

Appendix C - Fund for a Healthy Maine

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**FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT 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.
Initial Payments	0	-100.0%	0	N/A	0	N/A	0	N/A	0	0	N/A
Base Payments	48,952,964	24.4%	49,033,129	0.2%	45,011,759	-8.2%	43,021,643	-4.4%	0	43,021,643	-4.4%
Racino Revenue **	0	N/A	0	N/A	1,771,173	N/A	3,097,701	74.9%	211,280	3,308,981	86.8%
Income from Investments Attorney General Reimbursements and Other Income	54,830	-92.0%	91,444	66.8%	124,780	36.5%	70,000	-43.9%	20,000	90,000	-27.9%
Total - Tobacco Settlement Revenue	49,007,794	-13.2%	49,124,793	0.2%	46,907,751	-4.5%	46,189,344	-1.5%	231,280	46,420,624	-1.0%
Change in Biennial Totals									231,280		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

**FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007**

Source	FY08 Budget	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Budget	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Initial Payments	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Base Payments	57,286,505	33.2%	0	57,286,505	33.2%	58,092,962	1.4%	0	58,092,962	1.4%
Racino Revenue **	3,052,445	-1.5%	147,761	3,200,206	-3.3%	4,652,986	52.4%	219,938	4,872,924	52.3%
Income from Investments Attorney General Reimbursements and Other Income	70,000	0.0%	20,000	90,000	0.0%	70,000	0.0%	20,000	90,000	0.0%
	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Total - Tobacco Settlement Revenue	60,408,950	30.8%	167,761	60,576,711	30.5%	62,815,948	4.0%	239,938	63,055,886	4.1%
Change in Biennial Totals								407,699		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

**FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007**

Source	FY10 Projection	% Chg.	Recom. Chg.	FY10 Revised	% Chg.	FY11 Projection	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Initial Payments	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Base Payments	62,928,997	8.3%	0	62,928,997	8.3%	66,659,065	5.9%	0	66,659,065	5.9%
Racino Revenue **	4,819,650	3.6%	219,938	5,039,588	3.4%	4,819,650	0.0%	219,938	5,039,588	0.0%
Income from Investments	70,000	0.0%	20,000	90,000	0.0%	70,000	0.0%	20,000	90,000	0.0%
Attorney General Reimbursements and Other Income	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Total - Tobacco Settlement Revenue	67,818,647	8.0%	239,938	68,058,585	7.9%	71,548,715	5.5%	239,938	71,788,653	5.5%
Change in Biennial Totals								479,876		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

Fund for a Healthy Maine - Racino Revenue

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$0	\$0	\$1,771,173	\$3,097,701	\$3,052,445	\$4,652,986	\$4,819,650	\$4,819,650
Annual % Growth	N/A	N/A	N/A	74.9%	-1.5%	52.4%	3.6%	0.0%
Net Increase (Decrease)				\$211,280	\$147,761	\$219,938	\$219,938	\$219,938
Revised Forecast	\$0	\$0	\$1,771,173	\$3,308,981	\$3,200,206	\$4,872,924	\$5,039,588	\$5,039,588
Annual % Growth	N/A	N/A	N/A	86.8%	-3.3%	52.3%	3.4%	0.0%

Revenue Source Summary:

This revenue category includes the Fund for a Healthy Maine's share of the gaming revenue from slot machines operated associated with the commercial race track in Bangor. For a more detail description of this source, see the General Fund description under category of "General Fund - Parimutuel and Gaming Revenue." Pursuant to 8 MRSA, §1036, the Fund for a Healthy Maine receives 10% of the "Gross Slot Income."

Revenue Source Forecast Factors and Trends:

See description and detailed spreadsheet under the General Fund - Parimutuel and Gaming Revenue category.

Forecast Recommended Changes:

See description and detailed spreadsheet under the General Fund - Parimutuel and Gaming Revenue category.

Fund for a Healthy Maine - Income from Investments

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$54,830	\$91,444	\$124,780	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Annual % Growth	-92.0%	66.8%	36.5%	-43.9%	0.0%	0.0%	0.0%	0.0%
Net Increase (Decrease)				\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Revised Forecast	\$54,830	\$91,444	\$124,780	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Annual % Growth	-92.0%	66.8%	36.5%	-27.9%	0.0%	0.0%	0.0%	0.0%

Revenue Source Summary:

This revenue category reflects the cash pool earnings on the balances in the Fund for a Healthy Maine (FHM), the Other Special Revenue account in the Department of Administrative and Financial Services, where tobacco settlement payments (TSP's) are deposited along with the Fund for a Healthy Maine's share of revenue from slot machines operated at commercial race tracks, "Racino" revenue. It also includes interest on settlement payments paid by contractors/providers of FHM services. It does not reflect interest earnings on the balances in the accounts to which Fund for a Healthy Maine resources are transferred for expenditure.

Revenue Source Forecast Factors and Trends:

With the ending of the initial payments, which came in December, and the reduction of balances in the Fund for a Healthy Maine, FHM programs have been relying on cash advances from the General Fund pursuant to 22 MRSA §1511, sub-§9 to operate until the TSP's are received in April of each year. The FHM balances available to earn interest in the cash pool have significantly decreased, with most of the interest earned in the final quarter of the state fiscal year when the TSP's are received.

Forecast Recommended Changes:

The forecast assumes an increase in earnings above budgeted levels for the forecast period based on the level of earnings for FY06 significantly exceeding budgeted levels. With the continued decrease in FHM balances and the timing of the TSP's, it is assumed interest earnings for the forecast period will not achieve the FY06 level.