

## Summary of Governor's General Fund Budget Recommendations

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The following tables and charts show in summary form the Governor's General Fund budget recommendations for the 2012-2013 biennium. **Table D - 1** shows total General Fund appropriations by department or agency (including one time appropriations) with percent change for the 2012-2013 biennium compared to the 2010-2011 biennium.

The amount reflected for the Department of Administrative and Financial Services in the 2012-2013 biennium includes a reduction of \$465,038,649 from projected savings associated with various initiatives that will have a statewide impact. The savings will be distributed to the appropriate amounts by financial order during the fiscal year. The amount that is reflected for the Office of Treasurer of State in the 2012-2013 biennium includes \$376,002,013 for revenue sharing. Prior to 2012-2013 revenue sharing was reflected as a transfer from General Fund undedicated revenue.

**Table D - 2** shows the General Fund revenues recommended by the Governor for fiscal year 2011-12 and fiscal year 2012-13. The columns labeled ORIG. represent the General Fund revenue forecast of the Revenue Forecasting Committee. The columns labeled ADJ reflect the Governor's recommended adjustments to the base revenues. **Table D - 3** explains the individual adjustments to the original General Fund revenue amounts.

**Chart D - 1** shows the Governor's recommended General Fund appropriations by major program for the 2012-2013 biennium.

**Chart D - 2** shows the Governor's recommended General Fund revenues by revenue source for the 2012-2013 biennium. These revenues include the base revenue projections of the Revenue Forecasting Committee, including Transfers for Tax Relief Programs, and adjustments to the base revenues recommended by the Governor.

**TABLE D - 1**

<b>GENERAL FUND APPROPRIATIONS</b>			
<b>DEPARTMENT/AGENCY</b>	<b>GOVERNOR'S BUDGET</b>		
	<b>2010-2011 Biennium</b>	<b>2012-2013 Biennium</b>	<b>PERCENT CHANGE</b>
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES	227,424,272	(201,566,348)	-188.63%
DEPARTMENT OF AGRICULTURE, FOOD & RURAL RESOURCES	11,745,999	12,703,243	8.15%
MAINE ARTS COMMISSION	1,323,746	1,502,066	13.47%
ATLANTIC STATES MARINE FISHERIES COMMISSION	58,564	58,564	
DEPARTMENT OF THE ATTORNEY GENERAL	27,226,073	31,811,090	16.84%
DEPARTMENT OF AUDIT	2,550,523	2,782,187	9.08%
DEPARTMENT OF CONSERVATION	45,497,011	50,207,033	10.35%
STATE BOARD OF CORRECTIONS	18,227,723	25,300,480	38.80%
DEPARTMENT OF CORRECTIONS	294,196,702	316,838,308	7.70%
MAINE STATE CULTURAL AFFAIRS COUNCIL	81,433	81,844	0.50%
DEPARTMENT OF DEFENSE, VETERANS & EMERGENCY MANAGEMENT	15,828,899	12,323,632	-22.14%
MAINE DEVELOPMENT FOUNDATION	69,144	71,266	3.07%
DISABILITY RIGHTS CENTER	253,745	261,532	3.07%
DOWNEAST INSTITUTE FOR APPLIED MARINE RESEARCH	25,397	26,048	2.56%
DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT	23,210,377	24,141,645	4.01%
STATE BOARD OF EDUCATION	199,764	200,722	0.48%
DEPARTMENT OF EDUCATION	2,304,571,347	2,512,548,976	9.02%
DEPARTMENT OF ENVIRONMENTAL PROTECTION	11,677,377	13,936,009	19.34%
COMMISSION ON GOVERNMENTAL ETHICS & ELECTION PRACTICES	259,934	278,444	7.12%
EXECUTIVE DEPARTMENT	9,543,105	10,093,035	5.76%
FINANCE AUTHORITY OF MAINE	25,333,013	22,272,351	-12.08%
MAINE FIRE PROTECTION SERVICES COMMISSION	500	1,000	100.00%
FOUNDATION FOR BLOOD RESEARCH	105,036	108,260	3.07%
MAINE HISTORIC PRESERVATION COMMISSION	548,318	611,902	11.60%
MAINE HISTORICAL SOCIETY	90,316	93,088	3.07%
MAINE HOSPICE COUNCIL	127,844	131,768	3.07%
MAINE STATE HOUSING AUTHORITY	752,978	756,596	0.48%
MAINE HUMAN RIGHTS COMMISSION	993,454	1,060,847	6.78%
DEPARTMENT OF HEALTH & HUMAN SERVICES (FORMERLY BDS)	471,261,771	600,464,046	27.42%
DEPARTMENT OF HEALTH & HUMAN SERVICES (FORMERLY HUMAN SVCS)	1,139,819,035	1,384,661,175	21.48%
MAINE HUMANITIES COUNCIL	107,413	110,710	3.07%
MAINE COMMISSION ON INDIGENT LEGAL SERVICES	9,984,223	20,746,199	107.79%
MAINE INDIAN TRIBAL-STATE COMMISSION	152,100	156,000	2.56%
DEPARTMENT OF INLAND FISHERIES & WILDLIFE	46,729,549	50,682,201	8.46%
CENTERS FOR INNOVATION	237,567	244,858	3.07%
JUDICIAL DEPARTMENT	122,615,208	120,553,841	-1.68%
DEPARTMENT OF LABOR	20,917,677	21,105,532	0.90%
LAW & LEGISLATIVE REFERENCE LIBRARY	3,125,520	3,235,078	3.51%
LEGISLATURE	51,250,366	53,057,307	3.53%
MAINE STATE LIBRARY	5,799,398	6,440,208	11.05%
DEPARTMENT OF MARINE RESOURCES	18,752,283	20,213,593	7.79%
MAINE MARITIME ACADEMY	16,671,453	17,223,412	3.31%
MAINE MUNICIPAL BOND BANK	139,573	143,856	3.07%
MAINE STATE MUSEUM	2,843,888	3,204,410	12.68%
PINE TREE LEGAL ASSISTANCE	512,947	528,690	3.07%
OFFICE OF PROGRAM EVALUATION & GOVERNMENTAL ACCOUNTABILITY	1,788,418	1,798,818	0.58%
STATE BOARD OF PROPERTY TAX REVIEW	159,448	179,420	12.53%
MAINE PUBLIC BROADCASTING CORPORATION	3,856,433	3,908,470	1.35%
DEPARTMENT OF PUBLIC SAFETY	58,512,988	67,635,954	15.59%
(BRD OF TRUSTEES OF THE) ME STATE RETIREMENT SYSTEM	2,235,381	3,284,216	46.92%
SACO RIVER CORRIDOR COMMISSION	94,536	97,438	3.07%
DEPARTMENT OF THE SECRETARY OF STATE	6,650,246	7,295,930	9.71%
ST. CROIX INTERNATIONAL WATERWAY COMMISSION	44,001	45,352	3.07%
RESERVE FUND FOR STATE HOUSE PRESERVATION & MAINTENANCE	1,600,000	1,600,000	
BOARD OF TRUSTEES OF THE MAINE COMMUNITY COLLEGE SYSTEM	106,133,575	109,381,656	3.06%
DEPARTMENT OF TRANSPORTATION	7,000,000		-100.00%
(OFFICE OF) TREASURER OF STATE	182,871,512	399,504,737	118.46%
BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM	382,140,711	393,231,012	2.90%
NEW ENGLAND INTERSTATE WATER POLLUTION CONTROL COMMISSION	16,005	16,496	3.07%
<b>TOTAL</b>	<b>5,685,945,819</b>	<b>6,129,386,203</b>	<b>7.80%</b>

TABLE D - 2

<b>GENERAL FUND REVENUE FORECAST</b>												
Showing Yearly Adjustments												
SOURCE	FISCAL YEAR II			FISCAL YEAR I2			FISCAL YEAR I3					
	ORIG.	ADJ.	BUDGET	ORIG.	ADJ.	BUDGET	ORIG.	ADJ.	BUDGET			
Sales and Use Tax	904,850,262		904,850,262	945,475,809		945,475,809	992,958,416		992,958,416			
Service Provider Tax	57,814,486		57,814,486	59,555,680		59,555,680	61,840,807		61,840,807			
Individual Income Tax	1,370,120,000	(4,755,698)	1,365,364,302	1,474,900,000	(58,771,165)	1,416,128,835	1,545,750,000	(107,673,492)	1,438,076,508			
Corporate Income Tax	200,490,112		200,490,112	209,802,975	(35,558,179)	174,244,796	230,072,072	(9,459,042)	220,613,030			
Cigarette & Tobacco Tax	146,209,555		146,209,555	143,623,350		143,623,350	141,095,285		141,095,285			
Insurance Company Tax	76,765,000		76,765,000	76,040,000		76,040,000	76,040,000		76,040,000			
Estate Tax	42,978,079		42,978,079	41,061,512		41,061,512	49,370,677		49,370,677			
Fines, Forfeits and Penalties	31,133,161		31,133,161	30,738,549		30,738,549	30,757,049		30,757,049			
Income from Investments	27,332		27,332	4,142		4,142	57,595		57,595			
Transfer from Lottery Comm.	52,034,250		52,034,250	52,034,250		52,034,250	52,034,250		52,034,250			
Transfers for Tax Relief Progs.	(112,087,945)		(112,087,945)	(126,984,977)	16,131,300	(110,853,677)	(124,182,298)	15,937,458	(108,244,840)			
Transfers for Revenue Sharing	(93,088,096)	4,112,854	(88,975,242)	(136,340,658)	136,340,658		(143,962,951)		143,962,951			
Other Taxes and Fees	149,003,882		149,003,882	140,976,202		140,976,202	140,384,112	1,098,276	141,482,388			
Other Revenues	59,224,977	40,000	59,264,977	42,387,016	(161,786)	42,225,230	43,798,834	(837,988)	42,960,846			
<b>TOTAL REVENUE</b>	<b>2,885,475,055</b>	<b>(602,844)</b>	<b>2,884,872,211</b>	<b>2,953,273,850</b>	<b>57,980,828</b>	<b>3,011,254,678</b>	<b>3,096,013,848</b>	<b>43,028,163</b>	<b>3,139,042,011</b>			

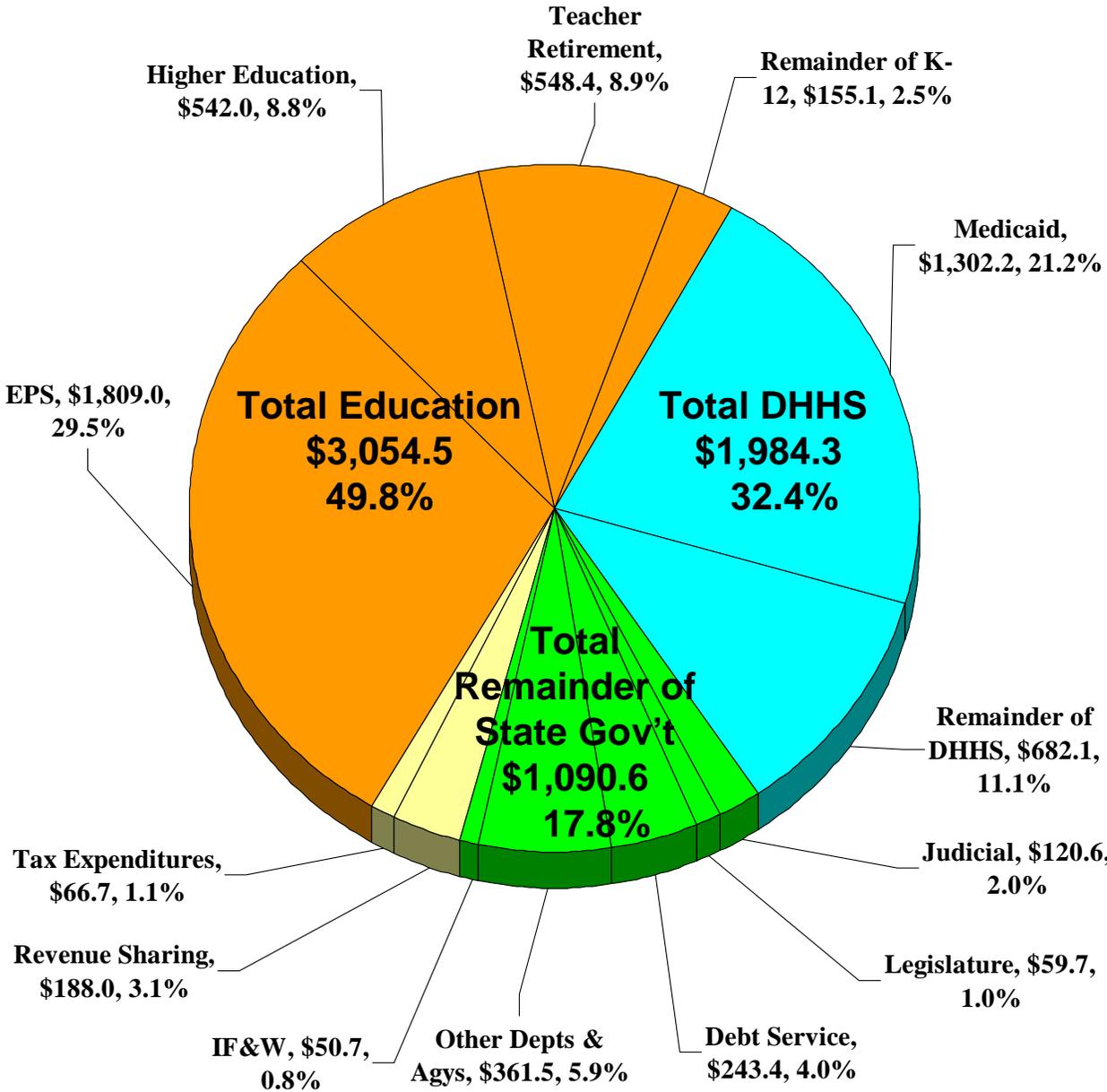
**TABLE D - 3**

<b>General Fund Recommended Revenue Adjustments Detail by Revenue Line for the FY 12-13 Biennium</b>		
<b>Revenue Line and Source of Adjustment</b>	<b>FY 12</b>	<b>FY 13</b>
<b>Corporate Income Tax</b>		
Recognizes revenue loss from allowing taxpayers to take advantage of the increased depreciation deductions under Internal Revenue Code section 168 (k).	(34,042,819)	(9,024,199)
Recognizes revenue loss from allowing taxpayers to take advantage of the higher Internal Revenue Code section 179 expense thresholds.	(1,515,360)	(434,843)
	(35,558,179)	(9,459,042)
<b>Individual Income Tax</b>		
Recognizes revenue loss from conforming to Internal Revenue Code changes made after March 2, 2010	(8,341,619)	(34,054)
Recognizes revenue lost from reducing the amount of penalties imposed for failure to file a tax return after the taxpayer receives a formal demand that the return be filed.	(112,500)	(150,000)
Recognizes revenue loss from conforming to federal standard deduction and personal exemption, repealing the alternative minimum tax in 2012 and reducing the top individual income tax rate from 8.5% to 7.95% in 2013. Also recognizes the loss of revenue from repealing the exclusion of mortgage insurance premiums from Maine itemized deductions and repealing the lump-sum retirement plan distribution tax and the early distribution from retirement plan tax.	(32,908,000)	(102,742,000)
Recognizes revenue loss from allowing taxpayers to take advantage of the increased depreciation deductions under Internal Revenue Code section 168 (k)	(11,347,606)	(3,008,066)
Recognizes revenue loss from allowing taxpayers to take advantage of the higher Internal Revenue Code section 179 expense thresholds	(6,061,440)	(1,739,372)
	(58,771,165)	(107,673,492)
<b>Other Revenues</b>		
Recognize revenue loss from eliminating a provision that transferred Fund for a Healthy Maine revenue to the General Fund to offset the loss of revenue related to flavored cigars and cigarettes.	(161,786)	(164,751)
Recognizes the additional revenue transfer from the General Fund to the Tourism Marketing Promotion Fund as a result of repealing the revenue sharing provision that removes the 5% transfer requirement of the Local Government Fund.		(508,500)
Recognizes the additional revenue transfer from the General Fund to the STAR Fund as a result of repealing the revenue sharing provision that removes the 5% transfer requirement of the Local Government Fund.		(164,737)
	(161,786)	(837,988)
<b>Other Taxes</b>		
Recognizes revenue from extending the \$4.5M cap on transfers from net slot machine revenues to the Fund for a Healthy Maine.		1,101,895
Recognizes revenue loss from repealing the annual indexing of the excise tax imposed on internal combustion engine fuel and distillates effective January 1, 2012.		(3,619)
		0
		1,098,276
<b>Transfers for Revenue Sharing</b>		
Recognizes the impact on revenue from changing the payment provisions for revenue sharing from transfers to General Fund appropriations.	136,340,658	143,962,951
	136,340,658	143,962,951
<b>Transfers for Tax Relief Programs</b>		
Recognizes revenue from limiting the Tax and Rent Refund Program to 80% of base level for non-elderly households	5,155,300	4,628,258
Recognizes revenue related to limitation of BETR to 90% of eligible taxes paid	10,976,000	11,309,200
	16,131,300	15,937,458
<b>Total Revenue Adjustments</b>	<b>57,980,828</b>	<b>43,028,163</b>

CHART D – 1

**General Fund Recommended Appropriations  
2012-2013 Biennium by Major Program**

**\$6,129.4**  
Dollars in Millions



**CHART D - 2**  
**General Fund Recommended Revenues**  
**2012-2013 Biennium by Source**  
**\$6,150.3**  
*Includes Transfers for Tax Relief Programs of \$219.1*  
Dollars in Millions

