

Appendix A - General Fund

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GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY04 Actual	% Chg.	FY05 Actual	% Chg.	FY06 Actual	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Sales and Use Tax	917,243,245	7.0%	896,576,322	-2.3%	946,174,276	5.5%	974,740,367	3.0%	0	974,740,367	3.0%
Service Provider Tax	0	N/A	44,645,517	N/A	47,028,430	5.3%	48,911,765	4.0%	0	48,911,765	4.0%
Individual Income Tax *	1,156,715,909	7.9%	1,270,225,329	9.8%	1,254,506,663	-1.2%	1,333,646,508	6.3%	(6,527,000)	1,327,119,508	5.8%
Corporate Income Tax	111,616,051	22.4%	135,862,913	21.7%	188,015,558	38.4%	199,398,755	6.1%	(27,320,000)	172,078,755	-8.5%
Cigarette and Tobacco Tax	96,604,646	-1.8%	96,350,704	-0.3%	156,951,370	62.9%	164,502,981	4.8%	0	164,502,981	4.8%
Public Utilities Tax	27,991,188	-4.4%	25,403,214	-9.2%	20,627,030	-18.8%	19,695,000	-4.5%	(2,803,254)	16,891,746	-18.1%
Insurance Companies Tax	72,206,153	1.6%	75,669,053	4.8%	76,065,864	0.5%	76,336,389	0.4%	0	76,336,389	0.4%
Estate Tax	32,075,501	5.1%	32,255,727	0.6%	75,330,514	133.5%	52,465,498	-30.4%	0	52,465,498	-30.4%
Prop. Tax - Unorganized Territory	10,709,308	7.8%	10,622,666	-0.8%	11,559,305	8.8%	11,597,312	0.3%	0	11,597,312	0.3%
Income from Investments	2,310,207	-1.5%	5,854,625	153.4%	8,271,869	41.3%	4,565,000	-44.8%	(3,047,681)	1,517,319	-81.7%
Transfer to Municipal Rev. Sharing	(111,464,335)	-8.2%	(119,712,814)	-7.4%	(124,222,180)	-3.8%	(130,391,566)	-5.0%	1,726,197	(128,665,369)	-3.6%
Transfer from Lottery Commission	41,272,645	4.6%	49,328,102	19.5%	50,879,647	3.1%	50,334,250	-1.1%	0	50,334,250	-1.1%
Other Revenues **	326,259,040	66.2%	267,763,694	-17.9%	220,637,339	-17.6%	215,145,656	-2.5%	4,235,296	219,380,952	-0.6%
Total - General Fund Revenue	2,683,539,557	12.1%	2,790,845,053	4.0%	2,931,825,687	5.1%	3,020,947,915	3.0%	(33,736,442)	2,987,211,473	1.9%
Change in Biennial Totals									(33,736,442)		

*** Detail of Property Tax Reimbursement Programs Deducted from Individual Income Tax Revenue**

- Maine Resident Property Tax Program			(26,030,227)	N/A	(42,796,070)	-64.4%	(44,957,021)	-5.0%	0	(44,957,021)	-5.0%
- Business Equipment Tax Reimbursement (BETR)			0	N/A	(67,065,810)	N/A	(62,000,708)	7.6%	(5,000,000)	(67,000,708)	0.1%
- Municipal Business Equipment Tax Reimbursement			0	N/A	0	N/A	0	N/A	0	0	N/A

**** Detail of Other Revenues:**

- Real Estate Transfer Tax	22,196,221	106.1%	24,113,439	8.6%	24,595,580	2.0%	22,309,074	-9.3%	0	22,309,074	-9.3%
- Milk Handling Fee	0	N/A	0	N/A	1,867,527	N/A	3,485,207	86.6%	(1,055,032)	2,430,175	30.1%
- Liquor Sales and Operations	102,182,743	291.9%	49,845,027	-51.2%	2,560,044	-94.9%	3,750,000	46.5%	650,000	4,400,000	71.9%
- Liquor Taxes and Fees	17,485,024	2.0%	17,432,377	-0.3%	18,814,733	7.9%	19,027,489	1.1%	937,238	19,964,727	6.1%
- Finance Industry Fees	9,572,280	3.0%	18,641,800	94.7%	20,471,110	9.8%	20,567,380	0.5%	0	20,567,380	0.5%
- Corporation Fees & Licenses	3,600,455	3.4%	5,637,743	56.6%	6,385,451	13.3%	5,815,012	-8.9%	0	5,815,012	-8.9%
- Hunting and Fishing License Fees	16,898,278	21.1%	16,691,165	-1.2%	16,840,079	0.9%	15,705,573	-6.7%	0	15,705,573	-6.7%
- Boat, ATV and Snowmobile Fees	3,974,511	60.0%	4,148,890	4.4%	3,476,885	-16.2%	3,870,938	11.3%	0	3,870,938	11.3%
- Parimutuel and Gaming Revenue	1,036,539	-4.6%	1,362,611	31.5%	5,262,230	286.2%	7,566,052	43.8%	490,489	8,056,541	53.1%
- Fines, Forfeits and Penalties	38,219,275	41.6%	35,506,972	-7.1%	37,781,055	6.4%	42,453,483	12.4%	(535,000)	41,918,483	11.0%
- Targeted Case Management (HHS)	34,762,095	4.6%	34,518,055	-0.7%	25,687,188	-25.6%	22,977,870	-10.5%	632,024	23,609,894	-8.1%
- HHS Services Rendered	9,481,895	89.2%	7,966,194	-16.0%	9,613,394	20.7%	9,890,228	2.9%	1,790,795	11,681,023	21.5%
- State Cost Allocation Program	10,438,262	-5.0%	12,891,574	23.5%	13,281,561	3.0%	14,592,926	9.9%	0	14,592,926	9.9%
- Unclaimed Property Transfer	16,763,948	104.9%	10,000,000	-40.3%	14,880,517	48.8%	13,703,693	-7.9%	0	13,703,693	-7.9%
- Education Efficiency Fund Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	0	N/A
- Tourism Transfer	(7,213,282)	N/A	(7,554,190)	-4.7%	(7,762,689)	-2.8%	(8,221,338)	-5.9%	0	(8,221,338)	-5.9%
- Transfer to Maine Milk Pool	0	N/A	0	N/A	(2,616,160)	N/A	(12,574,554)	-380.6%	1,576,667	(10,997,887)	-320.4%
- Other Miscellaneous	46,860,796	69.5%	36,562,039	-22.0%	29,498,834	-19.3%	30,226,623	2.5%	(251,885)	29,974,738	1.6%
IF&W Total Revenue ***	21,902,902	24.5%	21,817,659	-0.4%	21,530,955	-1.3%	20,764,533	-3.6%	0	20,764,533	-3.6%

*** IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY08 Budget	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Budget	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Sales and Use Tax	1,005,068,924	3.1%	0	1,005,068,924	3.1%	1,046,414,548	4.1%	0	1,046,414,548	4.1%
Service Provider Tax	51,181,910	4.6%	0	51,181,910	4.6%	53,452,742	4.4%	0	53,452,742	4.4%
Individual Income Tax *	1,378,915,055	3.4%	2,296,000	1,381,211,055	4.1%	1,405,890,341	2.0%	6,824,000	1,412,714,341	2.3%
Corporate Income Tax	212,797,650	6.7%	(26,460,000)	186,337,650	8.3%	223,637,116	5.1%	(30,520,000)	193,117,116	3.6%
Cigarette and Tobacco Tax	163,774,241	-0.4%	0	163,774,241	-0.4%	162,497,725	-0.8%	0	162,497,725	-0.8%
Public Utilities Tax	18,520,000	-6.0%	(1,043,013)	17,476,987	3.5%	17,460,000	-5.7%	(995,603)	16,464,397	-5.8%
Insurance Companies Tax	76,751,673	0.5%	0	76,751,673	0.5%	77,169,754	0.5%	0	77,169,754	0.5%
Estate Tax	44,973,169	-14.3%	0	44,973,169	-14.3%	51,854,974	15.3%	0	51,854,974	15.3%
Prop. Tax - Unorganized Territory	11,958,218	3.1%	0	11,958,218	3.1%	12,332,279	3.1%	0	12,332,279	3.1%
Income from Investments	4,500,000	-1.4%	(3,076,000)	1,424,000	-6.2%	4,500,000	0.0%	(3,076,000)	1,424,000	0.0%
Transfer to Municipal Rev. Sharing	(137,694,104)	-5.6%	1,256,528	(136,437,576)	-6.0%	(142,519,951)	-3.5%	1,232,192	(141,287,759)	-3.6%
Transfer from Lottery Commission	49,834,250	-1.0%	0	49,834,250	-1.0%	49,834,250	0.0%	0	49,834,250	0.0%
Other Revenues **	198,110,814	-7.9%	6,022,629	204,133,443	-7.0%	199,527,743	0.7%	6,951,475	206,479,218	1.1%
Total - General Fund Revenue	3,078,691,800	1.9%	(21,003,856)	3,057,687,944	2.4%	3,162,051,521	2.7%	(19,583,936)	3,142,467,585	2.8%
Change in Biennial Totals								(40,587,792)		

*** Detail of Property Tax Reimbursement Programs Deducted from Individual Income Tax Revenue**

- Maine Resident Property Tax Program	(46,253,766)	-2.9%	0	(46,253,766)	-2.9%	(47,573,249)	-2.9%	0	(47,573,249)	-2.9%
- BETR - Business Equipment Tax Reimb.	(68,490,826)	-10.5%	0	(68,490,826)	-2.2%	(69,059,334)	-0.8%	0	(69,059,334)	-0.8%
- Municipal Business Equip. Tax Reimb.	0	N/A	0	0	N/A	(11,373,516)	N/A	0	(11,373,516)	N/A

**** Detail of Other Revenues:**

- Real Estate Transfer Tax	14,565,275	-34.7%	0	14,565,275	-34.7%	15,314,869	5.1%	0	15,314,869	5.1%
- Milk Handling Fee	3,022,775	-13.3%	(2,523,298)	499,477	-79.4%	3,390,107	12.2%	(2,890,630)	499,477	0.0%
- Liquor Sales and Operations	4,250,000	13.3%	250,000	4,500,000	2.3%	4,250,000	0.0%	250,000	4,500,000	0.0%
- Liquor Taxes and Fees	19,105,388	0.4%	937,238	20,042,626	0.4%	19,185,186	0.4%	937,238	20,122,424	0.4%
- Finance Industry Fees	20,565,980	0.0%	0	20,565,980	0.0%	20,565,980	0.0%	0	20,565,980	0.0%
- Corporation Fees & Licenses	6,079,012	4.5%	0	6,079,012	4.5%	6,343,012	4.3%	0	6,343,012	4.3%
- Hunting and Fishing License Fees	16,300,487	3.8%	0	16,300,487	3.8%	16,300,487	0.0%	0	16,300,487	0.0%
- Boat, ATV and Snowmobile Fees	3,870,938	0.0%	0	3,870,938	0.0%	3,870,938	0.0%	0	3,870,938	0.0%
- Parimutuel and Gaming Revenue	7,447,834	-1.6%	301,303	7,749,137	-3.8%	10,773,016	44.6%	448,481	11,221,497	44.8%
- Fines, Forfeits and Penalties	40,621,808	-4.3%	0	40,621,808	-3.1%	40,696,808	0.2%	0	40,696,808	0.2%
- Targeted Case Management (HHS)	23,244,657	1.2%	365,237	23,609,894	0.0%	23,516,483	1.2%	93,411	23,609,894	0.0%
- HHS Services Rendered	9,890,228	0.0%	1,783,855	11,674,083	-0.1%	9,890,228	0.0%	1,783,855	11,674,083	0.0%
- State Cost Allocation Program	15,640,940	7.2%	0	15,640,940	7.2%	17,566,608	12.3%	0	17,566,608	12.3%
- Unclaimed Property Transfer	22,835,500	66.6%	0	22,835,500	66.6%	25,210,825	10.4%	0	25,210,825	10.4%
- Education Efficiency Fund Transfer	(14,907,337)	N/A	0	(14,907,337)	N/A	(21,473,917)	-44.0%	0	(21,473,917)	-44.0%
- Tourism Transfer	(8,607,905)	-4.7%	0	(8,607,905)	-4.7%	(8,999,364)	-4.5%	0	(8,999,364)	-4.5%
- Transfer to Maine Milk Pool	(9,604,800)	23.6%	4,940,400	(4,664,400)	57.6%	(10,810,000)	-12.5%	6,421,600	(4,388,400)	5.9%
- Other Miscellaneous	23,790,034	-21.3%	(32,106)	23,757,928	-20.7%	23,936,477	0.6%	(92,480)	23,843,997	0.4%
IF&W Total Revenue ***	21,369,439	2.9%	(2,147)	21,367,292	2.9%	21,376,597	0.0%	(3,093)	21,373,504	0.0%

*** IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY10 Projection	% Chg.	Recom. Chg.	FY10 Revised	% Chg.	FY11 Projection	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Sales and Use Tax	1,087,398,354	3.9%	0	1,087,398,354	3.9%	1,132,180,055	4.1%	0	1,132,180,055	4.1%
Service Provider Tax	55,590,852	4.0%	0	55,590,852	4.0%	57,814,486	4.0%	0	57,814,486	4.0%
Individual Income Tax *	1,459,028,563	3.8%	7,340,000	1,466,368,563	3.8%	1,512,436,698	3.7%	4,951,000	1,517,387,698	3.5%
Corporate Income Tax	231,998,947	3.7%	(31,240,000)	200,758,947	4.0%	241,771,035	4.2%	(19,240,000)	222,531,035	10.8%
Cigarette and Tobacco Tax	161,043,480	-0.9%	0	161,043,480	-0.9%	159,641,550	-0.9%	0	159,641,550	-0.9%
Public Utilities Tax	16,400,000	-6.1%	(948,193)	15,451,807	-6.2%	16,200,000	-1.2%	(948,193)	15,251,807	-1.3%
Insurance Companies Tax	77,594,734	0.6%	0	77,594,734	0.6%	78,021,464	0.5%	0	78,021,464	0.5%
Estate Tax	56,852,600	9.6%	0	56,852,600	9.6%	4,771,020	-91.6%	0	4,771,020	-91.6%
Prop. Tax - Unorganized Territory	12,702,247	3.0%	0	12,702,247	3.0%	13,083,315	3.0%	0	13,083,315	3.0%
Income from Investments	4,500,000	0.0%	(3,076,000)	1,424,000	0.0%	4,500,000	0.0%	(3,076,000)	1,424,000	0.0%
Transfer to Municipal Rev. Sharing	(148,488,866)	-4.2%	1,242,800	(147,246,066)	-4.2%	(154,527,794)	-4.1%	743,028	(153,784,766)	-4.4%
Transfer from Lottery Commission	49,834,250	0.0%	0	49,834,250	0.0%	49,834,250	0.0%	0	49,834,250	0.0%
Other Revenues **	201,466,835	1.0%	6,490,723	207,957,558	0.7%	205,233,247	1.9%	6,162,339	211,395,586	1.7%
Total - General Fund Revenue	3,265,921,996	3.3%	(20,190,670)	3,245,731,326	3.3%	3,320,959,326	1.7%	(11,407,826)	3,309,551,500	2.0%
Change in Biennial Totals								(31,598,496)		

*** Detail of Property Tax Reimbursement Programs Deducted from Individual Income Tax Revenue**

- Maine Resident Property Tax Program	(48,073,804)	-1.1%	0	(48,073,804)	-1.1%	(50,473,026)	-5.0%	0	(50,473,026)	-5.0%
- BETR - Business Equipment Tax Reimb.	(65,653,487)	4.9%	0	(65,653,487)	4.9%	(60,047,934)	8.5%	0	(60,047,934)	8.5%
- Municipal Business Equip. Tax Reimb.	(21,538,412)	-89.4%	0	(21,538,412)	-89.4%	(27,486,069)	-27.6%	0	(27,486,069)	-27.6%

**** Detail of Other Revenues:**

- Real Estate Transfer Tax	16,907,180	10.4%	0	16,907,180	10.4%	18,867,770	11.6%	0	18,867,770	11.6%
- Milk Handling Fee	3,340,145	-1.5%	(2,840,668)	499,477	0.0%	3,390,107	1.5%	(2,890,630)	499,477	0.0%
- Liquor Sales and Operations	4,500,000	5.9%	0	4,500,000	0.0%	4,500,000	0.0%	0	4,500,000	0.0%
- Liquor Taxes and Fees	19,266,104	0.4%	937,238	20,203,342	0.4%	19,348,758	0.4%	937,238	20,285,996	0.4%
- Finance Industry Fees	20,565,980	0.0%	0	20,565,980	0.0%	20,565,980	0.0%	0	20,565,980	0.0%
- Corporation Fees & Licenses	6,343,012	0.0%	0	6,343,012	0.0%	6,343,012	0.0%	0	6,343,012	0.0%
- Hunting and Fishing License Fees	16,300,487	0.0%	0	16,300,487	0.0%	16,300,487	0.0%	0	16,300,487	0.0%
- Boat, ATV and Snowmobile Fees	3,870,938	0.0%	0	3,870,938	0.0%	3,870,938	0.0%	0	3,870,938	0.0%
- Parimutuel and Gaming Revenue	11,425,598	6.1%	465,171	11,890,769	6.0%	11,604,610	1.6%	470,475	12,075,085	1.6%
- Fines, Forfeits and Penalties	40,710,808	0.0%	0	40,710,808	0.0%	40,715,808	0.0%	0	40,715,808	0.0%
- Targeted Case Management (HHS)	23,793,745	1.2%	(183,851)	23,609,894	0.0%	24,076,553	1.2%	(466,659)	23,609,894	0.0%
- HHS Services Rendered	9,890,228	0.0%	1,783,855	11,674,083	0.0%	9,890,228	0.0%	1,783,855	11,674,083	0.0%
- State Cost Allocation Program	16,442,672	-6.4%	0	16,442,672	-6.4%	17,447,328	6.1%	0	17,447,328	6.1%
- Unclaimed Property Transfer	26,471,366	5.0%	0	26,471,366	5.0%	27,794,935	5.0%	0	27,794,935	5.0%
- Education Efficiency Fund Transfer	(21,960,963)	-2.3%	0	(21,960,963)	-2.3%	(22,716,399)	-3.4%	0	(22,716,399)	-3.4%
- Tourism Transfer	(9,418,380)	-4.7%	0	(9,418,380)	-4.7%	(9,847,824)	-4.6%	0	(9,847,824)	-4.6%
- Transfer to Maine Milk Pool	(10,810,000)	0.0%	6,421,600	(4,388,400)	0.0%	(10,810,000)	0.0%	6,421,600	(4,388,400)	0.0%
- Other Miscellaneous	23,827,915	-0.5%	(92,622)	23,735,293	-0.5%	23,890,956	0.3%	(93,540)	23,797,416	0.3%
IF&W Total Revenue ***	21,382,802	0.0%	(3,228)	21,379,574	0.0%	21,389,885	0.0%	(4,146)	21,385,739	0.0%

*** IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above

General Fund - Individual Income Tax

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$1,156,715,909	\$1,270,225,329	\$1,254,210,746	\$1,333,646,508	\$1,378,915,055	\$1,405,890,341	\$1,459,028,563	\$1,512,436,698
Annual % Growth	7.9%	9.8%	-1.3%	6.3%	3.4%	2.0%	3.8%	3.7%
Net Increase (Decrease)				(\$6,527,000)	\$2,296,000	\$6,824,000	\$7,340,000	\$4,951,000
Revised Forecast	\$1,156,715,909	\$1,270,225,329	\$1,254,210,746	\$1,327,119,508	\$1,381,211,055	\$1,412,714,341	\$1,466,368,563	\$1,517,387,698
Annual % Growth	7.9%	9.8%	-1.3%	5.8%	4.1%	2.3%	3.8%	3.5%

Revenue Source Summary:

This category includes all revenue from individual income tax including penalties and interest associated with the collection of individual income tax. It also includes income tax on fiduciaries and income tax from Partnerships, Limited Liability Corpora

Beginning in FY05, Individual Income Tax revenue was reduced by the amount of the payments under the Maine Residents Property Tax Program (Tax and Rent Refund or Circuit Breaker). Amounts necessary for the benefit payments are transferred from Individual Income Tax revenue to a reserve account for payment. Beginning in FY06, a similar arrangement was established for the Business Equipment Tax Reimbursement (BETR) program. Estimates of these transfers and the effect that they have on the forecast of Individual Income are detailed in separate sections. The amounts above reflect net amounts after the transfers for these tax reimbursement programs, but do not reflect the transfer to the Local Government Fund for State-Municipal Revenue Sharing.

Revenue Source Forecast Factors and Trends:

The individual income tax simulation model is the most complicated and involves the input of multiple economic variables. The individual components of Personal Income, which include salaries and wages; dividend interest and rents; proprietor's income; supplements to wages and salaries; and transfer payments are fed into the model. Other factors include: inflation projections that drive statutory indexing provisions (tax brackets and standard deduction amounts); total employment growth and unemployment rate affecting assumed number of tax filings; and the 3-month and 10-year Treasury Rates that drive interest earnings assumptions and the mortgage interest deduction.

A major variable that is not included in the consensus economic forecast is net capital gains realizations. This variable has produced some significant volatility in the individual income tax collections. A detailed discussion is included in the body of the report.

Current Year Variance - Individual Income Tax collections have dropped below projections in recent months. This category was adjusted upward by \$71.8 million in the December 2005 revenue forecast. The current year variance through January is \$18.5 million (-2.4% of budget), excluding the variances associated with the BETR and Circuit Breaker programs. Estimated payments were under budget in December and January resulting in a negative variance of \$11.8 million (-6.8%) through January. Refunds have surged ahead of projections very early in the processing season, accounting for \$6.1 million of the negative variance. Fiscal year-to-date withholding payments were up 4.1% over FY05 amounts and have been tracking very close to revised projections (less than -0.1% variance through January).

Forecast Recommended Changes:

The individual income tax forecast is adjusted to account for stronger than expected BETR reimbursement and the new economic forecast. A technical adjustment was also made to reflect a change in the timing of the bonus depreciation recapture, increasing the estimate in later fiscal years at the expense of earlier fiscal years. Overall this line is performing very close to the December forecast.

General Fund - Individual Income Tax - Business Equipment Tax Reimbursement (BETR)

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$0	\$0	(\$67,065,810)	(\$62,000,708)	(\$68,490,826)	(\$69,059,334)	(\$65,653,487)	(\$60,047,934)
Annual % Growth	N/A	N/A	N/A	-7.6%	10.5%	0.8%	-4.9%	-8.5%
Net Increase (Decrease)				(\$5,000,000)	\$0	\$0	\$0	\$0
Revised Forecast	\$0	\$0	(\$67,065,810)	(\$67,000,708)	(\$68,490,826)	(\$69,059,334)	(\$65,653,487)	(\$60,047,934)
Annual % Growth	N/A	N/A	N/A	-0.1%	2.2%	0.8%	-4.9%	-8.5%

Revenue Source Summary:

Beginning with FY06, taxpayer reimbursement under the Business Equipment Tax Reimbursement (BETR) program is accounted for as a deduction from the individual income tax line rather than an expenditure from General Fund appropriations for that purpose. Certain persons and property such as office furniture, lamps and lighting fixtures and gambling machines or devices are not eligible for reimbursement (see 36 MRSA Chapter 915 for specific exclusions). Retail property will also be excluded for property tax years beginning after April 1, 2006. BETR reimbursement is 100% of the property taxes paid on eligible property, except that for claims filed for the application period that begins on August 1, 2006 the reimbursement is 90% of the taxes. Eligible property is subject to reimbursement for up to 12 property tax years, but the 12 years must be reduced by one year for each year during which a taxpayer included the same property in its investment credit base. The amounts reflected in the table above represent gross program costs prior to the adjustment for state-municipal revenue sharing.

Revenue Source Forecast Factors and Trends:

BETR expenditures are forecast through the property tax model. New business investment in equipment is the primary driving force in the expenditures of this program. The program was expected to grow on a compounded basis as new investment was layered on to previously eligible equipment during the first 12 years of the program. After the 12th year, the property eligible in the first year is dropped from the program so that the growth of the program will slow dramatically. FY08 is the first year when business equipment in the program for 12 years will drop out. The increase in FY08 in the table above reflects the one-time reduction in FY07 at 90% reimbursement instead of 100%.

The program's expenditures were below expectations in FY06 by \$4.4 million.

Forecast Recommended Changes:

BETR reimbursements will be \$5 million more in FY07 than originally forecasted. The forecast for FY08 and beyond was not changed at this time. Once the committee fully understands the reason for the increase in reimbursement in FY07, the other years in the budget window will likely be adjusted.

General Fund - Corporate Income Tax

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$111,616,051	\$135,862,913	\$188,015,558	\$199,398,755	\$212,797,650	\$223,637,116	\$231,998,947	\$241,771,035
Annual % Growth	22.4%	21.7%	38.4%	6.1%	6.7%	5.1%	3.7%	4.2%
Net Increase (Decrease)				(\$27,320,000)	(\$26,460,000)	(\$30,520,000)	(\$31,240,000)	(\$19,240,000)
Revised Forecast	\$111,616,051	\$135,862,913	\$188,015,558	\$172,078,755	\$186,337,650	\$193,117,116	\$200,758,947	\$222,531,035
Annual % Growth	22.4%	21.7%	38.4%	-8.5%	8.3%	3.6%	4.0%	10.8%

Revenue Source Summary:

This revenue is derived by a corporate income tax imposed on all corporations subject to federal income tax and having nexus with Maine, with the exception of financial institutions subject to the franchise tax and insurance companies subject to the premium tax. The tax is levied on Maine net income which is federal taxable income as modified by Maine law. In the case of a corporation doing business both within and outside of the State, Maine net income is determined by apportioning the modified federal taxable income according to a formula using payroll, property and sales. Tax rates are progressive from 3.5% to 8.93%. The amounts reflected in the table above are prior to the deduction for state-municipal revenue sharing. A small portion of this revenue line includes taxes received from financial institutions through the Franchise Tax.

Revenue Source Forecast Factors and Trends:

Revenue projections are driven by the corporate income tax model with assumptions for inflation (CPI-U), total employment growth and growth by sector. The model also relies on a forecast of corporate pre-tax profits from Global Insight.

Forecast Recommended Changes:

The recommended changes to the Corporate Income tax represent a reversal of a substantial portion of the upward revision that the Revenue Forecasting Committee recommended in its December 2006 forecast. At that time, the indications were that corporate income tax payments were showing very healthy growth consistent with national trends. It now appears that the spike in receipts at the end of FY06 was a timing issue that is being reversed as FY07 moves forward. It is important to note that while Maine's corporate income tax is growing at a slower rate than the nation as a whole, the annual growth rate implicit in this forecast is still a solid 11% between FY05 and FY08. Consistent with most national forecasts, the Revenue Forecasting Committee is forecasting much slower growth in corporate receipts beyond FY08. As with individual income tax, the forecast for corporate income tax also reflects a technical adjustment to adjust the assumptions regarding the timing of the bonus depreciation recapture, increasing the estimate in later fiscal years at the expense of earlier fiscal years.

General Fund - Public Utilities Tax

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$27,779,775	\$25,004,898	\$20,627,030	\$19,695,000	\$18,520,000	\$17,460,000	\$16,400,000	\$16,200,000
Annual % Growth	-4.6%	-10.0%	-17.5%	-4.5%	-6.0%	-5.7%	-6.1%	-1.2%
Net Increase (Decrease)				(\$2,803,254)	(\$1,043,013)	(\$995,603)	(\$948,193)	(\$948,193)
Revised Forecast	\$27,779,775	\$25,004,898	\$20,627,030	\$16,891,746	\$17,476,987	\$16,464,397	\$15,451,807	\$15,251,807
Annual % Growth	-4.6%	-10.0%	-17.5%	-18.1%	3.5%	-5.8%	-6.2%	-1.3%

Revenue Source Summary:

This revenue is derived by the state tax on Telecommunications Personal Property. This property is exempt from ordinary local property taxation. The tax is assessed on May 30th of each year and must be paid by August 15th of that year. The tax rate decreased to 26 mills for taxes assessed in 2004 and will decrease one additional mill each year until 2010 when it reaches 20 mills pursuant to 36 MRSA §457. Prior to FY 06 excise tax on railroad companies accrued to the General Fund and was also included in this category. Effective October 1, 2005 railroad company taxes accrue to the State Transit, Aviation and Rail Transportation Fund, an enterprise fund established by the Department of Administrative and Financial Services.

Revenue Source Forecast Factors and Trends:

The Telecommunications Personal Property Tax base is eroding due to changes in the competitive nature of the market for telecommunications services. This coupled with the annual one mill reduction in the tax rate through tax year 2010 results in a declining revenue source.

Forecast Recommended Changes:

The changes to this line reflect an amended return for last year by a taxpayer that resulted in a \$1.7 million refund in FY07. This adjustment has implications for this fiscal year's revenue and other years in the current budget window.

General Fund - Income from Investments

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$2,310,207	\$5,854,625	\$8,271,869	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Annual % Growth	-1.5%	153.4%	41.3%	-45.6%	0.0%	0.0%		
Net Increase (Decrease)				(\$3,076,000)	(\$3,076,000)	(\$3,076,000)	(\$3,076,000)	(\$3,076,000)
Revised Forecast	\$2,310,207	\$5,854,625	\$8,271,869	\$1,424,000	\$1,424,000	\$1,424,000	\$1,424,000	\$1,424,000
Annual % Growth	-1.5%	153.4%	41.3%	-82.8%	0.0%	0.0%	0.0%	0.0%

Revenue Source Summary:

This category represents the Treasurer of State's investment of excess money in the state treasury that is not needed to meet current obligations (see 5 MRSA section 135). The Treasurer of State is authorized to invest these funds in bonds, notes, certificates of indebtedness or other obligations specified in statute. Earnings on these investments are credited to the General Fund unless specifically designated otherwise. Occasionally, there are credits to this revenue category for small miscellaneous items collected by the State. These items are generally insignificant and unpredictable.

Revenue Source Forecast Factors and Trends:

The major factors that affect earnings are the rates of return on investments and the balances of cash available for investment. These factors are heavily influenced by the economy, the budget, the reliance on Tax Anticipation Notes (TAN's) and the Treasurer's investment policies.

Economy - Interest rates had been near historic lows for several years based on Federal Reserve Board monetary policy. As the Fed's tightened the money supply, interest rates rose and helped improve earnings in FY05 and FY06. Economy.com predicts 3-month Treasury Bill rates peaking in FY07.

Budget - Decisions were made to use the Rainy Day Fund and other reserves to fund ongoing programs. This reduced earnings early in this decade. Positive revenue variances and higher earnings rates contributed to higher than expected earnings in FY06. In FY07 cash flow has softened, in part because collections of MaineCare interim payments at DHHS have been below anticipation, contributing to lower balances in General Fund cash.

Investment Policy - The Treasurer's investment policy (type of investment vehicle purchased, liquidity to meet daily needs, selection criteria for specific investments, etc.) affects the rate of return on the pool. No change in policy is expected.

TAN Amounts - See below for assumptions. With no Tax Anticipation Note (TAN) being issued in FY07, a reduced cash position has meant higher internal borrowing within the Treasurer's Cash Pool. This trend should reverse as Individual Income Tax payments in April are traditionally very positive for the state's revenue cycle.

Historical Data and Assumptions								
	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
TAN								
Current Forecast	\$275,000,000	\$190,000,000	\$123,625,000	\$0	\$0	\$0	\$0	\$0
Revised Forecast				\$0	\$0	\$0	\$0	\$0
Pool Earnings Rate								
Current Forecast	1.32%	2.39%	4.51%	5.50%	5.50%	5.50%	5.50%	5.50%
Revised Forecast				5.50%	5.50%	5.50%	5.50%	5.50%

Forecast Recommended Changes:

A cash position that had shown some improvement that was reflected in the previous forecast has softened and expectations for improvement in the near future are not optimistic. This revised estimate now assumes that, despite higher interest rates than last year, earnings will drop to \$1,424,000 and remain steady over the next few years. An annual reduction of \$3,076,000 beginning in FY07 from the current baseline is therefore recommended.

General Fund - Transfer to Municipal Revenue Sharing

	FY04 Actual	FY05 Actual	FY06	FY07	FY08	FY09	FY10	FY11
Current Forecast	(\$111,464,335)	(\$119,712,814)	(\$124,222,180)	(\$130,391,566)	(\$137,694,104)	(\$142,519,951)	(\$148,488,866)	(\$154,527,794)
Annual % Growth	-8.2%	-7.4%	-3.8%	-5.0%	-5.6%	-3.5%	-4.2%	-4.1%
Net Increase (Decrease)				\$1,726,197	\$1,256,528	\$1,232,192	\$1,242,800	\$743,028
Revised Forecast	(\$111,464,335)	(\$119,712,814)	(\$124,222,180)	(\$128,665,369)	(\$136,437,576)	(\$141,287,759)	(\$147,246,066)	(\$153,784,766)
Annual % Growth	-8.2%	-7.4%	-3.8%	-3.6%	-6.0%	-3.6%	-4.2%	-4.4%

Revenue Source Summary:

These amounts above represent transfers made on the last day of each month from the General Fund to the Local Government Fund or the Disproportionate Tax Burden Fund. Amounts equal to 5.1%, increasing to 5.2% on July 1, 2007, of the taxes collected and credited to the General Fund under the individual income tax, the corporate income tax, the franchise tax on financial institutions, the General Fund portion of the service provider tax and the sales and use taxes are transferred. The amounts transferred are distributed to municipalities each month based on a formula.

Revenue Source Forecast Factors and Trends:

See discussion of Individual Income Tax, Sales and Use Tax, Corporate Income Tax and Service Provider Tax for trends. The monthly transfers are inverse determined by these major tax sources. The 122nd Legislature delayed by an additional 2 years, the increase in the percentage of the major taxes that gets transferred each month. This increase was also delayed for 2 years by the 121st Legislature. The percentage is now schedule to increase from 5.1% to 5.2% on July 1, 2007.

Forecast Recommended Changes:

The increase of revenue or the reduction in the transfer results in the inverse relationship to the overall downward revision in the taxes included in the revenue sharing base. For this forecast, the downward revision to the Corporate Income Tax dominates the change to the revenue sharing base.

General Fund - Milk Handling Fee

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$0	\$0	\$1,867,527	\$3,485,207	\$3,022,775	\$3,390,107	\$3,340,145	\$3,390,107
Annual % Growth	N/A	N/A	N/A	86.6%	-13.3%	12.2%	-1.5%	1.5%
Net Increase (Decrease)				(\$1,055,032)	(\$2,523,298)	(\$2,890,630)	(\$2,840,668)	(\$2,890,630)
Revised Forecast	\$0	\$0	\$1,867,527	\$2,430,175	\$499,477	\$499,477	\$499,477	\$499,477
Annual % Growth	N/A	N/A	N/A	30.1%	-79.4%	0.0%	0.0%	0.0%

Revenue Source Summary:

PL 2005, c. 396 imposed a fee on the handling of packaged milk for retail sale in the State. The fee rate is determined monthly in relation to the price of milk. The fee ranges from \$0.00 per gallon when the price of milk is \$18.50 per hundredweight or more to \$0.12 per gallon when the price of milk is below \$16.00 per hundredweight. Budgeted revenue for the Milk Handling Fee is calculated on a monthly basis by first determining what the corresponding fee is for the monthly price of milk as established by federal order. Once the correct milk handling fee has been determined, that fee is multiplied by the estimated number of gallons that will be sold based on previous years' consumption patterns. There is no fee on the handling in this state of packaged milk for sale in containers that were less than one quart or 20 or more quarts in volume, or packaged milk that is sold to an institution that is owned or operated by the State or Federal Government.

Revenue Source Forecast Factors and Trends:

The price of milk is relatively volatile and is difficult to accurately predict on a long-term basis. Since the amount of the Milk Handling Fee at any one time is based on the price of milk, long term revenue forecasts will be subject to frequent change.

Forecast Recommended Changes:

The significant decrease in projected revenue from the Milk Handling Fee represents a more targeted approach to predicting revenue from this source and is based on the projected Class I price per gallon of milk as forecast by Robert Wellington, Agriculture Economist with the Agri-Mark Cooperative. Revenue projections from the Milk Handling Fee are subject to frequent change and will likely need to be adjusted for each scheduled report of the Revenue Forecasting Committee.

General Fund - Liquor Sales and Operations

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$102,182,743	\$49,845,027	\$2,560,044	\$3,750,000	\$4,250,000	\$4,250,000	\$4,500,000	\$4,500,000
Annual % Growth	291.9%	-51.2%	-94.9%	46.5%	13.3%	0.0%	5.9%	0.0%
Net Increase (Decrease)				\$650,000	\$250,000	\$250,000	\$0	\$0
Revised Forecast	\$102,182,743	\$49,845,027	\$2,560,044	\$4,400,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Annual % Growth			-94.9%	71.9%	2.3%	0.0%	0.0%	0.0%

Revenue Source Summary:

In July 2004, the State signed a ten year lease with a private entity for the sale and distribution of spirits subject to price regulation by the Bureau of Alcoholic Beverages and Lottery Operations. Throughout the term the private entity is guaranteed a gross profit baseline percentage of 36.8%. Revenue sharing with the state is determined on a calendar year basis when aggregate profits exceed 36.8% at which time an amount equal to 50% of the gross profit overage is deposited in the General Fund.

Revenue Source Forecast Factors and Trends:

As a result of the aforementioned 10 year lease with the private entity, the State collected one-time payments from the private entity in the amounts of \$75,000,000 in FY04 and \$50,000,000 in FY05; these payments were budgeted as revenue amounts for the respective fiscal years and were deposited as revenue accordingly. As a result of the lease agreement and the one-time payments, the State had been foregoing budgeted revenue from Liquor Sales and Operations for the duration of the lease which includes FY06 through FY11.

Forecast Recommended Changes:

Most recently, aggregate sales have continued to significantly exceed the contractual threshold thereby triggering revenue sharing with the State. Accordingly, revenue estimates have been increased by \$650,000 in FY07 and by \$250,000 for each of FY08 and FY09. The long-term stable profit sharing amount of \$4,500,000 originally projected for FY10 and FY11 is now assumed to be achieved beginning in FY08.

General Fund - Liquor Taxes and Fees

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$17,485,024	\$17,432,377	\$18,814,733	\$19,027,489	\$19,105,388	\$19,185,186	\$19,266,104	\$19,348,758
Annual % Growth	2.0%	-0.3%	7.9%	1.1%	0.4%	0.4%	0.4%	0.4%
Net Increase (Decrease)				\$937,238	\$937,238	\$937,238	\$937,238	\$937,238
Revised Forecast	\$17,485,024	\$17,432,377	\$18,814,733	\$19,964,727	\$20,042,626	\$20,122,424	\$20,203,342	\$20,285,996
Annual % Growth			7.9%	6.1%	0.4%	0.4%	0.4%	0.4%

Revenue Source Summary:

Description of Revenue Source: This revenue category is comprised of two principal revenue sources: taxes on alcoholic beverages and fees levied entities that are involved in the production, retailing and wholesaling of alcoholic beverages. The overwhelming majority of taxation and licensing revenue is collected by for the General Fund by the Liquor Enforcement program within the Department of Public Safety.

Revenue Source Forecast Factors and Trends:

The collection of revenue derived from the various taxes on alcoholic beverages is based on trends of the consumption of alcoholic beverages; variations in this trend are generally tied to shifts in public taste for certain types of alcoholic beverages and tend to take place gradually over a number of years. Revenue that is collected from the wide variety of licensing fees appears to be fairly stable and is somewhat limited by various statutory requirements. Most recently, PL 2005, c. 457, Part XX established that, as of October 1, 2005, flavored malt beverages would be no longer be taxed as malt beverages and instead would be taxed at the higher rate established for low-alcohol spirits.

Forecast Recommended Changes:

The increased projections for revenue collected by the Department of Public Safety reflect changes in public consumption trends for different types of alcoholic beverages. In addition, the original projections were based on the assumption that manufacturers would reformulate flavored malt beverage products to avoid the higher tax rate. This has not happened.

General Fund - Pari-mutuel and Gaming Revenue

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$1,036,539	\$1,362,611	\$5,262,230	\$7,566,052	\$7,447,834	\$10,773,016	\$11,425,598	\$11,604,610
Annual % Growth	-4.6%	31.5%	286.2%	43.8%	-1.6%	44.6%	6.1%	1.6%
Net Increase (Decrease)				\$490,489	\$301,303	\$448,481	\$465,171	\$470,475
Revised Forecast	\$1,036,539	\$1,362,611	\$5,262,230	\$8,056,541	\$7,749,137	\$11,221,497	\$11,890,769	\$12,075,085
Annual % Growth	-4.6%	31.5%	286.2%	53.1%	-3.8%	44.8%	6.0%	1.6%

Revenue Source Summary:

For pari-mutuel revenue, the State collects a commission on live harness racing, race track simulcasting and off-track betting on horse racing. The commission for intrastate pools is 18% on regular wagers and 26% on exotic wagers. The commission on interstate common pools is the amount established by the State where the wager is pooled. Amounts collected as commissions are distributed among the General Fund and several dedicated funds or retained by or returned to race tracks and off-track betting facilities.

Gaming revenue is collected from slot machines that are currently authorized to be located on the premises of one commercial racetrack in Bangor and from various licensing and registration fees that are levied upon the private entities that own and operate the slot machines. Under current law (8 MRSA § 1036), 1% of the gross slot income (the amount collected from slot machine players) is distributed to the General Fund as well as 3% of the net slot machine income (the amount that is distributed to the owner and various governmental purposes after paybacks to the winning players).

Revenue Source Forecast Factors and Trends:

To a certain extent, the collection of budgeted pari-mutuel revenue is dependent on favorable weather and overall economic conditions; protracted periods of inclement weather and poor economic trends will adversely effect both the attendance at commercial racetracks and the availability of discretionary resources to make wagers. Through February, FY07 pari-mutuel revenue has been running about 11% ahead of budgeted revenue, which was revised downward in the December 2006 revenue forecast.

The forecasting of gaming revenue has been significantly hampered by changing timelines in the opening of a slot machine facility in Bangor. Recently, Penn National, the licensed slot machine operator, opened a temporary facility in early November of 2005 with 475 registered slot machines. In addition, the best available information appears to indicate that Penn National will be opening a larger, permanent facility with 1,000 registered slot machines in August of 2008.

For this forecast, the Revenue Forecasting Committee has 16 months of actual data from which the Revenue Forecasting Committee has revised the spreadsheet that calculates the revenue from the racino initiative to provide more detailed assumptions based on actual experience. Actual receipts continue to surpass expectations, particularly during the winter months. A mild winter may have contributed to enhanced revenue from this source as other normal winter activities were curtailed and there were few bad travel days that kept people away from the facility.

Forecast Recommended Changes:

The attached spreadsheet details the assumptions that produce the revised estimate for revenue from the slot machine facility in Bangor. FY07 revenue amounts were adjusted to reflect actual revenue through February. The assumptions dealing with average total slot income per machine per day were the only other modifications in this forecast compared with the December 2006 forecast. In general, with the exception of the winter months of 2008, the forecast assumptions were increased to be consistent with actual experience over the past 16 months. The committee remained cautious about increasing the forecast too much in the winter months based on the unusual experiences of this past winter.

Revenue Forecasting Committee - March 2007 - Racino Revenue

GENERAL FUND REVENUE	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
December 2006 Forecast - General Fund Revenue	\$4,346,725	\$6,684,052	\$6,565,834	\$9,891,016	\$10,525,598	\$10,704,610
Incremental Effect of March 2007 Forecast		\$490,489	\$301,303	\$448,481	\$465,171	\$470,475
March 2007 Forecast - Revised General Fund Revenue	\$4,346,725	\$7,174,541	\$6,867,137	\$10,339,497	\$10,990,769	\$11,175,085

FUND FOR A HEALTHY MAINE REVENUE	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
December 2006 Forecast - Fund for a Healthy Maine Revenue	\$1,771,173	\$3,097,701	\$3,052,445	\$4,652,986	\$4,819,650	\$4,819,650
Incremental Effect of March 2007 Forecast		\$211,280	\$147,761	\$219,938	\$219,938	\$219,938
March 2007 Forecast - Fund for a Healthy Maine Revenue	\$1,771,173	\$3,308,981	\$3,200,206	\$4,872,924	\$5,039,588	\$5,039,588

Detail of Current Revenue Forecast - Distribution of Total Slot Income

		2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Gross Slot Income (Coin/Voucher In)	A	\$309,840,487	\$584,034,689	\$556,557,500	\$847,465,000	\$876,450,000	\$876,450,000
Player's Share (Payback Value)	B	\$289,030,355	\$545,104,531	\$518,989,869	\$790,261,113	\$817,289,625	\$817,289,625
General Fund - Administration (1% of Gross Slot Income)	C 1.0%	\$3,098,405	\$5,840,347	\$5,565,575	\$8,474,650	\$8,764,500	\$8,764,500
"Net Slot Machine Income" (=A-B-C)		\$17,711,727	\$33,089,811	\$32,002,056	\$48,729,238	\$50,395,875	\$50,395,875
Licensees' Share of "Net Slot Machine Income"	61.0%	\$10,804,153	\$20,184,785	\$19,521,254	\$29,724,835	\$30,741,484	\$30,741,484

Distribution of State Share of "Net Slot Machine Income"		2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
General Fund (other)	3.0%	\$531,352	\$992,694	\$960,062	\$1,461,877	\$1,511,876	\$1,511,876
General Fund (After 48 months - November 2009)	1.0%	\$0	\$0	\$0	\$0	\$319,643	\$503,959
Fund for Healthy Maine	10.0%	\$1,771,173	\$3,308,981	\$3,200,206	\$4,872,924	\$5,039,588	\$5,039,588
University of Maine Scholarship Fund	2.0%	\$354,235	\$661,796	\$640,041	\$974,585	\$1,007,918	\$1,007,918
Maine Community College System - Scholarship Funds	1.0%	\$177,117	\$330,898	\$320,021	\$487,292	\$503,959	\$503,959
Resident Municipalities	1.0%	\$177,117	\$330,898	\$320,021	\$487,292	\$503,959	\$503,959
Purse Supplements	10.0%	\$1,771,173	\$3,308,981	\$3,200,206	\$4,872,924	\$5,039,588	\$5,039,588
Sire Stakes Fund	3.0%	\$531,352	\$992,694	\$960,062	\$1,461,877	\$1,511,876	\$1,511,876
Fund to Encourage Racing at Commercial Tracks	4.0%	\$708,469	\$1,323,592	\$1,280,082	\$1,949,170	\$2,015,835	\$2,015,835
Fund to Stabilize Off-Track Betting (48 months - until Oct 2009)	2.0%	\$354,235	\$661,796	\$640,041	\$974,585	\$368,633	\$0
Fund to Stabilize Off-Track Betting (after 48 months - Nov 2009)	1.0%	\$0	\$0	\$0	\$0	\$319,643	\$503,959
Agricultural Fair Support Fund	3.0%	\$531,352	\$992,694	\$960,062	\$1,461,877	\$1,511,876	\$1,511,876

Revenue Summary	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
General Fund						
General Fund Administration	\$3,098,405.00	\$5,840,347	\$5,565,575	\$8,474,650	\$8,764,500	\$8,764,500
General Fund (Other)	\$531,351.80	\$992,694	\$960,062	\$1,461,877	\$1,831,519	\$2,015,835
Licensing revenue	\$585,985.25	\$329,500	\$329,500	\$389,500	\$382,750	\$382,750
Reimbursement - Background Checks	\$130,983.39	\$12,000	\$12,000	\$13,470	\$12,000	\$12,000
Subtotal - General Fund	\$4,346,725	\$7,174,541	\$6,867,137	\$10,339,497	\$10,990,769	\$11,175,085
Fund for Healthy Maine	\$1,771,173	\$3,308,981	\$3,200,206	\$4,872,924	\$5,039,588	\$5,039,588
Other Special Revenue Funds						
Harness Racing Commission	\$3,896,580	\$7,279,757	\$7,040,453	\$10,720,433	\$10,767,451	\$10,583,134
HRC - Subtotal	\$3,896,580	\$7,279,757	\$7,040,453	\$10,720,433	\$10,767,451	\$10,583,134
PUS- host municipalities	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund	\$354,235	\$661,796	\$640,041	\$974,585	\$1,007,918	\$1,007,918
Maine Community College System Scholarships	\$177,117	\$330,898	\$320,021	\$487,292	\$503,959	\$503,959
Resident Municipalities	\$177,117	\$330,898	\$320,021	\$487,292	\$503,959	\$503,959
Subtotal - Other Special Revenue Funds	\$4,630,049	\$8,628,349	\$8,345,536	\$12,694,602	\$12,808,287	\$12,623,970

Details and Assumptions

Calculated Gross Slot Machine Income Per Month	# of days	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Total Gross Slot Income - Fiscal Year		\$309,840,487	\$584,034,689	\$556,557,500	\$847,465,000	\$876,450,000	\$876,450,000
July	31	\$0	\$58,000,282	\$51,537,500	\$50,065,000	\$79,050,000	\$79,050,000
August	31	\$0	\$45,683,294	\$51,537,500	\$81,375,000	\$81,375,000	\$81,375,000
September	30	\$0	\$49,496,760	\$49,875,000	\$78,750,000	\$78,750,000	\$78,750,000
October	31	\$0	\$49,186,407	\$51,537,500	\$81,375,000	\$81,375,000	\$81,375,000
November	30	\$26,353,621	\$49,511,516	\$49,875,000	\$78,750,000	\$78,750,000	\$78,750,000
December	30	\$25,680,177	\$51,644,600	\$42,750,000	\$67,500,000	\$67,500,000	\$67,500,000
January	31	\$42,054,745	\$46,136,272	\$42,702,500	\$67,425,000	\$67,425,000	\$67,425,000
February	28	\$38,052,564	\$48,888,058	\$38,570,000	\$60,900,000	\$60,900,000	\$60,900,000
March	31	\$41,217,878	\$51,537,500	\$42,702,500	\$67,425,000	\$67,425,000	\$67,425,000
April	29	\$40,340,452	\$41,325,000	\$41,325,000	\$65,250,000	\$65,250,000	\$65,250,000
May	31	\$52,463,113	\$44,175,000	\$47,120,000	\$74,400,000	\$74,400,000	\$74,400,000
June	30	\$43,677,937	\$48,450,000	\$47,025,000	\$74,250,000	\$74,250,000	\$74,250,000

Player's Share of Slot Machine Income Per Month	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Total Player's Share - Fiscal Year	\$289,030,355	\$545,104,531	\$518,989,869	\$790,261,113	\$817,289,625	\$817,289,625
July	\$0	\$54,067,349	\$48,058,719	\$46,685,613	\$73,714,125	\$73,714,125
August	\$0	\$42,633,685	\$48,058,719	\$75,882,188	\$75,882,188	\$75,882,188
September	\$0	\$46,146,894	\$46,508,438	\$73,434,375	\$73,434,375	\$73,434,375
October	\$0	\$45,994,468	\$48,058,719	\$75,882,188	\$75,882,188	\$75,882,188
November	\$24,521,586	\$46,266,489	\$46,508,438	\$73,434,375	\$73,434,375	\$73,434,375
December	\$23,932,523	\$48,267,141	\$39,864,375	\$62,943,750	\$62,943,750	\$62,943,750
January	\$39,145,785	\$43,138,794	\$39,820,081	\$62,873,813	\$62,873,813	\$62,873,813
February	\$35,487,203	\$45,622,618	\$35,966,525	\$56,789,250	\$56,789,250	\$56,789,250
March	\$38,440,827	\$48,058,719	\$39,820,081	\$62,873,813	\$62,873,813	\$62,873,813
April	\$37,632,335	\$38,535,563	\$38,535,563	\$60,845,625	\$60,845,625	\$60,845,625
May	\$49,023,676	\$41,193,188	\$43,939,400	\$69,378,000	\$69,378,000	\$69,378,000
June	\$40,846,420	\$45,179,625	\$43,850,813	\$69,238,125	\$69,238,125	\$69,238,125

Licensing and Application Revenues:	#	Fee	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Slot Machine Operator- Initial Application Fee	1	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0
Slot Machine Operator- Annual Renewal Fee		\$75,000	\$150,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Transfer of Operator Renewal Fee to host municipality			(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
Slot Machine Distributor - Initial Application Fee	3	\$200,000	\$400,000	\$0	\$0	\$0	\$0	\$0
Slot Machine Distributor - Annual Renewal Fee	3	\$75,000	\$0	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000
Slot Machines - Initial Registration Fee		\$100	\$32,700	\$0	\$0	\$52,500	\$0	\$0
Slot Machines - Annual Renewal Fee		\$100	\$0	\$47,500	\$47,500	\$47,500	\$100,000	\$100,000
Gambling Services Vendors	2	\$2,000	\$10,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Number of Licensed Employees			128	120	120	120	150	150
Application Fees from Licensed Employees		\$250	\$6,050	\$0	\$0	\$7,500	\$0	\$0
Licensed Employees - Annual Renewal Fees		\$25	\$0	\$3,000	\$3,000	\$3,000	\$3,750	\$3,750
Other Revenue deposited as Licensing Revenue			\$12,235	\$0	\$0	\$0	\$0	\$0
Total License Fees			\$585,985	\$329,500	\$329,500	\$389,500	\$382,750	\$382,750
Licensee Background Check Cost Reimbursement			\$130,983	\$12,000	\$12,000	\$13,470	\$12,000	\$12,000

Number of Machines	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
July	0	475	475	475	1,000	1,000
August	0	475	475	1,000	1,000	1,000
September	0	475	475	1,000	1,000	1,000
October	0	475	475	1,000	1,000	1,000
November	475	475	475	1,000	1,000	1,000
December	475	475	475	1,000	1,000	1,000
January	475	475	475	1,000	1,000	1,000
February	475	475	475	1,000	1,000	1,000
March	475	475	475	1,000	1,000	1,000
April	475	475	475	1,000	1,000	1,000
May	475	475	475	1,000	1,000	1,000
June	475	475	475	1,000	1,000	1,000

Payback % Average for Month	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
July	0.00%	93.22%	93.25%	93.25%	93.25%	93.25%
August	0.00%	93.32%	93.25%	93.25%	93.25%	93.25%
September	0.00%	93.23%	93.25%	93.25%	93.25%	93.25%
October	0.00%	93.51%	93.25%	93.25%	93.25%	93.25%
November	93.05%	93.45%	93.25%	93.25%	93.25%	93.25%
December	93.19%	93.46%	93.25%	93.25%	93.25%	93.25%
January	93.08%	93.50%	93.25%	93.25%	93.25%	93.25%
February	93.26%	93.32%	93.25%	93.25%	93.25%	93.25%
March	93.26%	93.25%	93.25%	93.25%	93.25%	93.25%
April	93.29%	93.25%	93.25%	93.25%	93.25%	93.25%
May	93.44%	93.25%	93.25%	93.25%	93.25%	93.25%
June	93.52%	93.25%	93.25%	93.25%	93.25%	93.25%

Average Total Slot Income Per Machine Per Day	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Average for the Fiscal Year	\$2,776.40	\$3,422	\$3,225	\$2,483	\$2,413	\$2,413
July	\$0.00	3,488.74	\$3,500	\$3,400	\$2,550	\$2,550
August	\$0.00	3,434.83	\$3,500	\$2,625	\$2,625	\$2,625
September	\$0.00	3,473.46	\$3,500	\$2,625	\$2,625	\$2,625
October	\$0.00	3,698.23	\$3,500	\$2,625	\$2,625	\$2,625
November	\$2,133.90	3,722.67	\$3,500	\$2,625	\$2,625	\$2,625
December	\$2,002.35	3,197.81	\$3,000	\$2,250	\$2,250	\$2,250
January	\$2,529.61	3,468.89	\$2,900	\$2,175	\$2,175	\$2,175
February	\$2,861.10	3,675.79	\$2,900	\$2,175	\$2,175	\$2,175
March	\$3,099.09	\$3,500	\$2,900	\$2,175	\$2,175	\$2,175
April	\$3,145.45	\$3,000	\$3,000	\$2,250	\$2,250	\$2,250
May	\$3,155.68	\$3,000	\$3,200	\$2,400	\$2,400	\$2,400
June	\$3,284.06	\$3,400	\$3,300	\$2,475	\$2,475	\$2,475

General Fund - Fines, Forfeits and Penalties

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$38,219,275	\$35,506,972	\$37,781,055	\$42,453,483	\$40,621,808	\$40,696,808	\$40,710,808	\$40,715,808
Annual % Growth		-7.1%	6.4%	12.4%	-4.3%	0.2%	0.0%	0.0%
Net Increase (Decrease)				(\$535,000)				
Revised Forecast	\$38,219,275	\$35,506,972	\$37,781,055	\$41,918,483	\$40,621,808	\$40,696,808	\$40,710,808	\$40,715,808
Annual % Growth		-7.1%	6.4%	11.0%	-3.1%	0.2%	0.0%	0.0%

Revenue Source Summary:

Revenue derived from fines, forfeitures and penalties is primarily collected through the efforts of the Violations Bureau and the courts within the Judicial Department. There is also fine revenue collected by the Department Environmental Protection, the Department of Inland Fisheries and Wildlife, the Department of Agriculture and other miscellaneous agencies. These funds statutorily accrue to the state's General Fund as undedicated revenue. There are some instances where fines, forfeitures and penalties are credited to other funds, such as fines from certain traffic infractions against motor carriers credited to the Highway Fund. There are other situations where funds are statutorily dedicated for other specific purposes.

Revenue Source Forecast Factors and Trends:

The major factors that affect this revenue source are the number of violators being prosecuted by law enforcement, the ability of violators to pay fines and the collection effort implemented by the Judicial Branch.

In FY06, computer conversion problems and slowed collection efforts by the Judicial Department resulted in a revenue shortfall of (\$2,761,941) for fines, forfeits and penalties even after a downward adjustment of (\$2,500,000). In FY07, the Judicial Branch revenue collections have continued to run behind with hope that departmental actions such as issuing license suspensions for unpaid fines may provide some minor increases to offset these losses.

Forecast Recommended Changes:

The only adjustment is a one-time reduction of \$535,000 in FY07 from fines collected by the Judicial Department.

JUDICIAL DEPT.	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$31,067,886	\$31,924,868	\$34,742,819	\$40,023,485	\$38,323,485	\$38,323,485	\$38,323,485	\$38,323,485
Annual % Growth		2.8%	8.8%	15.2%	-4.2%	0.0%	0.0%	0.0%
Net Increase (Decrease)				(\$535,000)	\$0	\$0	\$0	\$0
Revised Forecast	\$31,067,886	\$31,924,868	\$34,742,819	\$39,488,485	\$38,323,485	\$38,323,485	\$38,323,485	\$38,323,485
Annual % Growth		2.8%	8.8%	13.7%	-3.0%	0.0%	0.0%	0.0%

The projected revenue estimates for fines collected by other state agencies other than the Judicial Department are as follows: (no adjustments at this time)

OTHER DEPT'S.	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$7,151,389	\$3,582,103	\$3,038,236	\$2,429,998	\$2,298,323	\$2,373,323	\$2,387,323	\$2,392,323
Annual % Growth		-49.9%	-15.2%	-20.0%	-5.4%	3.3%	0.6%	0.2%
Net Increase (Decrease)				\$0	\$0	\$0	\$0	\$0
Revised Forecast	\$7,151,389	\$3,582,103	\$3,038,236	\$2,429,998	\$2,298,323	\$2,373,323	\$2,387,323	\$2,392,323
Annual % Growth		-49.9%	-15.2%	-20.0%	-5.4%	3.3%	0.6%	0.2%

General Fund - Targeted Case Management (HHS)

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$34,762,095	\$34,518,055	\$25,687,188	\$22,977,870	\$23,244,657	\$23,516,483	\$23,793,745	\$24,076,553
Annual % Growth	4.6%	-0.7%	-25.6%	-10.5%	1.2%	1.2%	1.2%	1.2%
Net Increase (Decrease)				\$632,024	\$365,237	\$93,411	(\$183,851)	(\$466,659)
Revised Forecast	\$34,762,095	\$34,518,055	\$25,687,188	\$23,609,894	\$23,609,894	\$23,609,894	\$23,609,894	\$23,609,894
Annual % Growth	4.6%	-0.7%	-25.6%	-8.1%	0.0%	0.0%	0.0%	0.0%

Revenue Source Summary:

This revenue source reflects Medicaid reimbursement for case management services provided by the Department of Health and Human Services' Office of Elder Services, Office of Children and Family Services, and the Maine Center for Disease Control and Prevention, as well as reimbursement for services provided by adult mental health caseworkers and case management for persons with mental retardation.

Revenue Source Forecast Factors and Trends:

Major factors include: the volume and timeliness of claims submitted and paid by Medicaid for these services; the rates billed and allowable for these services, and the prevailing federal match rate for these services. Ongoing implementation issues with the new Medicaid claims processing system (MECMS) has resulted in a disruption in the payment of all Medicaid claims including these for Targeted Case Management Services (i.e., services provided). The decline in revenue from this source in recent years is attributed to a decline in caseload in the individual revenue line projections for case management services provided by the Office of Children and Family Services and in case management provided by adult mental health caseworkers and case management for persons with mental retardation..

Forecast Recommended Changes:

Estimates are updated to reflect FY06 actual revenue and FY07 revenue through February 2007. It is further assumed revenue from this source will be maintained at the FY07 level for the forecast period. The forecast does not reflect a potential impact that may arise as a result of a TCM audit being conducted by the federal Department of Health and Human Services, Office of the Inspector General (OIG).

General Fund - HHS Services Rendered

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$9,481,895	\$7,966,194	\$9,613,394	\$9,890,228	\$9,890,228	\$9,890,228	\$9,890,228	\$9,890,228
Annual % Growth	89.2%	-16.0%	20.7%	2.9%	0.0%	0.0%	0.0%	0.0%
Net Increase (Decrease)				\$1,790,795	\$1,783,855	\$1,783,855	\$1,783,855	\$1,783,855
Revised Forecast	\$9,481,895	\$7,966,194	\$9,613,394	\$11,681,023	\$11,674,083	\$11,674,083	\$11,674,083	\$11,674,083
Annual % Growth	89.2%	-16.0%	20.7%	21.5%	-0.1%	0.0%	0.0%	0.0%

Revenue Source Summary:

This revenue category includes reimbursement for services provided within several DHHS programs, the vast majority of these revenue comes from Medicaid billings. These revenues have historically included reimbursement for room and board at the Aroostook Residential Center, an ICF/MR facility in Presque Isle, reimbursement for residents' day programming at the Center, reimbursement for room and board at Freeport Towne Square (FTS) and the Pineland Center. These revenues also include reimbursement for day habilitation provided at FTS for residents of FTS and Medicaid reimbursement for day habilitation services provided by Freeport Towne Square to people who do not reside there, revenue generated by the Elizabeth Levinson Center from the School Nutrition Program through the Department of Education and reimbursement for room and board at the Elizabeth Levinson Center, an ICF/MR facility in Bangor.

This revenue category also reflects Medicaid reimbursement for the administrative costs associated with the portion of the Department and Health and Human Service's operations that involve the Medicaid program. The vast majority of this revenue is based on the 50% administrative match rate and represents the federal Medicaid program's "share" of these costs based on an approved cost allocation plan.

Revenue Source Forecast Factors and Trends:

Major factors include: the volume and timeliness of claims submitted and paid by Medicaid for these services; the rates billed and allowable for these services, and the prevailing federal match rate for these services. Ongoing implementation issues with the new Medicaid claims processing system has resulted in a delay in the payment of all Medicaid claims including these services. Consistent with the enacted closure and sale of the Freeport Towne Square facility (PL 2005, c.457, Pt. NN), the estimates for the forecast period assumes revenue from the Freeport Towne Square source (2629) will be reduced and then eliminated for 2007 and beyond.

Forecast Recommended Changes:

Estimates are updated to reflect FY06 actual revenue and FY07 revenue through February 2007. The forecast assumes a further increase in revenue from this source above budgeted levels of \$1.8 million annually beginning in FY07. This increase is primarily the result of an assumed increase federal reimbursement under the department's cost allocation plan.

General Fund - Transfers to Maine Milk Pool

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$0	\$0	(\$2,616,160)	(\$12,574,554)	(\$9,604,800)	(\$10,810,000)	(\$10,810,000)	(\$10,810,000)
Annual % Growth	N/A	N/A	N/A	380.6%	-23.6%	12.5%	0.0%	0.0%
Net Increase (Decrease)				\$1,576,667	\$4,940,400	\$6,421,600	\$6,421,600	\$6,421,600
Revised Forecast	\$0	\$0	(\$2,616,160)	(\$10,997,887)	(\$4,664,400)	(\$4,388,400)	(\$4,388,400)	(\$4,388,400)
Annual % Growth	N/A	N/A	N/A	320.4%	-57.6%	-5.9%	0.0%	0.0%

Revenue Source Summary:

Current law (7 MRSA §3153-D) requires the Administrator of the Maine Milk Pool to certify monthly amounts of General Fund undedicated revenue that must be transferred to the Maine Milk Pool. The certified amounts are based on a complicated series of factors which include milk production rates and milk prices. Milk prices are generally determined by the availability of milk supply which in turn is affected by weather conditions and the level of federal support programs. There is an inverse relationship between milk prices and the amounts transferred to the Maine Milk Pool for redistribution to milk producers (Maine's dairy farmers). As milk prices fall, the amount of the transfers certified by the Administrator of the Maine Milk Pool will increase.

Current law requires the Administrator of the Maine Milk Pool to establish the level of support payments to milk producers from the Maine Milk Pool through a determination of the most recent milk production ranges and milk costs. Budgeted transfers to the Maine Milk Pool are calculated on a monthly basis by first estimating the farmer price which is the sum of the monthly Milk Income Loss Contract payment, the monthly Boston Blend Price (expressed in hundredweight) and the average premium. The farmer price is then compared to the target price which corresponds to an individual farmer's tier (small, medium or large); if the tier target price is greater than the the farmer price then the payment to that farmer will equal the difference between the two multiplied by that month's production in terms of hundredweight; the total of estimated payments to each farmer is the budgeted monthly transfer to the Maine Milk Pool. The establishment of the amount of support payments from the Maine Milk Pool dictates the amounts of undedicated revenue that must be transferred from the General Fund to the Maine Milk Pool.

Revenue Source Forecast Factors and Trends:

Previous forecasts for these transfers to the Maine Milk Pool have not made adequate use of updated forecasts regarding milk price and production levels that determine the amounts to be transferred from the General Fund to the Maine Milk Pool. The decisions of the Maine Milk Commission have also increased the amounts to be transferred and distributed.

Forecast Recommended Changes:

The significant decreases in the projected amounts of General Fund revenue that will need to be transferred to the Maine Milk Pool are based on current forecasts which will be updated for each future meeting of the Revenue Forecasting Committee.

General Fund - Other Miscellaneous

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$46,860,796	\$36,562,039	\$29,498,834	\$30,226,623	\$23,790,034	\$23,936,477	\$23,827,915	\$23,890,956
Annual % Growth	69.5%	-22.0%	-19.3%	2.5%	-21.3%	0.6%	-0.5%	0.3%
Net Increase (Decrease)				(\$251,885)	(\$32,106)	(\$92,480)	(\$92,622)	(\$93,540)
Revised Forecast	\$46,860,796	\$36,562,039	\$29,498,834	\$29,974,738	\$23,757,928	\$23,843,997	\$23,735,293	\$23,797,416
Annual % Growth	69.5%	-22.0%	-19.3%	1.6%	-20.7%	0.4%	-0.5%	0.3%

Revenue Source Summary:

This group reflects all the other General Fund revenue sources collected by the various departments and agencies that are not otherwise classified in the General Fund Summary Table. Provided below is a summary of the major one-time or temporary revenue adjustments that have affected the revenue growth pattern of this group. This group includes many miscellaneous one-time items that distort trends. The list below summarizes the effect of some of the significant one-time or temporary revenue initiatives.

Unusual/Temporary Revenue	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Revenue Sharing Adjustments	\$13,570,000	\$9,600,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0
School Construction Recovery	\$0	\$0	\$5,900,000	\$0	\$0	\$0	\$0	\$0
HHS - Intergovernmental Transfers	\$6,847,242	\$1,681,272	\$0	\$0	\$0	\$0	\$0	\$0
HHS Audit Settlements	\$3,490,837	\$1,199,437	\$0	\$0	\$0	\$0	\$0	\$0
Transfer of Limestone Rental	\$0	\$0	\$855,223	\$1,109,723	\$0	\$0	\$0	\$0
Adjustments to Clean Election Fund	\$0	\$0	(\$2,000,000)	\$800,000	\$0	\$0	\$0	\$0
Total Unusual/Temp. Revenue	\$23,908,079	\$12,480,709	\$4,755,223	\$6,909,723	\$0	\$0	\$0	\$0
Adjusted Total	\$22,952,717	\$24,081,330	\$24,743,611	\$23,065,015	\$23,757,928	\$23,843,997	\$23,735,293	\$23,797,416
Adjusted Annual % Growth	8.2%	4.9%	2.8%	-6.8%	3.0%	0.4%	-0.5%	0.3%

Summary of Revenue Adjustments to March 2007 Forecast:

Presented below are the major adjustments made to the various revenue sources in this category with a brief description of the reason for the change.

Administration - Revenue Services - Unclaimed Bottle Deposits (1195)	FY07	FY08	FY09	FY10	FY11
	\$514,007	\$514,007	\$514,007	\$514,000	\$514,000

Based on FY06 actual collections and collections through February of FY07, revenue from unclaimed bottle deposits was increased in this forecast to \$650,000 per year in revenue throughout the forecast period.

Conservation - Division of Forest Protection - Sale of Forest Products (2666)	FY07	FY08	FY09	FY10	FY11
	(\$233,002)	\$21,500	\$0	\$0	\$0

The projected decrease in budgeted revenue collected by the Division of Forest Protection for RSC 2666 (Sale of Forest Products) in FY07 reflects a variety of factors including reduced wood harvesting volume and a late winter start. The one-time increase for FY08 further reflects the late winter start and the delayed collection of revenue that was originally forecast to be collected in FY07.

Conservation - Parks; General Operations - Recreational Use of Parks (2610)					
	FY07	FY08	FY09	FY10	FY11
	(\$170,490)	(\$170,490)	(\$170,490)	(\$170,490)	(\$170,490)
The projected decreases in budgeted revenue collected by the Bureau of Parks and Lands for RSC 2610 (Recreational Use of Parks) is tied to declining attendance at state parks in recent years.					
Health and Human Services (Formerly DHS) - Old Age Supplemental Insurance Payments (2543)					
	FY07	FY08	FY09	FY10	FY11
	(\$323,411)	(\$360,595)	(\$398,523)	(\$398,523)	(\$398,523)
Based on FY06 actual collections and collections through February of FY07, the forecast for revenue from payments the Department of Health and Human Services receives for children in state custody was revised downward for the forecast period.					
Health and Human Services (Formerly DHS) - Community Services Center - License Application Fees (1446)					
	FY07	FY08	FY09	FY10	FY11
	(\$108,343)	(\$108,343)	(\$108,343)	(\$108,343)	(\$108,343)
Estimates are updated to reflect FY06 actual revenue and FY07 revenue through February 2007.					
Health and Human Services - All Other Miscellaneous Revenue Adjustments					
	FY07	FY08	FY09	FY10	FY11
	\$69,354	\$73,962	\$73,962	\$73,962	\$73,962
Estimates are updated to reflect FY06 actual revenue and FY07 revenue through February 2007.					
Inland Fisheries and Wildlife - Administrative Services - Tax on Internal Engine Combustion Fuel (0321)					
	FY07	FY08	FY09	FY10	FY11
	\$0	(\$2,147)	(\$3,093)	(\$3,228)	(\$4,146)
The negative adjustments in the revenue estimates for RSC 0321 (Tax on Internal Engine Combustion Fuel) reflects lower inflation projections for fuel tax indexing.					