

General Fund Expenditures - By Major Categories

Major Categories		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
General Purpose Aid for Local Schools	4	\$702,686,340	\$687,243,570	\$699,041,403	\$738,355,049	\$838,193,470	\$911,011,767	\$954,353,096	\$934,433,865	\$889,714,836	\$842,642,113
Medicaid/MaineCare	4	\$463,921,298	\$487,966,182	\$505,750,219	\$582,012,779	\$643,913,358	\$604,261,444	\$607,537,933	\$558,831,894	\$437,801,757	\$483,312,486
Personal Services	1	\$352,378,431	\$363,056,897	\$362,183,685	\$387,727,063	\$398,416,458	\$413,015,551	\$425,571,308	\$434,115,597	\$431,759,184	\$407,400,396
Higher Education		\$238,689,861	\$235,384,460	\$233,405,441	\$241,187,901	\$246,831,523	\$262,043,743	\$272,942,825	\$266,014,980	\$261,774,007	\$268,331,934
Teachers' Retirement	2	\$168,214,621	\$179,899,248	\$170,014,497	\$181,698,128	\$148,459,994	\$205,443,716	\$196,871,807	\$203,926,618	\$208,993,254	\$219,061,198
Tax Relief and Reimbursement Programs		\$118,240,381	\$79,419,288	\$128,885,755	\$113,061,240	\$31,484,362	\$34,741,094	\$33,960,289	\$33,842,406	\$34,445,217	\$22,041,997
Debt Service	3	\$84,886,110	\$94,888,075	\$91,157,529	\$89,206,568	\$96,042,927	\$107,057,363	\$101,848,646	\$101,732,401	\$116,474,424	\$113,144,014
Other		\$454,667,195	\$405,339,888	\$393,793,566	\$404,874,408	\$421,068,315	\$486,788,774	\$490,555,572	\$486,902,262	\$485,470,838	\$503,108,975
Total General Fund Expenditures		\$2,583,684,236	\$2,533,197,609	\$2,584,232,096	\$2,738,123,135	\$2,824,410,407	\$3,024,363,451	\$3,083,641,475	\$3,019,800,023	\$2,866,433,517	\$2,859,043,111

Notes:

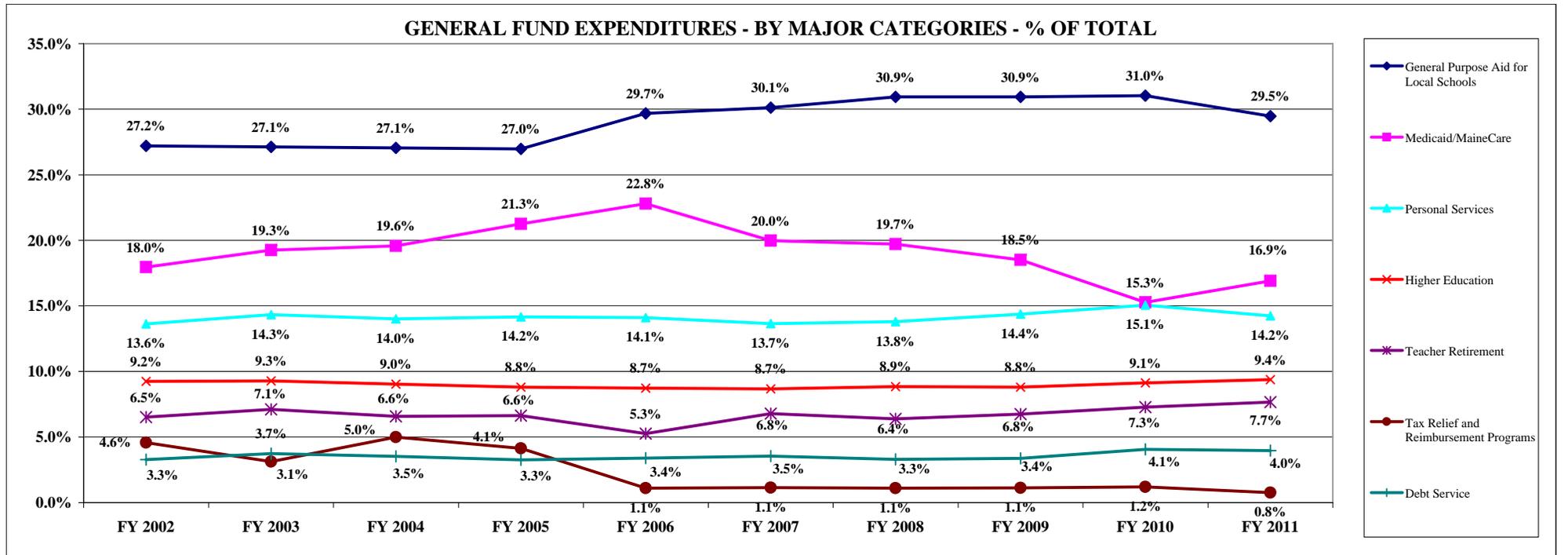
¹ Detail of Personal Services:

Salaries and Wages	\$247,091,081	\$245,902,865	\$252,008,419	\$253,691,577	\$255,744,055	\$267,887,333	\$272,705,758	\$277,640,110	\$276,899,311	\$266,563,254
Retirement	\$51,802,297	\$58,829,926	\$59,776,685	\$68,282,101	\$75,723,030	\$78,659,081	\$83,910,787	\$87,256,293	\$85,656,056	\$71,610,236
Health Insurance	\$41,038,714	\$45,574,080	\$37,871,359	\$53,667,368	\$54,269,370	\$53,540,872	\$55,247,755	\$55,534,957	\$55,570,524	\$57,108,240
Other Fringe Benefits	\$12,446,339	\$12,750,025	\$12,527,222	\$12,086,018	\$12,680,004	\$12,928,264	\$13,707,009	\$13,684,236	\$13,633,293	\$12,118,665
Total	\$352,378,431	\$363,056,897	\$362,183,685	\$387,727,063	\$398,416,458	\$413,015,551	\$425,571,308	\$434,115,597	\$431,759,184	\$407,400,396

² Teachers' Retirement includes Retired Teachers' Health Insurance and Retired Teachers' Group Life Insurance.

³ Includes General Obligation debt service and Maine Governmental Facilities Authority debt service, but does not include debt service for court facilities until FY 2010, when that debt service was segregated into a separate program.

⁴ Medicaid and General Purpose Aid for Local Schools exclude some Personal Services expenditures that would normally be included, but are excluded here to avoid double counting the amounts in Personal Services. Medicaid administrative costs are also not included here.



General Fund Expenditures - By Major Categories

Major Categories - % of Total	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
General Purpose Aid for Local Schools	27.2%	27.1%	27.1%	27.0%	29.7%	30.1%	30.9%	30.9%	31.0%	29.5%
Medicaid/MaineCare	18.0%	19.3%	19.6%	21.3%	22.8%	20.0%	19.7%	18.5%	15.3%	16.9%
Personal Services	13.6%	14.3%	14.0%	14.2%	14.1%	13.7%	13.8%	14.4%	15.1%	14.2%
Higher Education	9.2%	9.3%	9.0%	8.8%	8.7%	8.7%	8.9%	8.8%	9.1%	9.4%
Teacher Retirement	6.5%	7.1%	6.6%	6.6%	5.3%	6.8%	6.4%	6.8%	7.3%	7.7%
Tax Relief and Reimbursement Programs	4.6%	3.1%	5.0%	4.1%	1.1%	1.1%	1.1%	1.1%	1.2%	0.8%
Debt Service	3.3%	3.7%	3.5%	3.3%	3.4%	3.5%	3.3%	3.4%	4.1%	4.0%
Other	17.6%	16.0%	15.2%	14.8%	14.9%	16.1%	15.9%	16.1%	16.9%	17.6%
Total General Fund Expenditures	100.0%									
Detail of Personal Services:										
Salaries and Wages	9.6%	9.7%	9.8%	9.3%	9.1%	8.9%	8.8%	9.2%	9.7%	9.3%
Retirement	2.0%	2.3%	2.3%	2.5%	2.7%	2.6%	2.7%	2.9%	3.0%	2.5%
Health Insurance	1.6%	1.8%	1.5%	2.0%	1.9%	1.8%	1.8%	1.8%	1.9%	2.0%
Other Fringe Benefits	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.4%
Total	13.6%	14.3%	14.0%	14.2%	14.1%	13.7%	13.8%	14.4%	15.1%	14.2%

Annual % Change of Major Categories	FY02	FY03	FY04	FY05	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Average Annual Growth
General Purpose Aid for Local Schools	5.7%	-2.2%	1.7%	5.6%	13.5%	8.7%	4.8%	-2.1%	-4.8%	-5.3%	2.0%
Medicaid/MaineCare	7.3%	5.2%	3.6%	15.1%	10.6%	-6.2%	0.5%	-8.0%	-21.7%	10.4%	0.5%
Personal Services	9.9%	3.0%	-0.2%	7.1%	2.8%	3.7%	3.0%	2.0%	-0.5%	-5.6%	1.6%
Higher Education	-6.5%	-1.4%	-0.8%	3.3%	2.3%	6.2%	4.2%	-2.5%	-1.6%	2.5%	1.3%
Teacher Retirement	3.4%	6.9%	-5.5%	6.9%	-18.3%	38.4%	-4.2%	3.6%	2.5%	4.8%	3.0%
Tax Relief and Reimbursement Programs	0.7%	-32.8%	62.3%	-12.3%	-72.2%	10.3%	-2.2%	-0.3%	1.8%	-36.0%	-17.0%
Debt Service	-7.0%	11.8%	-3.9%	-2.1%	7.7%	11.5%	-4.9%	-0.1%	14.5%	-2.9%	3.2%
Other	-13.8%	-10.8%	-2.8%	2.8%	4.0%	15.6%	0.8%	-0.7%	-0.3%	3.6%	1.1%
Total General Fund Expenditures	0.5%	-2.0%	2.0%	6.0%	3.2%	7.1%	2.0%	-2.1%	-5.1%	-0.3%	1.1%
Detail of Personal Services:											
Salaries and Wages	9.9%	-0.5%	2.5%	0.7%	0.8%	4.7%	1.8%	1.8%	-0.3%	-3.7%	0.8%
Retirement	-1.3%	13.6%	1.6%	14.2%	10.9%	3.9%	6.7%	4.0%	-1.8%	-16.4%	3.7%
Health Insurance	19.9%	11.1%	-16.9%	41.7%	1.1%	-1.3%	3.2%	0.5%	0.1%	2.8%	3.7%
Other Fringe Benefits	38.0%	2.4%	-1.7%	-3.5%	4.9%	2.0%	6.0%	-0.2%	-0.4%	-11.1%	-0.3%
Total	9.9%	3.0%	-0.2%	7.1%	2.8%	3.7%	3.0%	2.0%	-0.5%	-5.6%	1.6%

General Fund Expenditures - By Major Categories - Historical Notes

General Purpose Aid for Local Schools

FY03 and FY04 General Purpose Aid for Local Schools expenditures do not include \$25.0 million shifted to Federal Block Grant Funds to realize General Fund savings from the Federal Jobs and Growth Tax Relief Reconciliation Act of 2003

FY09, FY 10 and FY11 reflect reductions of \$26.3 million, \$29.9 million and \$56.3 million, respectively, shifted to American Recovery and Reinvestment Act of 2009 (ARRA) State Fiscal Stabilization Funds

Medicaid/MaineCare

FY03 reflects the implementation of provider taxes on nursing homes and ICFs/MR. The dedicated revenue from the tax was used for increased payments to providers and to fund MaineCare costs previously funded by General Fund appropriation

In FY03 and FY04, federal fiscal relief legislation provided enhanced federal match for the final quarter of FY03 and for all four quarters of FY04.

FY04 reflects the implementation of a provider tax on hospitals of 0.74%. The dedicated revenue from the tax was used to pay for increased payments to providers and to fund MaineCare costs previously funded by General Fund appropriations.

In FY04, prior year charges to Federal Expenditure Funds were identified as inappropriate in FY04 and had to be classified as state-funded expenses. \$38.8 million was appropriated from the General Fund to restore funding to Federal Expenditures Fund, but was not reflected in expenditure totals.

In FY05, the provider tax on hospitals was increased to 2.23% and the PNMI service provider tax of 5% began.

In FY06, the 5% service provider tax was expanded to include community support services and MR day habilitation, residential training and personal support services.

FY06 and FY07 reflect the expenditure effect of a GF appropriation of \$16.2 million and a GF deappropriation of \$17.9 million in FY07 to make MaineCare hospital reimbursement lawsuit settlement payments prior to 9/30/05.

FY06 and FY07 reflect the expenditure impact of GF appropriations of \$47 million (FY07 includes GF deappropriations of \$47 million) to address a FY06 shortfall in the MAP account primarily resulting from MECMS interim payments and delays in recovering these interim payments from providers. It was assumed that the \$47 million deappropriation for FY07 would be offset by carry forward from FY06 and recoveries from providers to be collected in FY07 instead of FY06.

FY08 was reduced as a result of the deferral of approximately \$13.7 million of General Fund expenditures associated with the week 52 cycle payment un FY09.

FY09, FY10 and FY11 reflect significant reductions from enhanced federal matching rates under the American Recovery and Reinvestment Act of 2009 (ARRA). The incremental amount of total Medicaid/MaineCare savings from the enhanced match was \$162.5 million in FY09, \$240.9 million in FY10 and \$199.0 million in FY11. In addition, \$31.2 million was shifted from General Fund to ARRA State Fiscal Stabilization Fund in FY10.

Note: In February of 2005, DHHS implemented a new claims processing system (MECMS) that resulted in significant problems in paying claims for the remainder of FY05 and FY06. Financial reporting and expenditure data/trends also were disrupted.

General Fund Expenditures - By Major Categories - Historical Notes (continued)

Higher Education

Initial funding for the Maine Economic Improvement Fund began in FY00 with a \$4.1 million transfer from the unappropriated surplus of the GF (PL 1997, c. 643, Pt LL and GF appropriation of \$5.55 million (PL 1999, c. 401, Pt. TT).

FY09, FY 10 and FY11 reflect reductions of \$6.6 million, \$9.5 million and \$10.9 million, respectively, shifted to American Recovery and Reinvestment Act of 2009 (ARRA) State Fiscal Stabilization Funds.

Teachers' Retirement

FY03 reflects an increase in the % state share for retired teachers health insurance from 30% to 35% (effective July 1, 2002.)

FY04 reflects the temporary extension of the amortization schedule of the unfunded liability of the Maine State Retirement System.

FY06 does not include 4th quarter payment of approximately \$3.75 million for retired teachers health insurance.

FY06 does not reflect a payment of \$41.9 million that was paid as a transfer from General Fund unappropriated surplus rather than an expenditure of appropriations.

Tax Relief and Reimbursement Programs

FY03 reflects the deferral of payments until the next fiscal year for reimbursements under the Business Equipment Tax Reimbursement (BETR) Program.

FY05 reflects the shift of the Maine Resident Property Tax Program (Circuit Breaker) from appropriations to Individual Income Tax reductions.

FY06 reflects the shift of the Business Equipment Tax Reimbursement (BETR) program from appropriations to Individual Income Tax reductions.

Debt Service

FY10 reflects MGFA debt for court facilities, previously included in "Other."

Personal Services:

Salaries and Wages

See separate analyses of collective bargaining changes and position count changes.

Retirement

FY04 reflects the temporary extension of the amortization schedule of the unfunded liability of the Maine State Retirement System.

Health Insurance

FY04 reflects the reduced costs of \$10.5 million from the so-called "Anthem Swap" or Hospital Payment Equity Project.