\$7,979,888

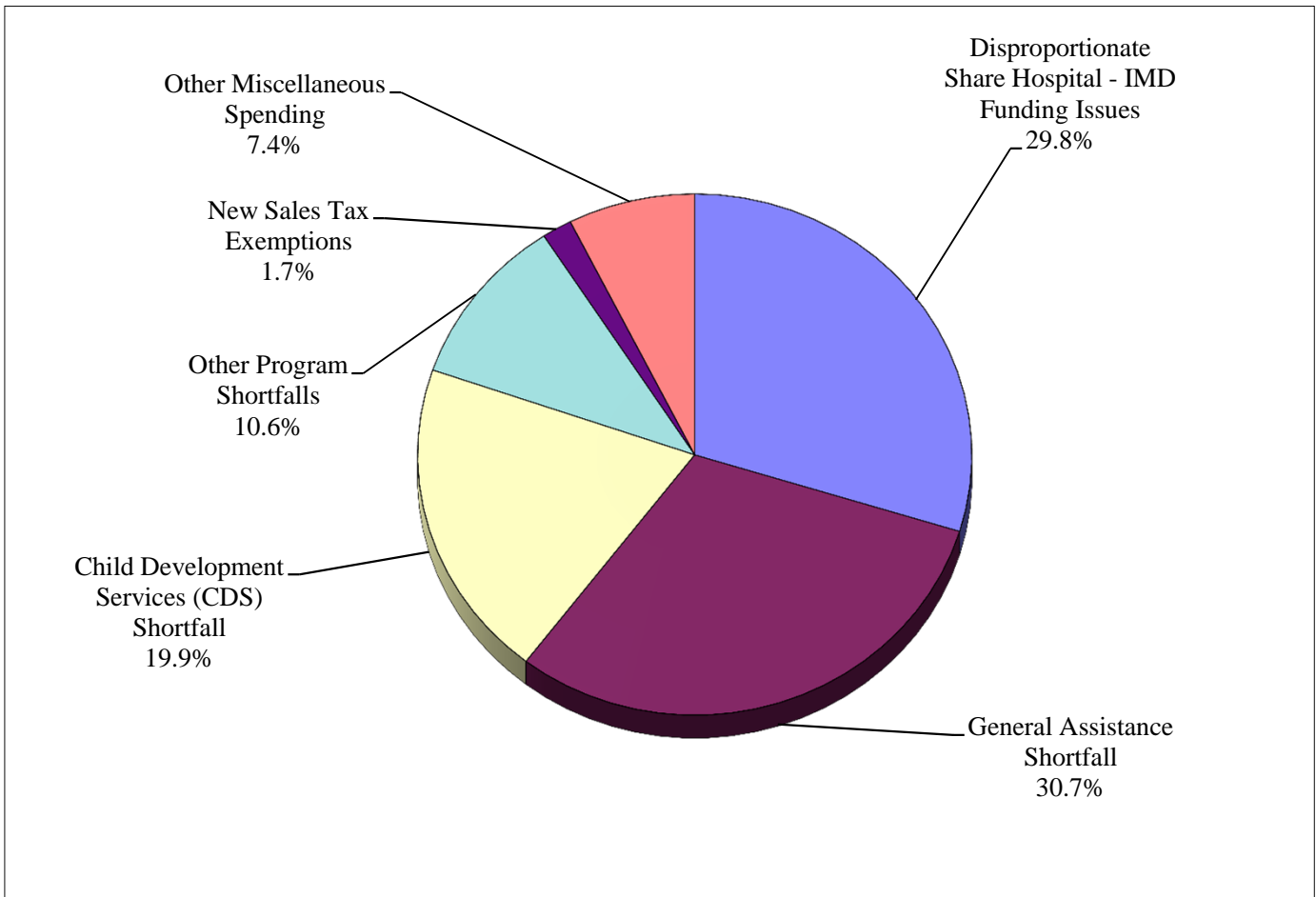
Summary of General Fund Status - With Governor's Proposals in LR 2847

Summary of General Fund Status -With Supplemental Budget Proposals (LR 2847)		
Beginning Balances - Through March 2012 Revenue Forecast	\$19,019,140	(\$4,573,038)
Net Changes to Balances - Through March 2012 Revenue Forecast	(\$23,592,178)	(\$7,667,492)
Net Changes to Balances - Governor's Supplemental Budget (LR 2847)	\$5,062,492	\$7,979,888
Net Changes to Balance Forward - Supplemental Budget (LR 2847)	\$0	\$5,062,492
General Fund Budgeted Ending Balances - With LR 2847	\$489,454	\$801,850

Governor's Second Supplemental Budget Bill (LR 2847)

General Fund "Spending" Initiatives

	FY 12	FY 13	Biennium	% of Total
Disproportionate Share Hospital - IMD Funding Issues	\$0.0	\$12.0	\$12.0	29.8%
General Assistance Shortfall	\$4.0	\$8.4	\$12.4	30.7%
Child Development Services (CDS) Shortfall	\$3.5	\$4.5	\$8.0	19.9%
Other Program Shortfalls	\$3.4	\$0.9	\$4.3	10.6%
New Sales Tax Exemptions	\$0.1	\$0.6	\$0.7	1.7%
Other Miscellaneous Spending	\$0.4	\$2.6	\$3.0	7.4%
TOTAL SPENDING INITIATIVES	\$11.3	\$28.9	\$40.3	100.0%



Amounts may not add due to rounding

Governor's Second Supplemental Budget Bill (LR 2847)
Summary of General Fund Spending Initiatives

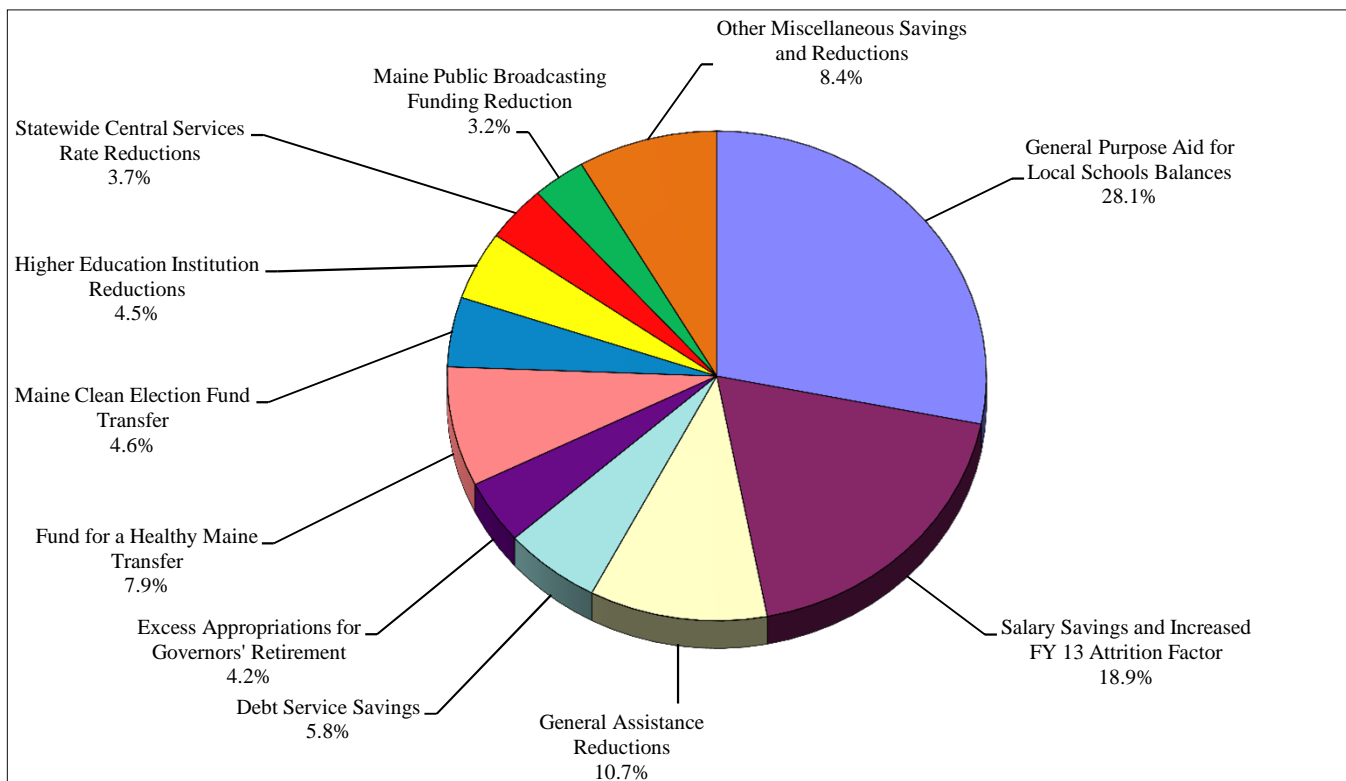
	FY 12	FY 13
General Fund Spending for Shortfalls		
Disproportionate Share Hospital - IMD Funding Issues*	\$0	\$10,537,017
Other Adult MH/Disproportionate Share Funding Issues*	\$0	\$1,449,607
General Assistance Shortfall	\$3,991,196	\$8,363,569
Child Development Services Shortfall	\$3,500,000	\$4,500,000
Fuel for State-owned Buildings	\$646,454	\$0
Disaster Assistance Funding - State Share	\$700,000	\$0
Indigent Legal Services Shortfall	\$400,000	\$0
Public Safety - Transfer to Other Special Revenue for Shortfalls	\$1,300,000	\$0
Gambling Control Board - Casino Regulation Needs	\$155,918	\$796,231
Approved Reclassifications and Range Changes - Part B	\$148,117	\$110,357
Total General Fund Spending for Shortfalls	\$10,841,685	\$25,756,781
Other General Fund Spending Initiatives		
New Sales Tax Exemption - Breathing Equipment	\$107,207	\$247,950
New Sales Tax Exemption - Commercial Wood Harvesting	\$0	\$349,600
Computer Crime Lab Funding	\$0	\$362,535
Courts - Security Funding	\$0	\$788,312
Dorothea Dix funding for dental clinical	\$0	\$500,000
DHHS Management Initiatives - Net	\$382,710	\$787,738
Other Miscellaneous Net Spending	\$10,000	\$155,923
Total Other General Fund Spending Initiatives	\$499,917	\$3,192,058
NET COST FROM SPENDING INITIATIVES	\$11,341,602	\$28,948,839

* Items are net of savings initiatives or revenue

Governor's Second Supplemental Budget Bill (LR 2847)

General Fund "Savings" Initiatives

	FY 12	FY 13	Biennium	% of Total
General Purpose Aid for Local Schools Balances	\$10.5	\$4.5	\$15.0	28.1%
Salary Savings and Increased FY 13 Attrition Factor	\$6.6	\$3.5	\$10.1	18.9%
General Assistance Reductions	\$0.0	\$5.7	\$5.7	10.7%
Debt Service Savings	\$1.3	\$1.8	\$3.1	5.8%
Excess Appropriations for Governors' Retirement	\$1.1	\$1.1	\$2.2	4.2%
Fund for a Healthy Maine Transfer	\$3.9	\$0.4	\$4.2	7.9%
Maine Clean Election Fund Transfer	\$1.5	\$1.0	\$2.5	4.6%
Higher Education Institution Reductions	\$0.0	\$2.4	\$2.4	4.5%
Statewide Central Services Rate Reductions	\$0.8	\$1.1	\$2.0	3.7%
Maine Public Broadcasting Funding Reduction	\$0.0	\$1.7	\$1.7	3.2%
Other Miscellaneous Savings and Reductions	\$3.1	\$1.3	\$4.5	8.4%
TOTAL ADJUSTMENTS INCREASING BALANCE	\$28.9	\$24.4	\$53.3	100.0%



Amounts may not add due to rounding

Governor's Second Supplemental Budget Bill (LR 2847)

Summary of General Fund Savings Initiatives

	FY 12	FY 13
Savings Initiatives included in LD 1870 (or partially included *):		
Statewide Deappropriation for Central Services Rate Reductions *	(\$835,588)	(\$1,134,518)
FAME Loan Insurance Reserve Payment to General Fund	(\$1,000,000)	\$0
Maine Revenue Services Internal Services Fund Transfer	(\$450,000)	\$0
Lapse from Fund for Efficient Delivery of Local and Regional Services	(\$100,000)	\$0
AGR - Maine Farms for the Future Fund Transfer	(\$300,000)	\$0
Disproportional Share State Hospitals - Lapse Personal Services	(\$309,756)	\$0
Salary Savings Prior to Lapsing to Salary Plan *	(\$6,600,000)	\$0
Treasury Debt Service Savings *	(\$1,343,561)	(\$1,755,232)
Other Savings Initiatives - Governor's Proposals:		
Net Savings from State Planning Office Reorganization	\$0	(\$129,349)
General Purpose Aid for Local Schools - Lapsed Balances	(\$7,009,774)	\$0
General Purpose Aid for Local Schools - Other Balances Available	(\$3,500,000)	(\$4,500,000)
Increased Attrition Factor from 5% to 6% in FY13	\$0	(\$3,454,047)
General Assistance - Limit housing assistance to maximum of 90 days	\$0	(\$3,306,204)
General Assistance - Eliminate 90% threshold and standardize rate at 50%	\$0	(\$1,410,002)
General Assistance - No GA to persons receiving TANF	\$0	(\$978,666)
Excess Appropriations to Pay-as-you-go Governors' Retirement	(\$1,122,570)	(\$1,122,570)
Transfer from Maine Clean Elections Fund	(\$1,500,000)	(\$950,000)
Miscellaneous Lapsed General Fund Balances	(\$518,819)	\$0
Transfer from the Fund for a Healthy Maine	(\$3,858,368)	(\$358,409)
Higher Education - Community College System	\$0	(\$544,408)
Higher Education - Maine Maritime Academy	\$0	(\$86,117)
Higher Education - University of Maine System	\$0	(\$1,785,305)
Dorothea Dix Net after \$2.5 million offset (Net Amount)	(\$182,335)	(\$212,334)
Dept. of Corrections - Savings Initiatives	(\$500,000)	\$0
Other Miscellaneous - Positions and Salary Adjustments	\$0	(\$30,580)
Offsets to Approved Reclassifications and Range Changes (Part B)	(\$148,117)	(\$110,357)
Retirement Incentive Adjustment	\$420,154	(\$583,432)
Maine Public Broadcasting - Eliminate FY13 Funding	\$0	(\$1,707,709)
Maine Revenue Services - Savings Initiatives	\$0	(\$182,236)
Other Miscellaneous Savings Initiatives	(\$45,360)	(\$87,252)
TOTAL SAVINGS FROM LR 2847	(\$28,904,094)	(\$24,428,727)

Governor's Second Supplemental Budget Bill (LR 2847)
Summary of Authorized Position Count Changes

<u>Fund</u>	<u>Net Change in</u> <u>Authorized</u> <u>Positon Counts</u>
General Fund	493.225
Highway Fund	0.000
Federal Expenditures Fund	5.500
Fund for a Healthy Maine	0.000
Other Special Revenue Fund	(599.412)
Federal Block Grant	(9.000)
Other Funds	1.000
Total Change of Authorized Positions	<u>(108.687)</u>

Tax and Fee Changes Affecting State and Local Tax Burden Governor's Second Supplemental Budget (LR 2847)

Description of Tax or Fee Change	Supplemental Budget Bill Part	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Sales and Use Tax					
Creates a new sales and use tax exemption for positive airway pressure equipment used in respiratory ventilation, and for supplies, repair parts and replacement parts for such equipment.	Part CCC	(\$112,850)	(\$261,000)	(\$269,613)	(\$279,319)
Expands the scope of Title 36, Section 2013, which provides for the refund of sales tax on purchases of depreciable machinery and equipment used for commercial agriculture and certain other purposes, to include items used in commercial wood harvesting and in the commercial production of greenhouse and nursery products.	Part DDD	\$0	(\$368,000)	(\$837,850)	(\$859,166)
Individual Income Tax					
Exempts from Maine income tax active duty military pay earned outside of Maine for service performed pursuant to written orders during tax years beginning on or after January 1, 2014.	Part BBB	\$0	\$0	(\$780,000)	(\$1,972,000)
Amends the pension income tax subtraction modification to raise the \$6,000 limit to \$10,000 for tax years beginning in 2014 and adjusts that amount by \$5,000 increments for succeeding tax years until it reaches \$35,000 for tax years beginning in 2019. The deduction is increased for tax years beginning after 2019 by multiplying the deduction amount annually by the pension adjustment factor. The pension adjustment factor is the annual cost-of-living-adjustment for Social Security. The subtraction modification is expanded to include all federally taxable pension income, annuity income and individual retirement account distributions, except pick-up contributions for which a deduction has been allowed.	Part RR	\$0	\$0	(\$7,578,000)	(\$28,640,000)
Total Impact of Tax and Fee Changes		(\$112,850)	(\$629,000)	(\$9,465,463)	(\$31,750,485)