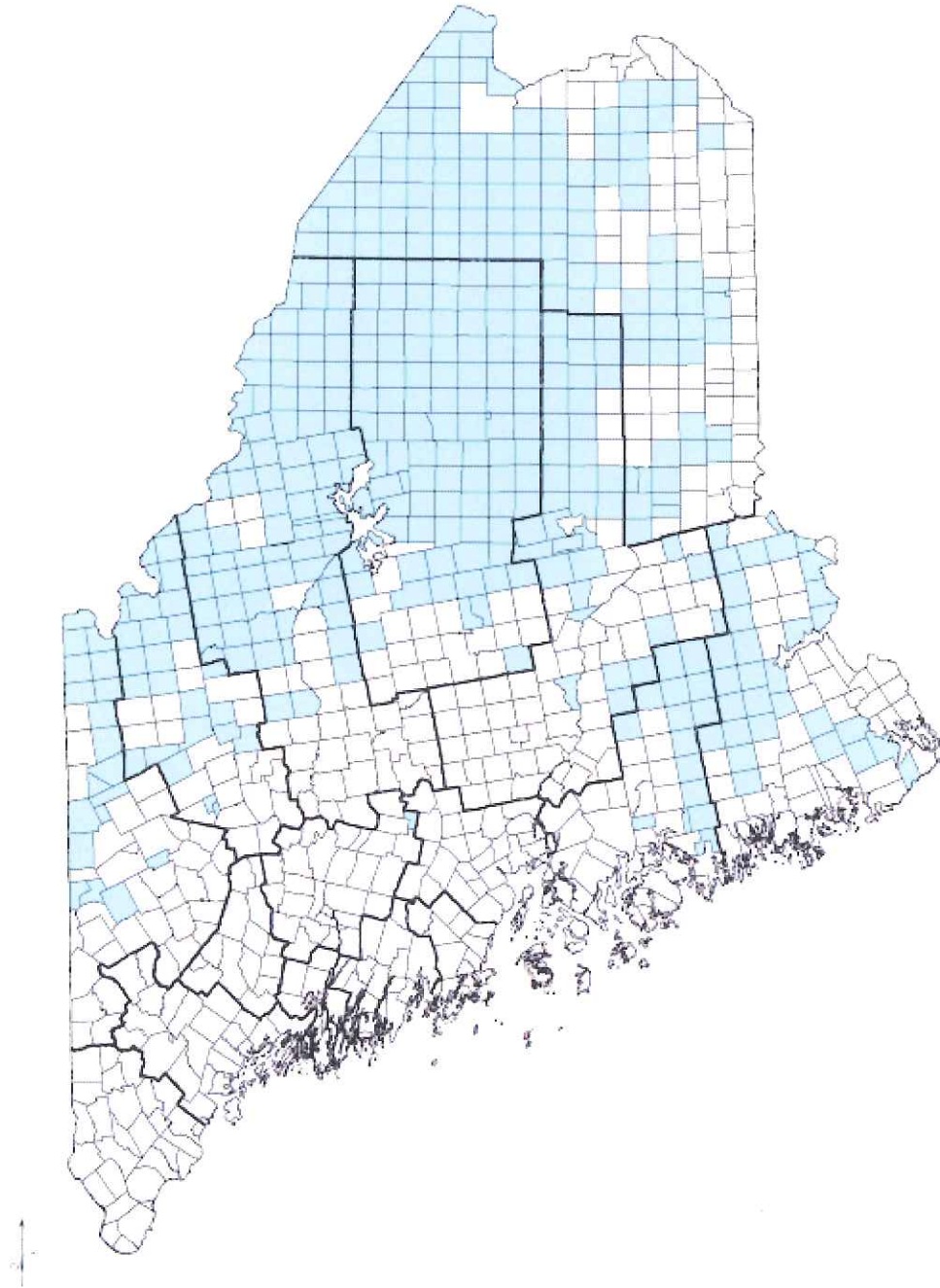


UNORGANIZED TERRITORY MUNICIPAL COST COMPONENTS



FISCAL YEAR 2012-2013

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**An Act to Establish Municipal Cost Components for Unorganized
Territory Services to Be Rendered in Fiscal Year 2012-2013**

(Emergency)

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, prompt determination and certification of the municipal cost components in the Unorganized Territory Tax District are necessary to the establishment of a mill rate and the levy of the Unorganized Territory Educational and Services Tax; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Municipal cost components for services rendered. In accordance with the Maine Revised Statutes, Title 36, chapter 115, the Legislature determines that the net municipal cost component for services and reimbursements to be rendered in fiscal year 2012-2013 is as follows:

Audit - Fiscal Administration	\$208,111
Education	11,858,597
Forest Fire Protection	150,000
Human Services - General Assistance	58,000
Property Tax Assessment - Operations	900,618
Maine Land Use Regulation Commission - Operations	531,811
TOTAL STATE AGENCIES	<hr/> \$13,707,137

County Reimbursements for Services:

Aroostook	\$973,192
Franklin	839,845
Hancock	158,145
Kennebec	6,626
Oxford	866,635
Penobscot	976,973
Piscataquis	948,372
Somerset	1,388,233
Washington	835,934
TOTAL COUNTY SERVICES	\$6,993,955
TOTAL REQUIREMENTS	\$20,701,092
COMPUTATION OF ASSESSMENT	
Requirements	\$20,701,092
Less Deductions:	
General -	
State Revenue Sharing	\$195,764
Homestead Reimbursement	90,954
Miscellaneous Revenues	150,000
Transfer from undesignated fund balance	\$2,000,000

TOTAL GENERAL DEDUCTIONS		\$2,436,718
Educational -		
Land Reserved Trust		\$56,915
Tuition/Travel		101,622
Miscellaneous		20,000
Special - Teacher Retirement		191,943
		<hr/>
TOTAL EUT DEDUCTIONS		\$370,480
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TOTAL DEDUCTIONS		\$2,807,198
		<hr/>
TAX ASSESSMENT		\$17,893,894

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FIVE YEAR COMPARISON

**MUNICIPAL COST COMPONENTS
FIVE YEAR COMPARISON**

	<u>2008-2009</u>	<u>2009-2010</u>	<u>Increase (-)Decrease</u>	<u>2010-2011</u>	<u>Increase (-)Decrease</u>	<u>2011-2012</u>	<u>Increase (-)Decrease</u>	<u>2012-2013</u>	<u>Increase (-)Decrease</u>
State Agencies									
Fiscal Administrator	\$ 198,294	\$ 206,711	4.2%	\$ 198,691	-3.9%	\$ 201,875	1.6%	\$ 208,111	3.1%
Education	11,883,253	13,857,261	16.6%	12,529,594	-9.6%	12,229,974	-2.4%	11,858,597	-3.0%
Forest Fire Protection	160,000	160,000	0.0%	93,916	-41.3%	95,385	1.6%	150,000	57.3%
Human Services - General Assistance	62,000	59,000	-4.8%	58,000	-1.7%	58,000	0.0%	58,000	0.0%
Property Tax Assessment - Operations	799,852	824,349	3.1%	788,218	-4.4%	837,923	6.3%	900,618	7.5%
Land Use Regulation Commission - Operations	404,589	487,977	20.6%	525,931	7.8%	534,154	1.6%	531,811	-0.4%
Total State Agencies	<u>13,507,988</u>	<u>15,595,298</u>	<u>15.5%</u>	<u>14,194,350</u>	<u>-9.0%</u>	<u>13,957,311</u>	<u>-1.7%</u>	<u>13,707,137</u>	<u>-1.8%</u>
Less Deductions									
General	-3,440,000	-415,000	-87.9%	-318,640	-23.2%	-2,371,000	644.1%	-2,436,718	2.8%
Educational	-555,000	-535,000	-3.6%	-566,000	5.8%	-481,500	-14.9%	-370,480	-23.1%
TOTAL DEDUCTIONS	<u>-3,995,000</u>	<u>-950,000</u>	<u>-76.2%</u>	<u>-884,640</u>	<u>-6.9%</u>	<u>-2,852,500</u>	<u>222.4%</u>	<u>-2,807,198</u>	<u>-1.6%</u>
Total State Agencies	<u>9,512,988</u>	<u>14,645,298</u>	<u>54.0%</u>	<u>13,309,710</u>	<u>-9.1%</u>	<u>11,104,811</u>	<u>-16.6%</u>	<u>10,899,939</u>	<u>-1.8%</u>
County Services									
∞ Aroostook	\$ 822,656	\$ 885,417	7.6%	\$ 933,290	5.4%	\$ 953,164	2.1%	\$ 973,192	2.1%
Franklin	653,984	564,825	-13.6%	600,521	6.3%	808,073	34.2%	839,845	4.2%
Hancock	164,925	154,505	-6.3%	158,542	2.6%	155,005	-2.2%	158,145	2.0%
Kennebec	881	872	-1.0%	933	7.0%	4,125	342.1%	6,626	60.6%
Oxford	459,128	480,525	4.7%	494,827	3.0%	762,168	54.0%	866,635	13.7%
Penobscot	857,695	885,380	3.2%	904,838	2.2%	931,781	3.0%	976,973	4.9%
Piscataquis	1,145,517	1,389,350	21.3%	1,033,576	-25.6%	966,856	-6.5%	948,372	-1.9%
Somerset	864,474	888,306	2.8%	911,530	2.6%	1,140,370	25.1%	1,388,233	21.7%
Washington	686,371	762,597	11.1%	782,969	2.7%	808,442	3.3%	835,934	3.4%
Total County Services	<u>5,655,631</u>	<u>6,011,777</u>	<u>6.3%</u>	<u>5,821,026</u>	<u>-3.2%</u>	<u>6,527,984</u>	<u>12.1%</u>	<u>6,993,955</u>	<u>7.1%</u>
TOTAL REQUIREMENT	<u>\$ 15,168,619</u>	<u>\$ 20,657,075</u>	<u>36.2%</u>	<u>\$ 19,130,736</u>	<u>-7.4%</u>	<u>\$ 17,632,795</u>	<u>-7.8%</u>	<u>\$ 17,893,894</u>	<u>1.5%</u>

FISCAL YEAR 2013 ANALYSIS

**ANALYSIS OF MUNICIPAL COST COMPONENTS
FISCAL YEARS 2012-2013**

STATE SERVICES:

Audit- Fiscal Administrator \$208,111

These revenues are used to fund positions created in Title 5, MRSA, Section 246, and are costs associated with the annual audit of the unorganized territory, the annual report, and other administrative services. The amount is an increase of 3.1%.

Additionally, in accordance with 36 MRSA §1605, 2-B, this revenue reimburses the Passamaquoddy Tribe for governmental services to benefit non-reservation Indian Township property owners.

Education (\$11,858,597)

Revenue is needed to provide education and related services to approximately 1018 students residing in the unorganized territory of Maine. This amount represents an overall budget **decrease** of 3.0% from last year's appropriation. The breakdown of students in the unorganized territory is as follows:

Connor School, Aroostook County	45
Kingman School, Penobscot County	9
Edmunds School, Washington County	51
Total	105
Tuitioned Students	913
Total number of students	1018

NOTE: The Rockwood School and the Patrick Therriault School in Sinclair remain up for sale. The Benedicta School was sold for \$60,160 which was deposited into the Unorganized Territory Education and Services Fund (04-27A-0433-01) in July of 2011.

Conservation-Forest Fire Protection (\$150,000)

Revenue is used to provide forest fire control and suppression in the unorganized territory. This amount is provided as an estimate from the Department of Conservation, Division of Forest Protection, and is based upon historical expenditures.

STATE SERVICES (CONT'D)

Health and Human Services-General Assistance (\$58,000)

Revenue is used to provide general assistance to needy residents within the unorganized territory boundaries. These services are disbursed by agents/towns as approved and directed by the Department of Health and Human Services. The amount requested for FY13 remains the same as it was for FY11 and FY12.

Property Tax Assessment-Operations (\$900,618)

Revenue is raised for the purpose of assessing properties, establishing a tax commitment, billing and collecting taxes, granting abatements and/or supplementals, and administering vehicle and boat excise taxes for the Unorganized Territory. The request represents a 7.5% increase, and is submitted by the Deputy Director of Property Tax, Maine Revenue Services.

Land Use Regulation Commission (\$531,811)

Revenue for LURC services provided in the Unorganized Territory is raised in accordance with Title 12, MRSA, §685-E. Title 12 MRSA §685-G requires the Unorganized Territory to raise and reimburse the General Fund for .014% of the most current statewide valuation of the unorganized territory (\$3,798,650,000). This request represents a **decrease** of .4% from last year's approved amount.

COUNTY SERVICES:

Aroostook County (\$973,192)

This request reflects an overall increase of 2.1% from 2012. County services and costs of administration each increased by 1%. Aroostook County did not override their assessment limit of 2.1%.

Franklin County (\$839,845)

This amount reflects an overall increase of 4.2%. The majority of this increase is driven by a \$25,000 increase in the paving reserve. Franklin County did not override their assessment limit of 47.4%.*

***Note:** The assessment limit of 47.4% is due to the inclusion of Tax Increment Finance District's value from the wind farm. This is the fourth year of a 20-year 75% TIF in Franklin County's Unorganized Territory. The total TIF payment for Franklin County is \$1,699,386. Sixty percent (60%) of the TIF payment, \$1,019,632, is dispersed to the company and forty percent (40%), or \$679,754 is paid to the county.

Hancock County (\$158,145)

This is an overall increase of 2.0%. Hancock County did not override their assessment limit of 2.0%.

COUNTY SERVICES (CONT'D)

Kennebec County (\$6,626)

The request from Kennebec County for 2012 was \$4125. The \$2105 increase in 2013 represents a 60.6% increase. Kennebec County overrode their assessment limit of 1.4%.

Oxford County (\$866,635)

The request represents a 13.7% increase and is primarily driven by a \$100,000 increase in the capital outlay reserves. Oxford County overrode their assessment limit of 1.9%.

Penobscot County (\$976,973)

The request represents an increase of 4.9% and stems primarily from a \$66,000 increase in the capital paving reserve. Penobscot County overrode their assessment limit of 1.8%.

Piscataquis County (\$948,372)

The request represents a decrease of 1.9%. Piscataquis County did not override their assessment limit of 1.6%.

Somerset County (\$1,388,233)

The request represents a 21.7% increase and is a result of \$179,764 increase in capital reserves. Somerset County overrode their assessment limit of 2.1%.

Washington County (\$835,934)

The increase in the total appropriations and the fund balance is offset by the increase in the estimated revenues and results in the 3.4% net increase in the tax commitment. Washington County did not override their assessment limit of 11.1%.**

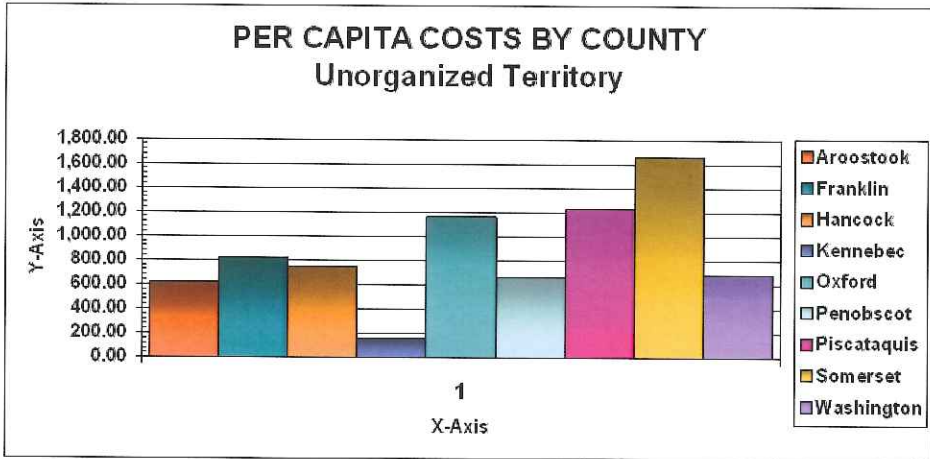
****Note:** The assessment limit of 11.1% is due to the inclusion of Tax Increment Finance District's value from the wind farm. This is the fourth year of a 30-year 100% TIF in Washington County's Unorganized Territory. The total TIF payment to Washington County is \$1,377,097. Sixty percent (60%) of the TIF payment, \$826,258 is dispersed to the company and forty percent (40%), or \$550,839 is paid to the county.

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**UNORGANIZED TERRITORY INFORMATION
FISCAL YEAR 2012-2013**

Tax Code	County	2010		Total Acreage	Miles of Road		Taxable Valuation	% of Total Valuation	FY2012-2013	
		Resident Population	Number of Building Accts		Summer	Winter			County Services Tax Assessment	Cost Per Capita
03	Aroostook	1,565	2,580	2,554,281.34	46.01	55.89	596,250,000	15.7%	973,192	621.85
07	Franklin	1,026	1,319	513,969.09	47.87	59.75	334,950,000	8.8%	839,845	818.56
09	Hancock	213	802	331,497.61	9.18	12.1	240,800,000	6.3%	158,145	742.46
11	Kennebec	43	17	6,094.06	1.72	1.72	4,500,000	0.1%	6,626	154.09
13	Knox	1	81	1,397.16	0	0	19,050,000	0.5%	0	0.00
15	Lincoln	1	44	1,708.97	0.85	0.85	15,200,000	0.4%	0	0.00
17	Oxford	746	922	412,971.28	56.27	45.35	282,150,000	7.4%	866,635	1,161.71
19	Penobscot	1,471	1,913	850,200.46	51.62	117.91	308,200,000	8.1%	976,973	664.16
21	Piscataquis	771	2,865	2,153,099.44	72.49	78.11	797,800,000	21.0%	948,372	1,230.05
25	Somerset	838	2,497	1,734,045.59	49.54	64.73	827,900,000	21.8%	1,388,233	1,656.60
27	Waldo	0	3	104.60	0	0	2,150,000	0.1%	0	0.00
29	Washington	1,227	1,811	747,507.54	78.69	80.92	369,700,000	9.7%	835,627	681.03
		<u>7,902</u>	<u>14,854</u>	<u>9,306,877.14</u>	<u>414.24</u>	<u>517.33</u>	<u>3,798,650,000</u>	<u>100.0%</u>	<u>6,993,648</u>	<u>885.05</u>

**PER CAPITA COSTS BY COUNTY
Unorganized Territory**

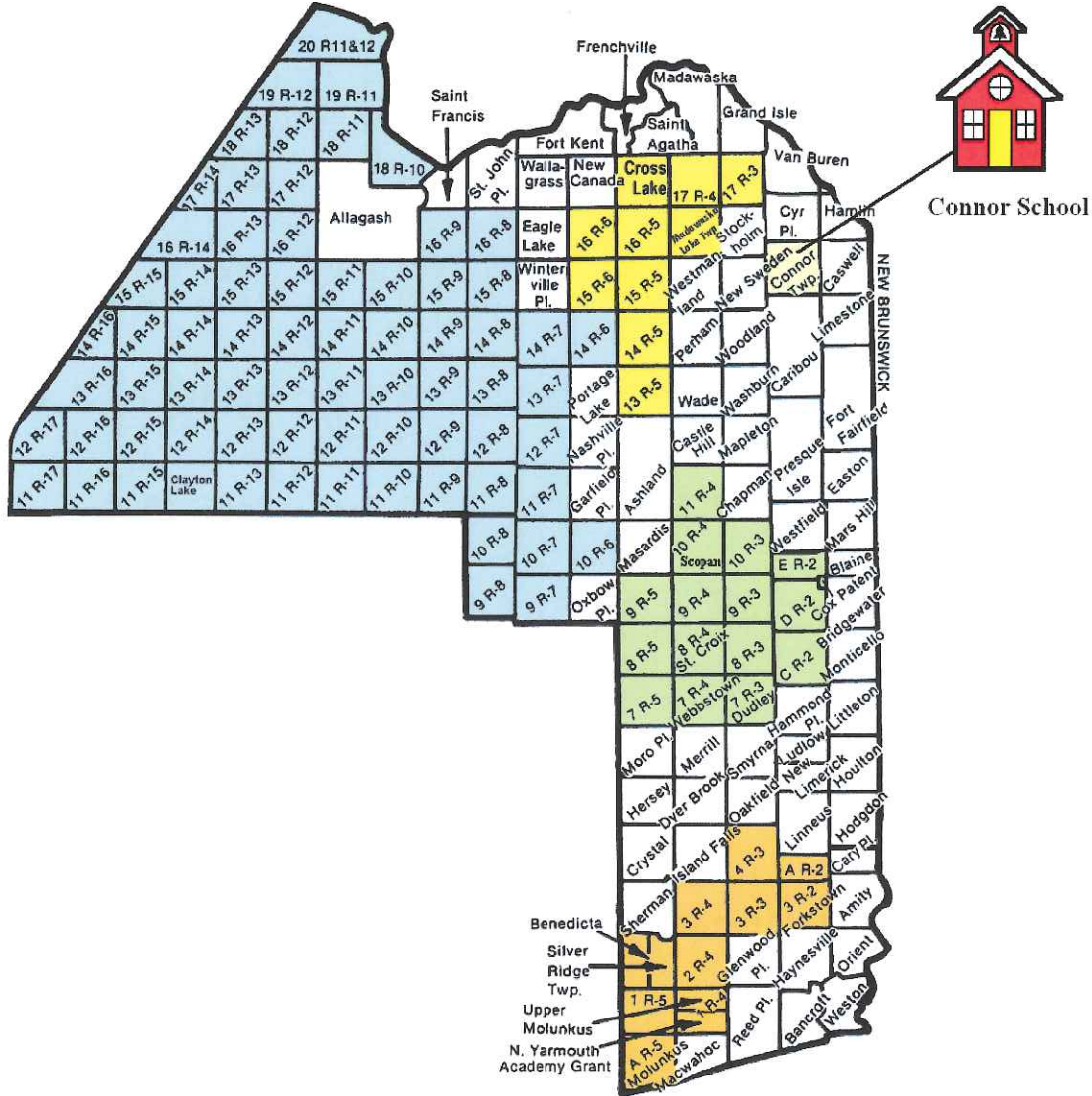


UNORGANIZED TERRITORIES
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

	Aroostook	Franklin	Hancock	Kennebec	Knox	Lincoln	Oxford	Penobscot	Piscataquis	Somerset	Waldo	Washington	Total
Services													
Roads/Bridges	\$ 130,000	\$ 186,945	\$ 56,524	\$ -	\$ -	\$ -	\$ 222,000	\$ 104,850	\$ 411,000	\$ 227,364	\$ -	\$ 309,090	\$ 1,847,773
Snow Removal/Sand & Salt	283,095	364,858	70,000	7500			213,750	786,575	520,000	417,173		465,561	3,138,512
Solid Waste/Sewage Disposal/Landfills	124,153	100,110	28,000	4300			74,000	202,635	289,425	203,567		130,137	1,156,327
Fire Protection	132,581	98,830	20,000	2000			95,125	71,730	103,000	104,135		53,701	681,102
Public Works Dept.	79,877	0	0	0			0	0	0	0		0	79,877
Public Safety Coordinator	30,115	0	0	0			0	0	0	0		0	30,115
Cemeteries	3,100	8,609	0	0			1,800	21,700	7,600	8,000		5,800	58,609
Ambulance (+Fire in Washington)	34,664	57,029	0	0			32,290	22,000	12,545	39,153		64,386	262,067
Shell Fish Conservation Program	0	0	0	0			0	0	0	0		29,793	29,793
Street Lights	11,605	500	0	0			750	0	1,425	5,700		825	20,805
Snowmobile Trails	1,500	0	0	0			0	1,500	5,000	16,400		0	24,400
Polling Places	6,380	0	150	0			2,000	3,000	1,100	2,400		3,350	18,380
Recreation (Somerset - Rockwood Comm. Bldg.)	9,380	0	0	0			0	0	4,713	11,700		0	25,793
Senior citizens	16,651	0	0	0			0	0	0	0		0	16,651
Libraries	800	0	0	0			0	0	0	0		0	800
Animal Control	5,500	500	500	260			3,500	5,300	5,500	5,200		37,194	63,454
Community Contributions/Grant Programs	2,115	0	0	0			0	0	8,300	0		16,950	27,365
E911/EMA Support	5,374	2,500	6,557	255			0	0	9,450	0		5,000	29,136
NMDC	9,949	0	0	0			0	0	0	0		0	9,949
Fed, State, County Programs	16,564	5,000	1,000	0			0	0	0	0		0	22,564
Rent of Land	0	0	0	0			3,600	0	0	0		0	3,600
Misc. (Audit, Insurances, Other)	6,080	1,500	25,215	1300			8,500	3,000	53,850	58,767		0	158,012
Total Services	909,493	826,391	207,946	15615			657,315	1,232,290	1,424,408	1,107,859		1,121,787	7,503,084
Other:													
Contingent	0	0	0	1000			25,000	0	0	0		0	26,000
Paving Reserve	0	100,000	0	0			0	136,450	0	0		0	136,450
Fire Truck/Equipment/Other	0	1,500	0	0			0	4,000	0	20,000		31,600	36,100
Capital Reserve/Roads - Bridges*	320,700	25,000	0	0			300,000	38,400	0	484,764		100,000	1,272,864
Capital Reserve-Bldgs*			6,000							7,000		2,500	15,500
Capital Reserve - Other*			0	0			0	0	0	0		0	0
- Outlay	0	0	0	0			0	0	0	0		0	0
Debt	0	0	0	0			0	0	0	0		0	0
Total Other	320,700	126,500	6,000	1000			325,000	176,850	0	511,764		134,100	1,601,914
Administration	61,509	47,644	10,697	831			49,116	70,457	69,414	69,520		31,397	410,585
Total Appropriations	1,291,692	1,000,525	224,643	17446			1,031,431	1,479,597	1,493,822	1,699,143		1,287,284	9,515,593
Confirmation of Assessments													
Estimated Revenues:													
Local Road Assistance/URIP	62,000	58,932	12,732	2064			60,396	95,000	81,000	68,308		99,900	540,332
Excise Taxes	232,000	100,000	16,000	8000			100,000	178,000	140,000	135,000		225,000	1,134,000
Snowmobiles/ATV* Revenues	1,500	300	10	0			400	0	2,000	1,300		500	6,000
Area Contracts/PERC Reimb (Penob)	0	0	0	0			0	20,000	0	3,000		1,700	24,700
Area Contracts/Road Maintenance, Etc.	0	0	0	0			0	63,399	0	9,111		0	72,510
Interest Income	7,000	1,500	1,000	0			0	4,000	8,500	1,000		0	23,000
Other/Misc./Grants/Interest	1,000	10,000	20	0			4,000		13,950	8,800		49,200	150,180
Total Estimated Revenues	303,500	170,732	29,762	10064			164,796	360,399	245,450	226,519		376,350	1,721,043
Use of Surplus & Undesignated Fund Balance	15,000	90,000	59,200	2500			0	290,185	300,000	74,391		75,000	802,513
Less 10% Expenditures		100,052	22,464	1745				147,960					271,211
2013 Tax Commitment	\$ 973,192	839,845	158,145	6626			866,635	\$ 976,973	948,372	1,388,233		835,934	\$ 6,993,955
Prior Year	\$ 953,184	\$ 806,073	\$ 155,005	\$ 4125			\$ 762,168	\$ 931,781	\$ 966,856	\$ 1,140,379		\$ 808,442	\$ 6,527,993
Percentage - Increase (-) Decrease	2.1%	4.2%	2.0%	60.6%			13.7%	4.8%	-1.9%	21.7%		3.4%	7.1%

*Category added 2012

AROOSTOOK COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information	Children														Adult		Homes			
	Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal						
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010					
Aroostook:																				
Central*	117	96	118	4	6	5	9	2	3	84	100	50	60	297	230					
Connor	468	424	457	21	18	74	55	17	25	312	359	190	183	3	8					
Northwest	45	27	10	0	0	1	0	1	0	25	10	14	8	289	300					
South**	404	486	386	9	16	76	20	38	14	363	336	201	175	270	285					
Square Lake	564	615	594	22	13	60	29	25	12	508	540	317	295	789	736					
	1,598	1,647	1,565	56	53	216	113	83	54	1,292	1,345	772	721	1,648	1,559					
*E Township deorganized June, 1990 and population added to Central																				
**Benedicta deorganized February, 1987 and population added to South																				

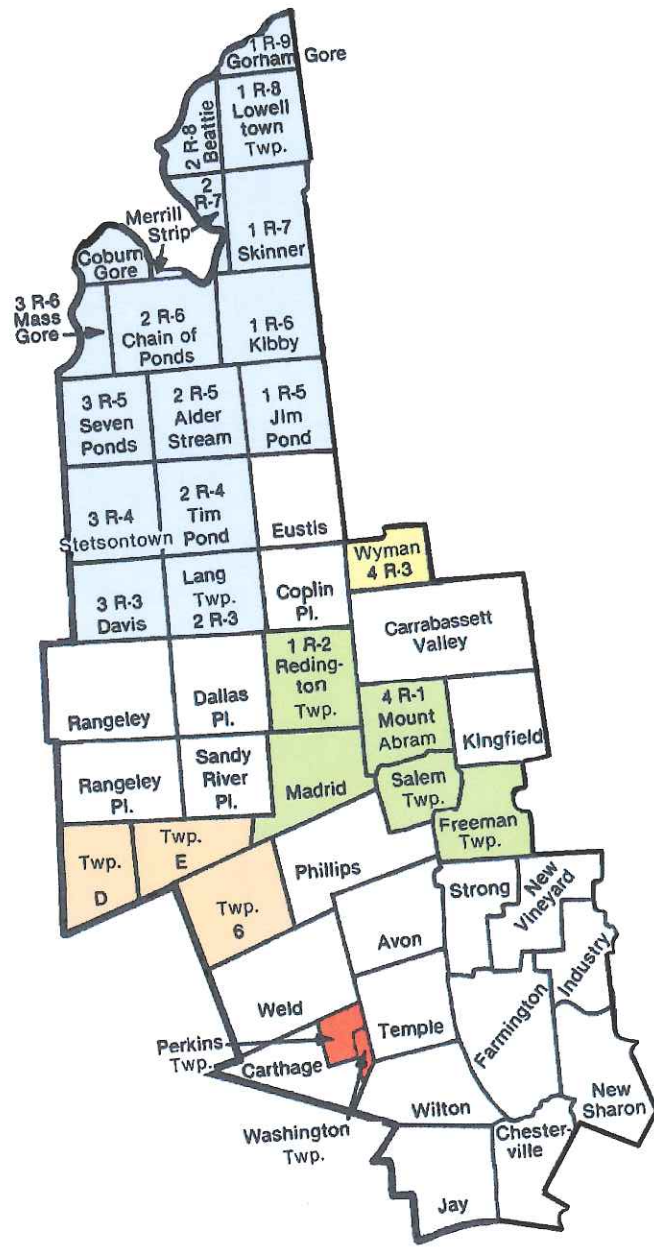
UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

Aroostook

	2008	2009	Increase (-) Decrease	2010	Increase (-) Decrease	2011	Increase (-) Decrease	2012	Increase (-) Decrease	2013	Increase (-) Decrease
Services:											
Roads/Bridges/Public Works	\$ 182,842	\$ 193,200	5.7%	\$ 197,814	2.4%	\$ 192,888	-2.6%	\$ 189,787	3.7%	\$ 209,877	5.0%
Snow Removal	248,800	249,520	0.2%	259,595	4.0%	272,818	5.1%	272,520	-0.1%	283,095	3.9%
Dumps/Septage Removal	103,370	119,896	15.8%	115,986	-3.1%	118,011	1.7%	119,513	1.3%	124,153	3.9%
Fire Protection/Public Safety	105,196	119,867	13.8%	139,607	16.7%	143,459	2.8%	148,345	3.4%	162,896	9.7%
Cemeteries	3,000	3,900	30.0%	3,900	0.0%	3,900	0.0%	3,100	-20.5%	3,100	0.0%
Ambulance	55,950	48,900	-12.4%	50,514	3.3%	43,489	-13.9%	43,234	-0.6%	34,884	-19.8%
Street Lights	9,880	10,910	10.4%	11,950	8.6%	11,880	0.3%	11,880	0.0%	11,605	-2.3%
Snowmobile Trails	1,500	1,500	0.0%	1,500	0.0%	1,500	0.0%	1,500	0.0%	1,500	0.0%
Polling Places	9,205	9,520	3.4%	9,620	1.1%	5,130	-46.7%	5,130	0.0%	8,380	24.4%
Recreation	10,730	12,130	13.0%	13,720	13.1%	12,742	-7.1%	13,080	2.7%	9,380	-28.3%
Senior Citizens	10,805	11,442	7.8%	17,994	57.3%	17,151	-4.7%	16,651	-2.9%	18,651	0.0%
Animal Control	1,300	2,900	123.1%	5,050	74.1%	5,050	0.0%	5,500	8.9%	5,500	0.0%
Comm/NMdc/Fed,St,County Program:	30,542	39,511	26.1%	30,514	-20.8%	39,013	27.9%	48,342	23.9%	29,428	-39.1%
E911/EMA	4,324	4,535	4.8%	5,181	14.5%	3,008	-42.1%	3,132	4.1%	5,374	71.8%
Misc(Audit/Insurances)	2,600	15,100	460.8%	15,300	1.3%	16,639	8.9%	6,360	-61.8%	6,090	-4.4%
Total Services	779,844	841,431	7.9%	878,155	4.4%	886,478	0.9%	898,094	0.1%	909,483	1.3%
Other:											
Contingent	3,954	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital - Reserve	270,650	277,365	2.5%	297,050	7.1%	325,300	9.5%	320,250	-1.6%	320,700	0.0%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	274,604	277,365	1.0%	297,050	7.1%	325,300	9.5%	320,250	-1.6%	320,700	0.1%
Administration	52,508	55,940	6.5%	58,760	5.0%	60,588	3.1%	60,920	0.5%	61,509	1.0%
Total Appropriations	1,106,956	1,174,736	6.1%	1,233,965	5.0%	1,272,366	3.1%	1,279,264	0.5%	1,291,892	1.0%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	84,180	65,300	1.7%	61,548	-5.7%	54,576	-11.3%	62,200	14.0%	62,000	-0.3%
Excise Taxes	215,000	232,500	8.1%	232,500	0.0%	230,000	-1.1%	230,000	0.0%	232,000	0.9%
Snowmobile	1,500	1,500	0.0%	1,500	0.0%	1,500	0.0%	1,500	0.0%	1,500	0.0%
Other:Interest/Grants/Misc.	6,900	27,900	308.8%	28,000	0.7%	33,000	17.9%	32,400	-1.8%	23,000	-29.0%
Total Estimated Revenues	287,480	327,100	13.6%	323,548	-1.1%	319,076	-1.4%	326,100	2.2%	318,500	-2.3%
Undesignated Fund Balance	20,000	25,000	25.0%	25,000	0.0%	20,000	-20.0%	0	-100.0%	0	0.0%
Tax Commitment	\$ 798,476	\$ 822,836	2.9%	\$ 885,417	7.6%	\$ 933,280	5.4%	953,164	2.1%	973,192	2.1%

FRANKLIN COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



	Population			Children						Adult		Homes	
				Preschool 0 to 4 yrs		Elementary 5 to 14 yrs		Secondary 15 to 17 yrs		Population 18 yrs and older		Year	Seasonal
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	Round 2010	Seasonal 2010
Franklin:													
East Central	459	526	808	27	27	89	94	23	41	387	646	350	278
North	21	41	61	0	2	9	5	2	3	30	51	27	400
South	56	70	69	2	7	15	4	5	4	48	54	27	22
West Central	0	0	0	0	0	0	0	0	0	0	0	0	28
Wyman	65	70	88	1	6	7	4	1	4	61	74	42	120
*Madrid	178	173	*N/A	10	*N/A	27	*N/A	4	*N/A	132	*N/A	*N/A	*N/A
	779	880	1,026	40	42	147	107	35	52	658	825	446	848

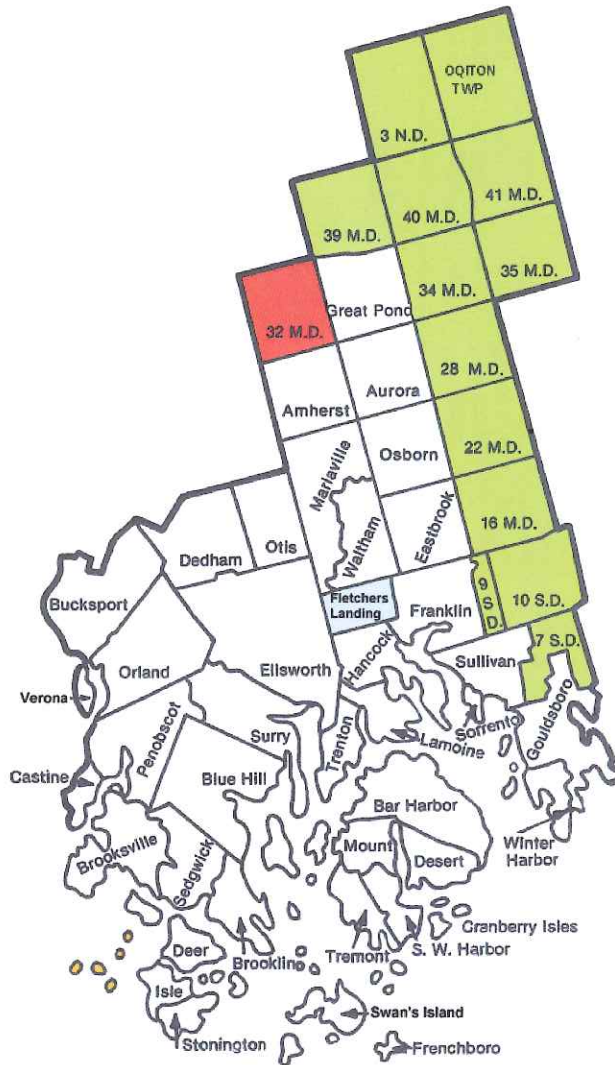
*Madrid deorganization effective July, 2000, added to East Central in the 2010 census

UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES
Six Year Comparison Ended June 30, 2013

Franklin

	2008	2009	Increase (-) Decrease	2010	Increase (-) Decrease	2011	Increase (-) Decrease	2012	Increase (-) Decrease	2013	Increase (-) Decrease
Services:											
Roads/Bridges	\$ 170,500	\$ 172,000	0.9%	\$ 183,800	6.9%	\$ 188,500	2.6%	\$ 185,720	-1.5%	\$ 188,945	0.7%
Snow Removal	289,682	291,452	0.6%	364,858	25.2%	373,883	2.4%	372,358	-0.4%	364,858	-2.0%
Dumps	105,693	104,650	-1.0%	106,386	1.7%	111,806	5.1%	107,669	-3.5%	100,110	-7.2%
Fire Protection	74,506	76,025	2.0%	83,076	9.3%	96,512	16.2%	97,230	0.7%	98,830	1.6%
Cemeteries	2,980	3,519	18.1%	4,652	32.2%	3,919	-15.9%	3,955	0.9%	6,609	117.7%
Ambulance	58,415	57,544	2.0%	51,780	-10.0%	51,021	-1.5%	49,759	-2.5%	57,029	14.6%
Street Lights	800	800	0.0%	800	0.0%	400	-50.0%	500	25.0%	500	0.0%
Snowmobile Trails	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Polling Places	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Recreation	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Animal Control	2,000	2,000	0.0%	2,000	0.0%	1,000	0.0%	750	-25.0%	500	-33.3%
Community Contributions	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E911	2,000	0	-100.0%	0	0.0%	5,000	0.0%	2,500	-50.0%	2,500	0.0%
Misc. (Audit)	0	1,500	0.0%	1,500	0.0%	1,500	100.0%	1,500	0.0%	1,500	0.0%
GPS										5,000	New
Total Services	704,466	709,489	0.7%	798,852	11.2%	833,351	4.3%	822,141	-1.3%	826,391	0.5%
Other:											
Contingent	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital/Paving Reserve	151,500	178,500	18.5%	31,500	-82.2%	101,500	222.2%	101,500	0.0%	125,000	23.2%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1,500	
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	
Total Other	151,500	178,500	18.5%	31,500	-82.2%	101,500	222.2%	101,500	0.0%	126,500	24.6%
Administration	42,798	44,299	3.5%	41,518	-6.3%	46,743	12.6%	46,182	-1.2%	47,644	3.2%
Total Appropriations	898,764	930,288	3.5%	871,870	-6.3%	991,594	12.6%	989,823	-1.2%	1,000,525	3.2%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	61,432	58,932	-4.1%	58,932	0.0%	58,932	0.0%	58,932	0.0%	58,932	0.0%
Excise Taxes	87,000	100,000	14.9%	100,000	0.0%	100,000	0.0%	100,000	0.0%	100,000	0.0%
Snowmobile	400	400	0.0%	300	-25.0%	300	-25.0%	300	0.0%	300	0.0%
Interest						10,000				1,500	
Other	15,000	20,000	33.3%	15,000	-25.0%	10,000	-33.3%	11,500	15.0%	10,000	-13.0%
Total Estimated Revenues	163,832	179,332	9.5%	174,232	-2.8%	179,232	2.9%	170,732	-4.7%	170,732	0.0%
Surplus								80,000		90,000	0.0%
Less: 10% Expenditures								96,982		100,052	3.2%
Net Surplus								-6,982		-10,052	44.0%
Undesignated Fund Balance/ Total Deductions	130,124	96,972	-25.5%	132,813	37.0%	201,841	52.0%	183,750	-18.8%	180,660	-1.9%
Tax Commitment	\$ 804,806	\$ 853,984	8.1%	\$ 564,825	-13.6%	\$ 600,521	6.3%	806,073	34.2%	838,845	4.2%

HANCOCK COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information				Children				Adult				Homes			
	Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal	
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Hancock:															
Central	138	138	117	5	2	20	12	8	4	105	99	71	55	31	34
East	40	73	94	1	6	8	14	4	5	60	69	35	38	545	637
Northwest	0	4	2	0	0	0	0	0	0	4	2	2	1	18	19
	178	215	213	6	8	28	26	12	9	169	170	108	94	594	690

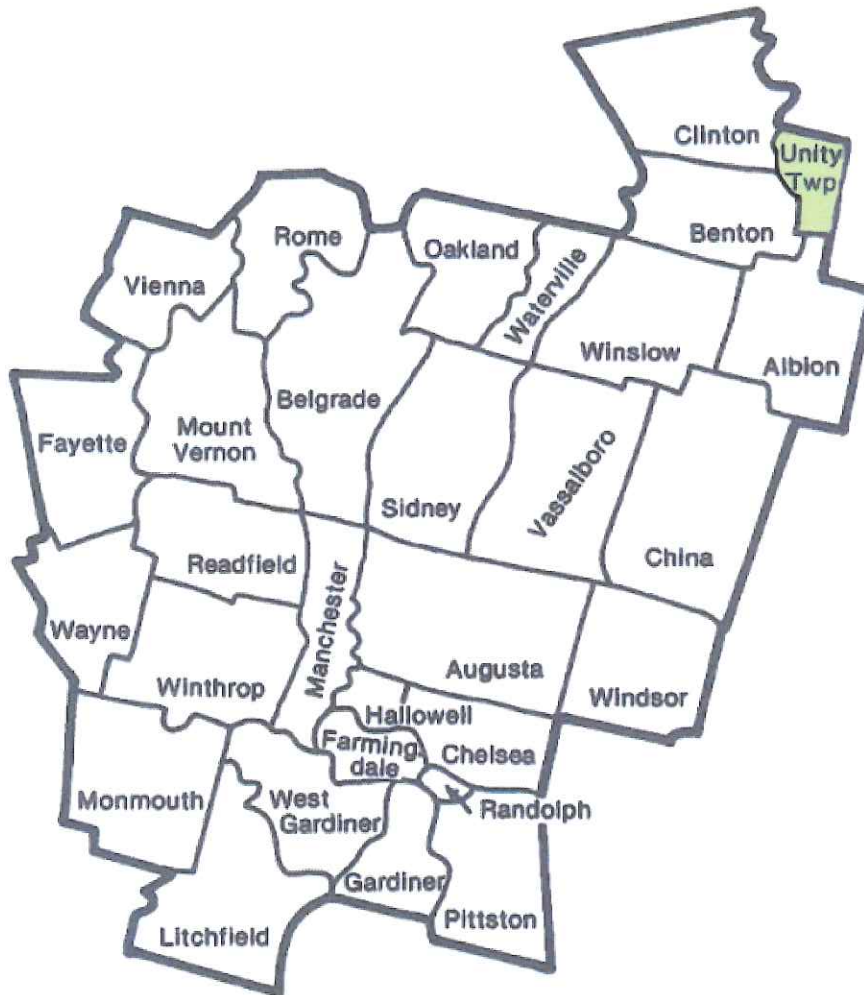
UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

Hancock

	2008	2009	Increase (-) Decrease	2010	Increase (-) Decrease	2011	Increase (-) Decrease	2012	Increase (-) Decrease	2013	Increase (-) Decrease
Services:											
Roads/Bridges	\$ 45,756	\$ 49,044	7.2%	\$ 50,079	2.1%	\$ 56,524	12.9%	56,524	0.0%	\$ 56,524	0.0%
Snow Removal	70,005	82,000	-11.4%	70,000	12.9%	70,000	0.0%	70,000	0.0%	70,000	0.0%
Solid Waste	42,000	28,000	-33.3%	28,000	0.0%	28,000	0.0%	28,000	0.0%	28,000	0.0%
Fire Protection	23,000	20,000	-13.0%	20,000	0.0%	20,000	0.0%	20,000	0.0%	20,000	0.0%
Cemeteries	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Ambulance	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Street Lights	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Snowmobile Trails	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Polling Places	150	150	0.0%	150	0.0%	150	0.0%	150	0.0%	150	0.0%
Recreation	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Animal Control	1,000	1,000	0.0%	1,000	0.0%	500	0.0%	500	0.0%	500	0.0%
Community Contributions	750	671	100.0%	1,000	49.0%	0	-100.0%	1,000	100.0%	1,000	0.0%
E911/Regional Comm.	2,500	2,500	0.0%	2,500	0.0%	6,000	100.4%	6,500	8.3%	6,557	0.9%
Misc. Op. Costs/Travel, etc.	12,300	10,400	-15.4%	11,300	8.7%	21,490	90.2%	25,199	17.3%	25,215	0.1%
Total Services	197,461	173,785	-12.0%	194,029	5.9%	202,864	10.1%	207,673	2.6%	207,946	0.0%
Other:											
Contingent	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital/Paving Reserve	0	11,461	100.0%	12,723	11.0%	2,500	-80.4%	6,000	140.0%	6,000	0.0%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	0	11,461	100.0%	12,723	11.0%	2,500	-80.4%	6,000	140.0%	6,000	0.0%
Administration	10,512	9,261	-11.9%	9,638	6.2%	10,258	4.3%	10,894	4.3%	10,897	0.0%
Total Appropriations	197,007	194,487	-1.3%	206,590	6.2%	215,422	4.3%	224,567	4.2%	224,643	0.0%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	12,732	12,732	0.0%	12,732	0.0%	12,732	0.0%	12,732	0.0%	12,732	0.0%
Excise Taxes	13,000	16,000	23.1%	16,000	0.0%	16,000	0.0%	16,000	0.0%	16,000	0.0%
Snowmobile	10	10	0.0%	10	0.0%	10	0.0%	10	0.0%	10	0.0%
Interest	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1,000	0.0%
Other	620	820	32.3%	820	0.0%	820	0.0%	620	0.0%	20	-97.6%
Total Estimated Revenues	26,362	29,562	12.1%	29,562	0.0%	29,562	0.0%	29,562	0.0%	29,762	0.7%
Undesignated Fund Balance	0	0	0.0%	22,523	100.0%	27,318	21.2%	40,000	46.4%	36,736	-8.2%
Tax Commitment	\$ 170,645	\$ 164,925	-3.4%	\$ 154,505	-6.3%	\$ 158,542	2.8%	\$ 155,005	-2.2%	\$ 158,145	2.0%

KENNEBEC COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information			Children						Adult		Homes				
Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal		
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Kennebec:															
Unity Township	36	31	43	1	0	2	5	3	2	25	36	15	19	5	0
	36	31	43	1	0	2	5	3	2	25	36	15	19	5	0

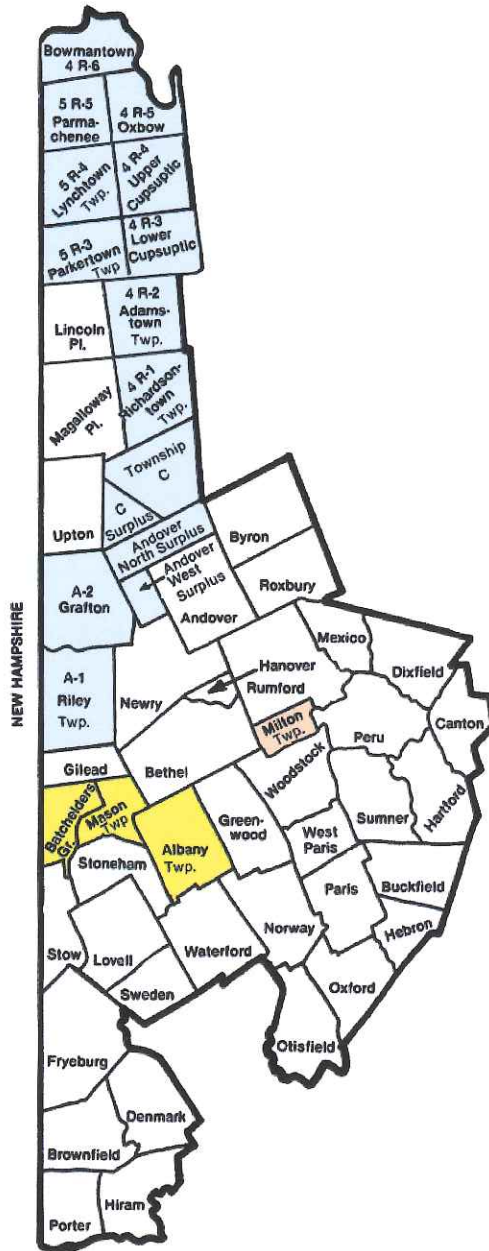
UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

Kennebec

	2008	2009	Increase (-)Decrease	2010	Increase (-)Decrease	2011	Increase (-)Decrease	2012	Increase (-)Decrease	2013	Increase (-)Decrease
Services:											
Roads/Bridges	\$ 0	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	0	0.0%	\$ -	0.0%
Snow Removal	4,600	5500	19.6%	6,500	18.2%	6500	0.0%	6000	23.1%	7,500.00	-6.3%
Solid Waste	2,500	3500	40.0%	3,700	40.0%	3900	5.4%	4500	15.4%	4,300.00	-4.4%
Fire Protection	1,500	1500	0.0%	1,500	0.0%	1500	0.0%	2000	33.3%	2,000.00	0.0%
Cemeteries	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Ambulance	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Street Lights	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Snowmobile Trails	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Polling Places	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Recreation	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Animal Control Officer										200.00	NEW
Animal Control Shelter	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	60.00	NEW
Community Contributions	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
911E	0	150	0.0%	150	100.0%	150	0.0%	247	64.7%	255.00	0.0%
Audit	1,200	1200	0.0%	1,200	0.0%	1200	0.0%	1300	8.3%	1,300.00	0.0%
Miscellaneous										-	0.0%
Total Services	<u>9,600</u>	<u>11,850</u>	<u>20.9%</u>	<u>13,050</u>	<u>10.1%</u>	<u>13,250</u>	<u>1.5%</u>	<u>16,047</u>	<u>21.1%</u>	<u>15,815.00</u>	<u>-2.7%</u>
Other:											
Contingent	3,000	1500	-50.0%	1,500	-50.0%	1500	0.0%	1000	-33.3%	1,000.00	0.0%
Capital - Reserve	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Total Other	<u>3,000</u>	<u>1,500</u>	<u>-50.0%</u>	<u>1,500</u>	<u>0.0%</u>	<u>1,500</u>	<u>0.0%</u>	<u>1,000</u>	<u>-33.3%</u>	<u>1,000.00</u>	<u>0.0%</u>
Administration	640	668	4.4%	728	9.0%	738	1.4%	852	15.4%	930.75	-2.5%
Total Appropriations	<u>13,440</u>	<u>14,018</u>	<u>4.3%</u>	<u>15,278</u>	<u>9.0%</u>	<u>15,488</u>	<u>1.4%</u>	<u>17,899</u>	<u>15.6%</u>	<u>\$ 17,445.75</u>	<u>-2.5%</u>
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	2,228	2184	-2.0%	2,184	-2.0%	2064	-5.5%	2064	0.0%	2,064.00	0.0%
Excise Taxes	6,550	6605	0.8%	8,000	0.8%	8200	2.5%	8500	3.7%	8,000.00	-5.8%
Snowmobile	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Other	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-	0.0%
Total Estimated Revenues	<u>8,728</u>	<u>8,789</u>	<u>0.7%</u>	<u>10,184</u>	<u>15.9%</u>	<u>10,264</u>	<u>0.8%</u>	<u>10,564</u>	<u>2.9%</u>	<u>10,064.00</u>	<u>-4.7%</u>
Undesignated Fund Balance	4,406	4349	-1.3%	4,222	-2.9%	4291	1.6%	3210	-25.2%	755.43	-76.5%
Tax Commitment	\$ 306	\$ 881	187.9%	\$ 872	-1.0%	\$ 933	7.0%	4,125	342.1%	\$ 6,626.32	60.6%

OXFORD COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



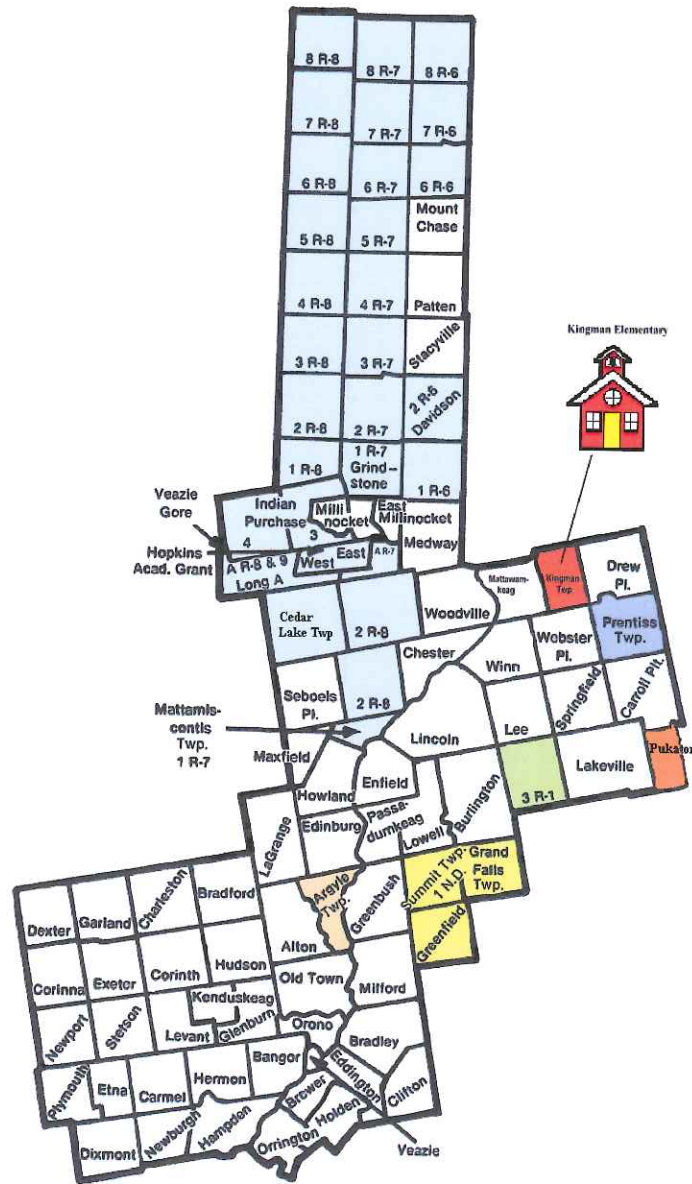
U.S. Census Bureau Information				Children				Adult		Homes					
	Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal	
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Oxford:															
Milton	128	123	143	9	4	19	17	6	9	89	113	49	61	12	11
North	11	17	24	0	2	1	0	0	0	16	22	12	12	242	313
South	455	515	579	26	24	75	68	28	21	386	466	234	251	229	192
	594	655	746	35	30	95	85	34	30	491	601	295	324	483	516

UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

	Oxford										
	2008	2009	Increase (-) Decrease	2010	Increase (-) Decrease	2011	Increase (-) Decrease	2012	Increase (-) Decrease	2013	Increase (-) Decrease
Services:											
Roads/Bridges	\$ 210,000	\$ 215,000	2.4%	\$ 208,000	-4.2%	\$ 185,000	-10.2%	\$ 222,000	20.0%	\$ 222,000	0.0%
Snow Removal	145,000	145,000	0.0%	165,000	13.8%	170,000	3.0%	200,250	17.8%	213,750	6.7%
Dumps	80,000	72,000	-10.0%	72,000	0.0%	74,000	2.8%	74,000	0.0%	74,000	0.0%
Fire Protection	57,000	87,000	17.5%	79,134	18.1%	80,000	1.1%	99,000	23.9%	95,125	-3.9%
Cemeteries	500	500	0.0%	800	60.0%	800	0.0%	1,800	100.0%	1,800	12.5%
Ambulance	27,000	29,000	7.4%	32,700	12.8%	30,000	-8.3%	41,123	37.1%	32,290	-21.5%
Street Lights	675	750	11.1%	750	0.0%	750	0.0%	750	0.0%	750	0.0%
Snowmobile Trails	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Polling Places	1,500	1,800	20.0%	2,000	11.1%	2,000	0.0%	2,000	0.0%	2,000	0.0%
Recreation	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Animal Control	3,200	3,500	9.4%	3,500	0.0%	3,500	0.0%	3,500	0.0%	3,500	0.0%
Community Contributions	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E911	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Rent of Land	0	0	0.0%	0	0.0%	3,800	100.0%	3,800	-5.3%	3,800	0.0%
Miscellaneous (Audit)	6,600	6,700	1.5%	3,000	-55.2%	2,500	-16.7%	10,000	300.0%	8,500	-15.0%
Total Services	531,475	541,250	1.8%	564,894	4.4%	552,350	-2.2%	657,823	19.1%	657,315	-0.1%
Other:											
Contingent	25,000	25,000	0.0%	25,000	0.0%	25,000	0.0%	25,000	0.0%	25,000	0.0%
Capital - Reserve	100,000	150,000	50.0%	130,000	-13.3%	150,000	1.5%	0	-100.0%	0	0.0%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	200,000	0.0%	300,000	50.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	125,000	175,000	40.0%	155,000	-11.4%	175,000	12.9%	225,000	28.8%	325,000	44.4%
Administration	35,324	35,813	1.4%	35,994	0.5%	36,368	1.0%	44,141	21.4%	49,116	11.3%
Total Appropriations	741,799	752,063	1.4%	755,878	0.5%	763,718	1.0%	828,864	21.4%	1,031,431	11.3%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	60,988	64,738	8.1%	62,040	-4.2%	60,388	-2.6%	60,398	0.0%	60,398	0.0%
Excise Taxes	95,000	100,000	5.3%	100,000	0.0%	100,000	0.0%	100,000	0.0%	100,000	0.0%
Snowmobile	400	400	0.0%	400	0.0%	400	0.0%	400	0.0%	400	0.0%
Other (Interest, etc.)	6,000	6,000	0.0%	8,000	0.0%	3,400	-43.3%	4,000	17.6%	4,000	0.0%
Total Estimated Revenues	162,388	171,136	5.4%	168,440	-1.6%	164,186	-2.5%	184,796	0.4%	164,796	0.0%
Undesignated Fund Balance	138,364	121,799	-12.0%	108,813	-12.2%	104,895	-2.1%	0	-100.0%	0	0.0%
Tax Commitment	\$ 441,047	\$ 459,129	4.1%	\$ 480,525	4.7%	\$ 494,827	3.0%	\$ 762,168	54.0%	\$ 886,635	13.7%

PENOBSCOT COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information				Children						Adult		Homes				
	Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal		
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	
Penobscot																
Argyle	202	253	277	13	21	43	27	10	10	187	219	110	120	14	19	
East Central**	279	324	343	18	23	53	49	21	12	232	259	142	140	149	164	
Kingman	246	213	174	7	7	17	10	12	8	177	149	99	82	15	22	
North	403	443	463	11	6	43	25	14	14	375	418	219	226	818	844	
Prentiss*	245	214	214	16	10	28	20	11	7	169	177	91	95	22	83	
Pukaton	0	0	5	0	0	0	3	0	0	0	2	0	1	28	37	
Twombly	N/A	2	0	0	0	0	0	0	0	2	0	2	0	9	10	
	1,375	1,449	1,471	65	67	184	134	68	51	1,132	1,224	663	664	1,055	1,179	

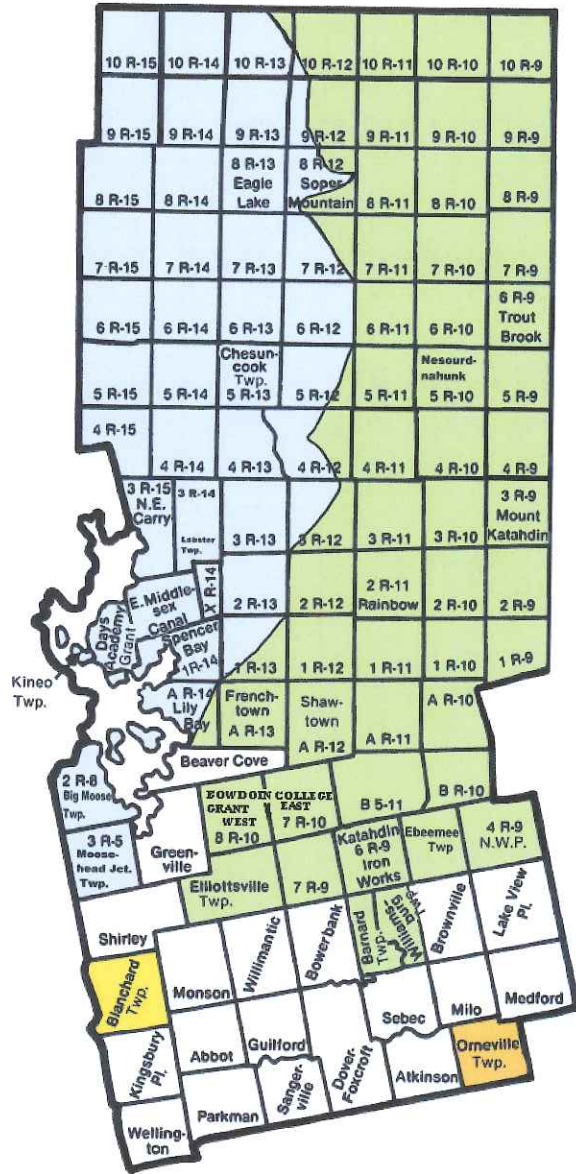
*Prentiss deorganized June, 1990
 **Greenfield deorganized July, 1993 and population added to East Central (2000 census)
 ***Pukaton (FKA Whitney Twp, T5 R1 NBPP renamed in 1996)

UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES
Six Year Comparison Ended June 30, 2013

Penobscot

	<u>2008</u>	<u>2009</u>	Increase (-) Decrease	<u>2010</u>	Increase (-) Decrease	<u>2011</u>	Increase (-) Decrease	<u>2012</u>	Increase (-) Decrease	<u>2013</u>	Increase (-) Decrease
Services:											
Roads/Bridges	\$ 150,000	\$ 129,700	-13.5%	\$ 27,270	-78.0%	\$ 57,870	111.5%	\$ 106,150	84.1%	\$ 104,950	-1.2%
Snow Removal	545,537	586,794	7.9%	745,233	26.8%	688,406	-6.3%	793,231	13.8%	796,575	0.4%
Solid Waste	222,420	218,745	-1.7%	261,100	18.4%	227,275	-13.0%	231,725	2.0%	202,635	-12.6%
Fire Protection	66,939	63,038	-5.8%	63,038	0.0%	65,550	4.0%	70,660	7.8%	71,730	1.5%
Cemeteries	20,205	20,618	2.0%	21,440	4.0%	20,935	-2.8%	21,200	1.8%	21,700	2.4%
Ambulance	23,000	20,500	-10.9%	21,000	2.4%	21,000	0.0%	21,000	0.0%	22,000	4.8%
Street Lights	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Snowmobile Trails	2,300	500	-78.3%	2,000	300.0%	1,500	-25.0%	1,500	0.0%	1,500	0.0%
Polling Places	2,000	2,500	25.0%	3,000	20.0%	3,000	0.0%	3,000	0.0%	3,000	0.0%
Recreation	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Animal Control	3,950	4,150	5.1%	4,800	15.7%	4,900	2.1%	4,500	-8.2%	5,300	17.8%
Community Contributions	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E911	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Misc. (Audit/Bank Fees)	1,500	1,500	0.0%	2,500	66.7%	3,000	20.0%	3,000	0.0%	3,000	0.0%
Total Services	1,037,650	1,050,045	1.2%	1,151,381	9.7%	1,103,136	-4.2%	1,255,966	13.9%	1,232,290	-1.9%
Other:											
Contingent	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital/Paving - Reserve	50,000	205,000	310.0%	197,000	-3.9%	206,500	4.8%	110,000	-46.7%	176,950	60.8%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	50,000	205,000	310.0%	197,000	-3.9%	206,500	4.8%	110,000	-46.7%	176,950	60.8%
Administration	54,393	62,752	15.4%	67,419	7.4%	65,482	-2.9%	69,298	4.3%	70,457	3.2%
Total Appropriations	1,142,243	1,317,797	15.4%	1,415,800	7.4%	1,375,118	-2.9%	1,434,264	4.3%	1,479,597	3.2%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	125,000	125,000	0.0%	118,000	-5.6%	0	-100.0%	90,000	100.0%	95,000	5.6%
Excise Taxes	130,000	150,000	15.4%	170,000	13.3%	180,000	5.9%	158,000	-12.2%	178,000	12.7%
Snowmobile	600	400	-33.3%	400	0.0%	0	-100.0%	0	0.0%	0	0.0%
Other: Contracts/Int/URIP	54,575	67,325	23.4%	128,564	91.0%	176,412	37.2%	87,981	-50.1%	67,399	-0.7%
Total Estimated Revenues	310,175	342,725	10.5%	416,964	21.7%	356,412	-14.5%	335,981	-5.7%	360,399	7.3%
Undesignated Fund Balance	0	117,377	100.0%	113,456	100.0%	113,868	0.4%	166,502	46.2%	142,225	-14.6%
Tax Commitment	\$ 832,068	\$ 857,695	3.1%	\$ 865,380	3.2%	\$ 904,838	2.2%	\$ 931,781	3.0%	\$ 976,973	4.9%

PISCATAQUIS COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information				Children						Adult		Homes			
	Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal	
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010		
Piscataquis															
*Blanchard	78	83	98	2	1	7	8	8	1	66	88	53	46	95	93
Northeast	218	347	273	16	3	37	16	18	10	276	244	177	140	1,037	1,188
Northwest	141	159	147	6	2	19	7	3	6	131	132	62	81	895	952
Southeast	247	254	253	6	14	39	18	13	5	196	216	118	113	199	220
	384	843	771	30	20	102	49	42	22	669	680	410	380	2,226	2,453

*Blanchard deorganized in 1985

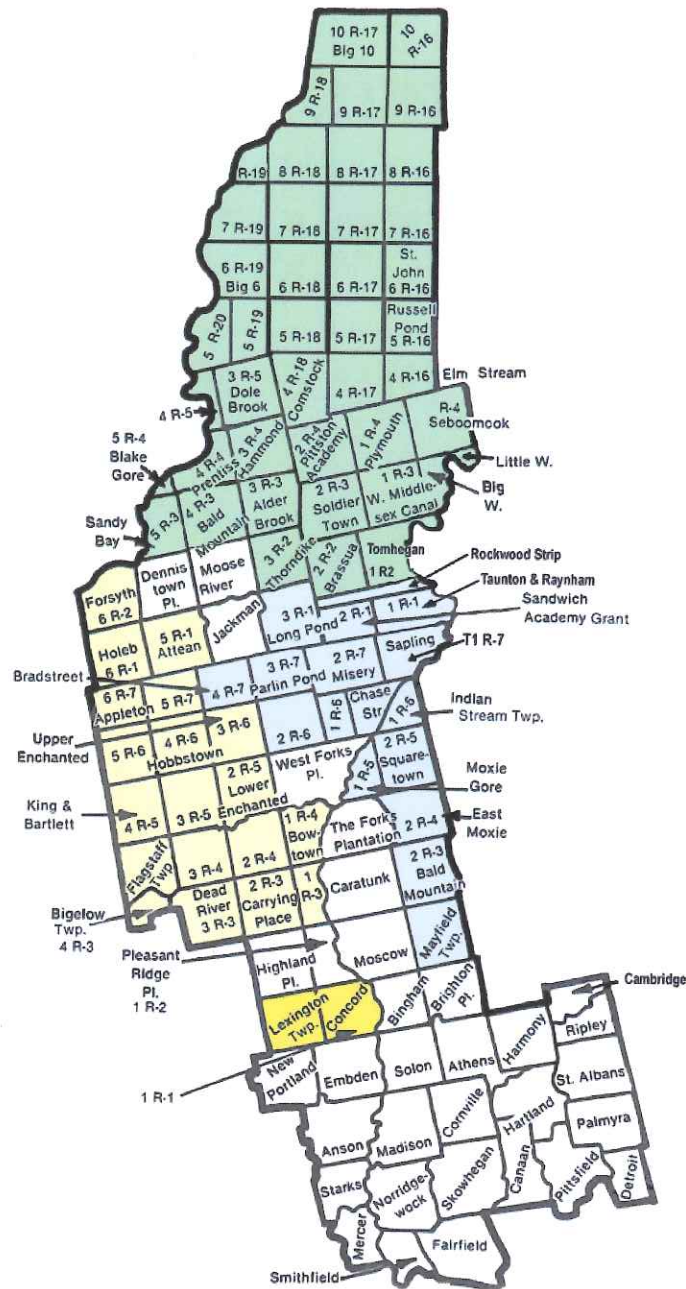
UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

Piscataquis

	<u>2008</u>	<u>2009</u>	<u>Increase (-) Decrease</u>	<u>2010</u>	<u>Increase (-) Decrease</u>	<u>2011</u>	<u>Increase (-) Decrease</u>	<u>2012</u>	<u>Increase (-) Decrease</u>	<u>2013</u>	<u>Increase (-) Decrease</u>
Services:											
Roads/Bridges	\$ 270,000	\$ 309,000	14.4%	\$ 320,700	3.8%	\$ 239,500	-25.3%	220,000	-8.1%	\$ 411,000	86.8%
Snow Removal	408,098	517,400	27.4%	534,937	3.4%	538,000	0.6%	537,500	-0.1%	520,000	-3.3%
Dumps	295,431	339,000	14.7%	380,850	12.3%	317,500	-16.8%	280,800	-11.6%	289,425	3.1%
Fire Protection	109,579	115,100	5.0%	122,600	6.5%	106,100	-13.5%	99,400	-6.3%	103,000	3.6%
Cemeteries	7,800	9,800	28.8%	7,800	-20.4%	8,800	-15.4%	7,600	15.2%	7,600	0.0%
Ambulance	10,000	9,000	-10.0%	10,000	11.1%	12,500	25.0%	12,500	0.0%	12,545	0.4%
Street Lights	0	0	0.0%	0	0.0%	1,800	0.0%	750	-58.3%	1,425	90.0%
Snowmobile Trails	3,000	3,000	0.0%	5,000	0.0%	5,000	0.0%	5,000	0.0%	5,000	0.0%
Polling Places	1,250	1,500	20.0%	1,500	0.0%	1,500	0.0%	1,150	-23.3%	1,100	-4.3%
Recreation	0	0	0.0%	0	0.0%	4,713	100.0%	4,713	0.0%	4,713	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Animal Control	2,500	3,500	40.0%	5,500	40.0%	5,500	0.0%	5,500	0.0%	5,500	0.0%
Community Contributions	1,000	0	-100.0%	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
E911	8,000	8,700	100.0%	9,100	4.6%	0	-100.0%	1,600	100.0%	9,450	490.6%
Miscellaneous	15,000	58,000	273.3%	33,913	-39.4%	43,250	27.5%	60,775	40.5%	53,850	-11.7%
Total Services	1,129,458	1,372,000	21.5%	1,431,700	4.4%	1,281,963	-10.5%	1,237,288	-3.5%	1,424,408	15.1%
Other:											
Contingent	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital/Paving - Reserve	81,000	81,000	0.0%	170,000	109.9%	126,000	-25.9%	194,000	54.0%	0	0.0%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	81,000	81,000	0.0%	170,000	109.9%	126,000	-25.9%	194,000	54.0%	0	-100.0%
Administration	80,523	80,523	0.0%	80,085	32.3%	70,000	-12.6%	71,838	2.3%	69,414	-3.1%
Total Appropriations	1,270,981	1,513,523	19.1%	1,881,785	11.1%	1,477,963	-12.1%	1,502,926	1.7%	1,493,822	-0.6%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	84,000	84,000	0.0%	84,000	0.0%	81,000	-3.6%	81,000	0.0%	81,000	0.0%
Excise Taxes	155,000	155,000	0.0%	160,000	3.2%	155,000	-3.1%	140,000	-9.7%	140,000	0.0%
Snowmobile/ATV	1,000	1,000	0.0%	775	-22.5%	1,000	29.0%	2,000	100.0%	2,000	0.0%
Other: Int/Recycling, etc.	36,530	36,530	0.0%	47,660	30.5%	38,130	-20.0%	48,070	26.1%	22,450	-53.3%
Total Estimated Revenues	276,530	276,530	0.0%	292,435	5.8%	275,130	-5.9%	271,070	-1.5%	245,450	-9.5%
Undesignated Fund Balance	92,914	92,914	100.0%	0	-100.0%	189,280	100.0%	265,000	58.6%	300,000	13.2%
Tax Commitment	\$ 901,537	\$ 1,144,079	26.9%	\$ 1,389,350	21.4%	\$ 1,033,573	-2.6%	988,858	-6.5%	948,372	-1.9%

SOMERSET COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information	Population			Children				Adult		Homes					
	1990	2000	2010	0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal	
				2000	2010	2000	2010	2000	2010	2000	2010	2000	2010		
Somerset:															
Central	289	336	338	15	12	32	36	18	7	271	283	177	158	166	169
Northeast	377	354	390	11	10	43	29	22	10	278	341	181	191	881	1029
Northwest	8	46	62	3	1	6	7	2	1	35	53	29	31	423	563
Seboomook	19	45	48	0	3	6	4	1	3	38	38	53	21	315	320
	693	781	838	29	26	87	76	43	21	622	715	440	401	1,785	2,081

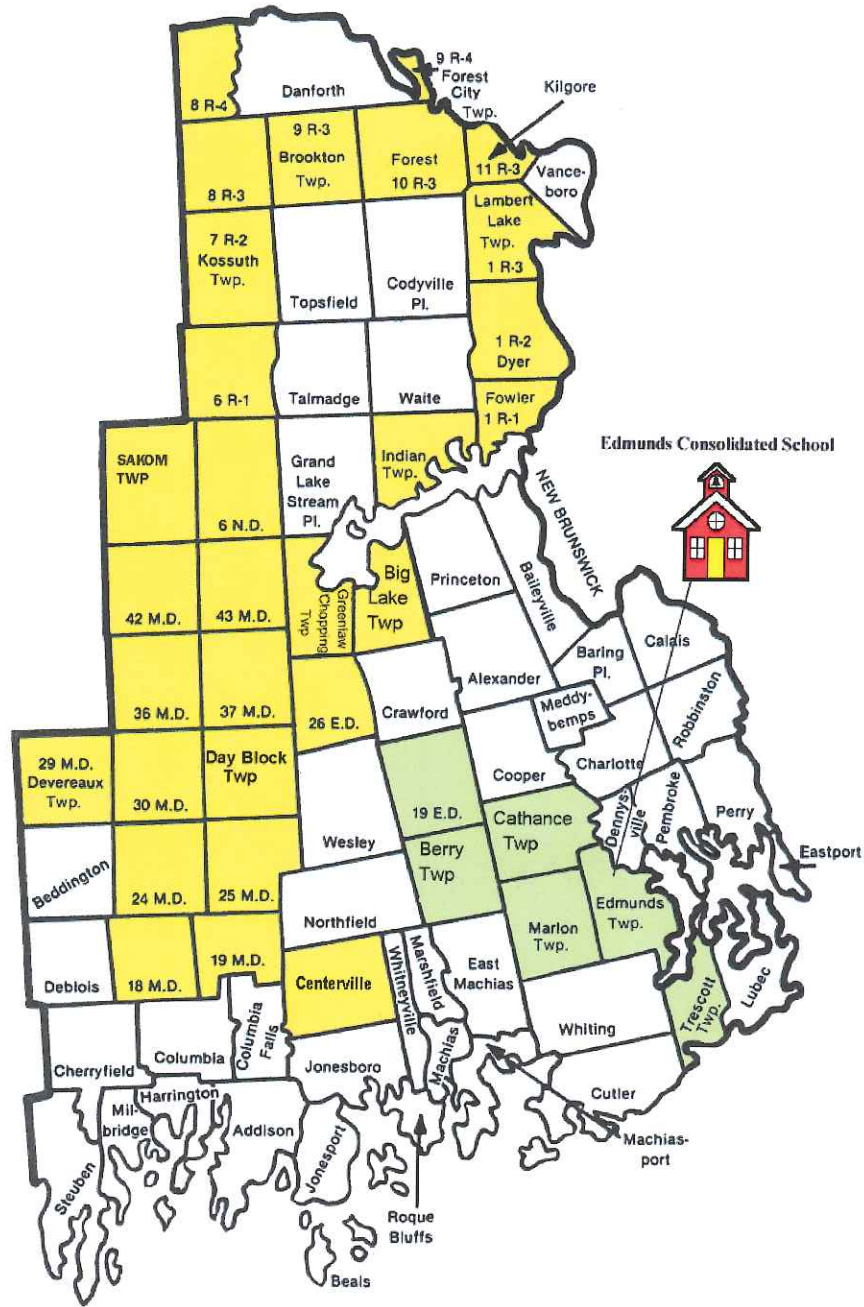
UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

Somerset

	<u>2008</u>	<u>2009</u>	<u>Increase (-) Decrease</u>	<u>2010</u>	<u>Increase (-) Decrease</u>	<u>2011</u>	<u>Increase (-) Decrease</u>	<u>2012</u>	<u>Increase (-) Decrease</u>	<u>2013</u>	<u>Increase (-) Decrease</u>
Services:											
Roads/Bridges	\$ 171,250	\$ 179,493	4.8%	\$ 197,980	10.3%	\$ 223,925	13.1%	\$ 222,269	-0.7%	\$ 227,364	2.3%
Snow Removal	282,005	257,417	-8.7%	307,259	19.4%	351,583	14.4%	377,591	7.4%	417,173	10.5%
Waste Management	213,224	215,357	1.0%	202,495	-6.0%	195,220	-3.6%	210,500	7.8%	203,567	-3.3%
Fire Protection	101,788	119,886	17.8%	129,517	8.1%	121,602	-6.1%	124,700	2.5%	104,135	-16.5%
Cemeteries	6,800	6,800	0.0%	7,000	2.9%	7,000	0.0%	7,100	1.4%	8,000	12.7%
Ambulance	17,727	26,225	47.9%	28,783	9.6%	28,199	-2.0%	26,150	-0.2%	39,153	39.1%
Street Lights	4,000	4,200	5.0%	5,300	26.2%	5,300	0.0%	5,500	3.8%	5,700	3.6%
Snowmobile Trails	15,848	15,848	0.0%	13,857	-12.6%	13,857	0.0%	13,857	0.0%	18,400	16.4%
Polling Places	1,500	1,500	0.0%	1,800	20.0%	1,900	5.6%	1,900	0.0%	2,400	26.3%
Comm.Bldg - Rockwood	6,392	7,100	11.1%	7,650	7.7%	9,100	19.0%	9,750	7.1%	11,700	20.0%
Animal Control	4,000	4,000	0.0%	4,000	0.0%	4,000	0.0%	4,000	0.0%	5,200	30.0%
Program Services	9,200	6,200	-32.6%	6,200	0.0%	7,800	25.8%	7,800	0.0%	8,300	6.4%
UT Services Assist.	36,058	36,613	1.5%	36,507	5.2%	40,523	5.2%	56,059	43.3%	58,767	1.2%
Miscellaneous	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Services	869,792	880,619	1.2%	950,347	7.9%	1,010,009	6.3%	1,071,176	6.1%	1,107,859	3.4%
Other:											
Contingent	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital - Reserve	194,658	270,075	38.7%	235,419	-12.8%	225,800	-4.1%	325,000	43.9%	494,764	49.2%
Capital - Outlay- Rockwood Fir	0	0	0.0%	0	0.0%	0	0.0%	7,000	100.0%	12,000	71.4%
Vehicle										15,000	NEW
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	194,658	270,075	38.7%	235,419	-12.8%	225,800	-4.1%	332,000	47.0%	511,764	54.1%
Administration	53,222	57,535	8.1%	59,299	3.0%	61,790	4.2%	69,607	11.0%	69,520	1.3%
Total Appropriations	1,117,672	1,208,229	8.1%	1,245,054	3.0%	1,297,599	4.2%	1,471,783	13.4%	1,689,143	14.8%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	69,949	70,176	1.9%	67,288	-4.1%	74,288	10.4%	74,288	0.0%	69,308	-8.0%
Excise Taxes	140,000	140,000	0.0%	146,000	4.3%	146,962	0.6%	125,000	-14.9%	135,000	8.0%
Snowmobile	1,400	1,400	0.0%	1,500	7.1%	2,908	93.9%	2,500	-14.0%	1,300	-48.0%
Other	41,263	43,513	5.5%	39,488	-9.3%	50,771	28.6%	39,794	-21.6%	21,911	-44.9%
Total Estimated Revenues	251,511	255,099	1.4%	254,256	-0.3%	274,829	8.1%	241,582	-12.1%	226,519	-6.2%
Undesignated Fund Balance	26,154	88,666	239.0%	102,492	15.6%	111,240	8.5%	99,822	-19.3%	74,391	-17.2%
Tax Commitment	\$ 840,007	\$ 864,474	2.9%	\$ 899,306	2.8%	\$ 911,530	2.6%	\$ 1,140,379	25.1%	\$ 1,369,233	21.7%

WASHINGTON COUNTY UNORGANIZED TERRITORY 2010 RESIDENT POPULATION CENSUS



U.S. Census Bureau Information			Children						Adult		Homes				
Population			0 to 4 yrs		5 to 14 yrs		15 to 17 yrs		18 yrs and older		Year Round		Seasonal		
	1990	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010		
Washington:															
East Central*	661	768	728	41	39	113	73	36	33	578	583	367	321	242	247
North**	496	547	499	27	23	70	47	25	28	425	401	268	223	776	811
Centerville***	30	26	N/A	3	N/A	3	N/A	0	N/A	20	N/A	19	N/A	5	N/A
	1,157	1,341	1,227	71	62	186	120	61	61	1,023	984	654	544	1,023	1,058

*Cathance Township (FKA Township 14) deorganized in April, 1966 and population added to East Central
 **Big Lake Township (FKA Township 21) deorganized in April, 1983 and population added to North
 ***Centerville deorganized July 1, 2004 and population added to North

UNORGANIZED TERRITORY
ANALYSIS OF BUDGET PROPOSALS - COUNTIES

Six Year Comparison Ended June 30, 2013

Washington

	2008	2009	Increase (-) Decrease	2010	Increase (-) Decrease	2011	Increase (-) Decrease	2012	Increase (-) Decrease	2013	Increase (-) Decrease
Services:											
Roads/Bridges	\$ 295,390	\$ 307,614	4.1%	\$ 309,321	0.6%	\$ 304,105	-1.7%	\$ 311,581	2.5%	\$ 309,090	-0.8%
Snow Removal	327,434	331,419	1.2%	417,480	26.0%	429,039	2.8%	432,987	0.9%	465,561	7.5%
Dumps	132,228	88,641	-33.0%	89,966	1.5%	105,259	17.0%	117,842	12.0%	130,137	10.4%
Fire Protection	57,028	55,301	-3.0%	56,326	1.9%	57,359	1.8%	50,060	-12.7%	53,701	7.3%
Cemeteries	6,000	5,150	-14.2%	6,450	25.2%	5,700	-11.6%	5,500	-3.5%	5,800	5.5%
Ambulance	Inc. w/fire	Inc. w/fire	0.0%	Inc. w/fire	0.0%	Inc. w/fire	0.0%	18,483	100.0%	64,386	248.4%
Street Lights	3,500	1,640	-53.1%	690	-57.9%	965	39.9%	830	-14.0%	825	-0.6%
Shellfish Con. Program	0	0	0.0%	29,577	100.0%	28,402	-4.0%	17,736	-37.6%	29,793	68.0%
Polling Places	7,100	2,700	-62.0%	2,800	3.7%	3,200	14.3%	3,050	-4.7%	3,350	9.8%
Recreation	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Senior Citizens	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Animal Control	15,829	17,327	9.5%	20,296	17.1%	19,573	-3.6%	8,736	-55.4%	37,194	325.8%
Community Contributions	15,780	14,700	-6.4%	14,700	0.0%	15,900	8.2%	15,900	0.0%	16,950	6.6%
E911	5,000	5,000	0.0%	5,000	0.0%	5,000	0.0%	5,000	0.0%	5,000	0.0%
Misc/Equip. Operations	34,943	39,937	14.3%	12,750	-68.1%	12,300	-3.5%	9,248	-24.8%	18,100	95.7%
Total Services	900,152	869,429	-3.4%	965,356	11.0%	986,802	2.2%	996,953	1.0%	1,139,887	14.3%
Other:											
Contingent	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Capital - Reserve	116,756	146,250	25.3%	126,000	-13.8%	119,500	-5.2%	119,000	-0.4%	116,000	-2.5%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Other	116,756	146,250	25.3%	126,000	-13.8%	119,500	-5.2%	119,000	-0.4%	116,000	-2.5%
Administration	30,507	30,470	-0.1%	38,197	25.4%	38,721	1.4%	40,174	3.8%	31,397	-21.8%
Total Appropriations	1,047,415	1,046,149	-0.1%	1,129,553	8.0%	1,145,023	1.4%	1,156,127	1.0%	1,287,284	11.3%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assist/UR	104,756	106,372	1.5%	100,892	-5.2%	99,900	-1.0%	99,900	0.0%	99,900	0.0%
Excise Taxes	180,000	197,395	9.7%	176,050	-10.8%	184,495	4.8%	195,702	6.1%	225,000	15.0%
Snowmobile	600	311	-48.2%	483	55.3%	311	-35.6%	483	55.3%	550	13.9%
Other: Rent/Recycle, e	25,300	25,700	1.6%	29,530	14.9%	27,348	-7.4%	31,600	15.5%	50,900	61.1%
Total Estimated Revenues	310,656	329,778	6.2%	306,955	-6.9%	312,054	1.7%	327,685	5.0%	376,350	14.9%
Undesignated Fund Balance	25,000	30,000	20.0%	60,000	100.0%	50,000	-16.7%	20,000	-60.0%	75,000	275.0%
Tax Commitment	\$ 711,759	\$ 686,371	-3.6%	\$ 762,598	11.1%	\$ 782,969	2.7%	\$ 808,442	3.3%	\$ 835,934	3.4%

UNORGANIZED TERRITORIES
ANALYSIS OF BUDGET PROPOSALS - COUNTIES
Six Year Comparison Ended June 30, 2013

Totals

	2008	2009	Increase (-) Decrease	2010	Increase (-) Decrease	2011	Increase (-) Decrease	2012	Increase (-) Decrease	2013	Increase (-) Decrease
Services:											
Roads/Bridges/Public Works	\$ 1,495,738	\$ 1,555,951	4.0%	\$ 1,492,964	-4.0%	\$ 1,447,912	-3.0%	\$ 1,524,041	5.3%	\$ 1,727,650.00	13.4%
Snow Removal/Sand & Salt	2,319,161	2,448,502	5.6%	2,870,861	17.2%	2,910,039	1.4%	3,064,437	5.3%	3,138,512.00	2.4%
Dumps/Septage Removal, etc.	1,196,656	1,189,589	-0.6%	1,260,283	5.9%	1,180,971	-6.3%	1,174,749	-0.5%	1,156,327.00	-1.6%
Fire Protection/Public Safety	596,535	637,497	6.9%	694,798	9.0%	692,082	-0.4%	711,395	2.6%	711,217.00	0.0%
Cemeteries	47,085	50,286	6.8%	52,042	3.5%	48,754	-6.3%	50,055	2.7%	58,609.00	13.1%
Ambulance	189,992	191,169	0.6%	194,777	1.9%	186,209	-4.4%	214,249	15.1%	262,067.00	22.3%
Street Lights	18,855	18,300	-2.8%	19,390	6.0%	21,095	8.8%	20,210	-4.2%	20,805.00	2.9%
Snowmobile Trails	22,848	20,848	-7.9%	22,357	7.2%	21,867	-2.2%	21,957	0.0%	24,400.00	11.6%
Polling Places	22,705	19,670	-13.4%	20,870	6.1%	16,880	-19.1%	16,390	-3.0%	18,380.00	12.2%
Recreation/Rockwood Com. Bldg/Libraries	17,122	19,230	12.3%	21,370	11.1%	26,555	24.3%	28,777	8.4%	25,793.00	-10.4%
Senior Citizens	10,605	11,442	7.9%	17,994	57.3%	19,151	0.9%	16,651	-8.3%	16,651.00	0.0%
Animal Control	33,779	36,377	13.6%	46,145	20.2%	48,023	4.1%	32,986	-31.3%	58,264.00	76.8%
Community Contributions, etc.	57,192	60,082	5.1%	52,414	-12.8%	62,713	19.6%	43,815	-30.1%	51,578.00	17.7%
E911/EMA	57,882	57,498	-0.7%	60,446	5.1%	54,661	-9.5%	85,068	55.6%	29,136.00	-85.7%
UT Services Asst										58,767.00	NEW
GPS										5,000.00	NEW
Misc./Audit/Rent Land/ Shellfish Conservation Prog	74,143	132,337	78.5%	111,040	-16.1%	134,061	20.8%	158,696	18.4%	160,038.00	0.8%
Total Services	\$ 8,180,298	\$ 6,460,778	4.7%	\$ 6,937,753	7.5%	\$ 6,970,003	-1.0%	\$ 7,163,361	4.3%	\$ 9,515,583.00	32.8%
Other:											
Contingent	31,954	26,500	-17.1%	26,500	0.0%	26,500	0.0%	26,000	-1.9%	26,000.00	0.0%
Capital/Equip/Paving Reserve	1,027,296	1,418,851	38.1%	1,199,692	-15.4%	1,257,100	4.8%	1,182,750	-5.9%	1,229,314.00	3.9%
Capital - Outlay	0	0	0.0%	0	0.0%	0	0.0%	200,000	100.0%	326,500.00	64.3%
Debt	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.00	0
Total Other	\$ 1,059,250	\$ 1,445,151	36.4%	\$ 1,226,192	-15.2%	\$ 1,283,600	4.7%	\$ 1,408,750	9.7%	\$ 1,593,814.00	12.4%
Administration	340,425	374,413	10.0%	391,827	4.7%	390,668	-0.3%	411,506	5.3%	410,585.00	-0.2%
Total Appropriations	\$ 7,559,973	\$ 6,270,432	9.4%	\$ 6,599,049	3.9%	\$ 6,544,291	-0.5%	\$ 6,963,617	5.1%	\$ 9,515,583.00	5.9%
Confirmation of Assessments											
Estimated Revenues:											
Local Road Assistance	584,164	589,432	0.9%	567,598	-3.7%	443,899	-21.8%	541,512	22.0%	540,332.00	-0.2%
Excise Taxes	1,021,500	1,097,500	7.4%	1,108,550	1.0%	1,120,577	1.1%	1,073,202	-4.2%	1,134,000.00	5.7%
Snowmobile	5,910	5,421	-8.3%	5,368	-1.0%	6,429	19.8%	7,193	11.9%	6,060.00	-15.8%
Other/Contracts/Reimb/ Int/Grants, etc	196,066	228,188	22.6%	295,062	29.3%	349,661	18.6%	256,165	-26.8%	222,180.00	-13.3%
Total Estimated Revenues	\$ 1,797,662	\$ 1,920,541	6.8%	\$ 1,976,578	2.9%	\$ 1,920,755	-2.8%	\$ 1,871,090	-2.6%	\$ 1,902,572.00	1.7%
Undesignated Fund Balance	436,962	694,190	58.9%	567,418	-18.3%	802,514	41.4%	684,534	-27.2%	753,051	28.8%
Tax Commitment	\$ 5,325,349	\$ 5,655,611	6.2%	\$ 6,011,777	6.3%	\$ 5,821,022	-3.2%	\$ 6,527,993	12.1%	\$ 6,993,955.32	7.1%

UNORGANIZED TERRITORY MILL RATE ANALYSIS

County	FY00	FY01	FY02	FY03	FY04	FY05	FY06	*FY07	FY08	FY09	**FY10	FY11	FY12
Aroostook	0.00707	0.00820	0.00856	0.00788	0.00756	0.00754	0.00754	0.00696	0.00646	0.00641	0.00825	0.00741	0.00658
Franklin	0.00958	0.01262	0.01273	0.01126	0.01021	0.01117	0.01024	0.00883	0.00808	0.00810	0.00885	0.00732	0.00720
Hancock	0.00595	0.00663	0.00674	0.00673	0.00597	0.00620	0.00666	0.00601	0.00578	0.00495	0.00670	0.00592	0.00500
Kennebec	0.00835	0.01171	0.00999	0.00809	0.00812	0.00884	0.00816	0.00718	0.00480	0.00473	0.00642	0.00607	0.00560
Knox	0.00575	0.00681	0.00717	0.00638	0.00571	0.00574	0.00592	0.00472	0.00463	0.00446	0.00631	0.00556	0.00481
Lincoln	0.00554	0.00655	0.00691	0.00638	0.00556	0.00557	0.00585	0.00505	0.00478	0.00463	0.00636	0.00571	0.00503
Oxford	0.00762	0.00918	0.00958	0.00890	0.00836	0.00805	0.00853	0.00721	0.00703	0.00688	0.00860	0.00785	0.00818
Penobscot	0.00962	0.01066	0.01107	0.01061	0.00934	0.00962	0.00969	0.00857	0.00842	0.00852	0.01055	0.00959	0.00866
Piscataquis	0.00702	0.00813	0.00880	0.00797	0.00757	0.00798	0.00841	0.00725	0.00691	0.00716	0.00951	0.00791	0.00703
Somerset	0.00717	0.00873	0.00887	0.00825	0.00782	0.00765	0.00780	0.00685	0.00676	0.00821	0.00906	0.00868	0.00856
Waldo	0.00580	0.00666	0.00730	0.00676	0.00614	0.00637	0.00692	0.00502	0.00482	0.00506	0.00704	0.00629	0.00559
Washington	0.00936	0.00906	0.00920	0.00939	0.00866	0.00894	0.00919	0.00882	0.00837	0.00770	0.00930	0.00865	0.00812
State Level Services Mill Rate	0.00452	0.00541	0.00553	0.004815	0.004409	0.004399	0.004578	0.003952	0.00353	0.003392	0.005151	0.004424	0.00359

*Revaluations

**First year of windmill TIFs in Franklin and Washington Counties

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APPENDICES

APPENDIX I

Maine Revised Statute Title 30-A Chapter 3: COUNTY BUDGET AND FINANCES

30-A §706-A. LIMITATION ON COUNTY ASSESSMENTS

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Average real personal income growth" has the same meaning as under Title 5, section 1531, subsection 2. [2005, c. 621, §5 (AMD).]

B. "County assessment" means :

(1) For the tax year of any county that began prior to January 1, 2009, total annual county appropriations reduced by all resources available to fund those appropriations other than the county tax; or

(2) For the tax year of any county that begins on or after January 1, 2009, total annual county appropriations for noncorrectional-related services as established in section 701, reduced by all resources available to fund those appropriations other than the county tax. [2007, c. 653, Pt. A, §10 (AMD).]

C. "Forecasted inflation" has the same meaning as under Title 5, section 1531, subsection 6. [2005, c. 621, §6 (AMD).]

D. "Property growth factor" means the percentage equivalent to a fraction , whose denominator is the total valuation of all municipalities, plantations and unorganized territory in the county, and whose numerator is the amount of increase in the assessed valuation of any real or personal property in those jurisdictions that became subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. The State Tax Assessor shall provide to the counties forms and a methodology for the calculation of the property growth factor, and the counties shall use those forms and the methodology to establish the property growth factor. [2007, c. 653, Pt. A, §10 (AMD).]

E. "State and local tax burden" has the same meaning as under Title 5, section 1531, subsection 9. [2005, c. 621, §7 (AMD).]

[2007, c. 653, Pt. A, §10 (AMD) .]

2. County assessment limit. Except as otherwise provided in this section, a county may not in any year adopt a county assessment that exceeds the county assessment limit established in this subsection.

A. The county assessment limit for the first fiscal year for which this section is effective is the county assessment for the county for the immediately preceding fiscal year multiplied by one plus the growth limitation factor pursuant to subsection 3. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF).]

B. The county assessment limit for subsequent fiscal years is the county assessment limit for the preceding year multiplied by one plus the growth limitation factor pursuant to subsection 3. [2005, c. 621, §8 (AMD).]

C. If a previous year's county assessment reflects the effect of extraordinary, nonrecurring events, the county may submit a written notice to the State Tax Assessor requesting an adjustment in its county assessment limit. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF).]

[2005, c. 621, §8 (AMD) .]

3. Growth limitation factor. The growth limitation factor is calculated as follows.

A. For fiscal years when the State Tax Assessor has determined that the state and local tax burden ranks in the

APPENDIX I

highest 1/3 of all states, the growth limitation factor is average real personal income growth but no more than 2.75%, plus the property growth factor. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF).]

B. For fiscal years when the state and local tax burden ranks in the middle 1/3 of all states, as determined by the State Tax Assessor, the growth limitation factor is the average real personal income growth plus forecasted inflation plus the property growth factor. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF).]

[2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF) .]

4. Adjustment for new state funding. If the State provides net new funding to a county for existing services funded in whole or in part by the county assessment, other than required state mandate funds pursuant to section 5685 that do not displace current county assessment expenditures, the county shall lower its county assessment limit in that year in an amount equal to the net new funds. For purposes of this subsection, "net new funds" means the amount of funds received by the county from the State in that fiscal year, with respect to services funded in whole or in part by the county assessment, less the product of the following: the amount of such funds received in the prior fiscal year multiplied by one plus the growth limitation factor described in subsection 3. If a county receives net new funds in any fiscal year for which its county assessment limit has not been adjusted as provided in this subsection, the county shall adjust its county assessment limit in the following year in an amount equal to the net new funds.

[2005, c. 683, Pt. I, §1 (AMD) .]

5. Exceeding county assessment limit; extraordinary circumstances. The county assessment limit established in subsection 2 may be exceeded for extraordinary circumstances only under the following circumstances.

A. The extraordinary circumstances must be circumstances outside the control of the county budget authority, including:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded state or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of state or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF).]

B. The county assessment limit may be exceeded only as provided in subsection 7. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF) .]

C. Exceeding the county assessment limit established in subsection 2 permits the county assessment to exceed the county assessment limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the county assessment limit for future years. [2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF) .]

D. For fiscal years 2005-06 and 2006-07 in Sagadahoc County, and fiscal years 2006 and 2007 in Lincoln County, that portion of the county assessment that is attributable to the costs of construction, debt service, operation and maintenance of a new jail facility authorized under chapter 17 is not subject to paragraphs A, B and C or to subsections 2, 6 and 7. Notwithstanding subsection 2, paragraph A, the county assessment limit for fiscal year 2007-08 for Sagadahoc County and fiscal year 2008 in Lincoln County is the county assessment for each county for the previous fiscal year, multiplied by one plus the growth limitation factor pursuant to subsection 3. Notwithstanding subsection 2, paragraph C, the county assessments for Sagadahoc County in

APPENDIX I

fiscal year 2008-09 and subsequent fiscal years and for Lincoln County in fiscal year 2009 and subsequent fiscal years are subject to subsection 2, paragraph B. [2005, c. 348, §1 (NEW).]

[2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF); 2005, c. 348, §1 (AMD) .]

6. Increase in county assessment limit. The county assessment limit established in subsection 2 may be increased for other purposes only as provided in subsection 7.

[2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF) .]

7. Process for exceeding county assessment limit. A county may exceed or increase the county assessment limit only if approved by a vote of a majority of all the members of both the county budget committee or county budget advisory committee and the county commissioners.

Unless a county charter otherwise provides or prohibits a petition and referendum process, if a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the county, requesting a vote on the question of exceeding the county assessment limit is submitted to the county commissioners within 30 days of the commissioners' vote pursuant to this subsection, the article voted on by the commissioners must be submitted to the legal voters in the next regular election or a special election called for that purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters, the filing requirement contained in section 2528 does not apply and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the county commissioners and entered upon the county records.

[2005, c. 2, Pt. B, §4 (AFF); 2005, c. 12, Pt. WW, §§13, 14 (AFF); 2005, c. 12, Pt. WW, §10 (AMD) .]

8. Treatment of surplus; reserves. Any county tax revenues collected by a county in any fiscal year in excess of its county assessment limit, as determined by a final audited accounting, must be transferred to a county tax relief fund, which each county must establish, and used to reduce county assessments in subsequent fiscal years. Nothing in this subsection limits the ability of a county to maintain adequate reserves.

[2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF) .]

9. Enforcement. If a county adopts a county assessment in violation of this section, the State Tax Assessor may require the county to adjust its county assessment downward in an amount equal to the illegal county assessment and impose such other penalties as the Legislature may provide.

[2005, c. 2, Pt. B, §§2, 4 (AFF); 2005, c. 2, Pt. B, §1 (NEW); 2005, c. 12, Pt. WW, §14 (AFF) .]

SECTION HISTORY

2005, c. 2, §§2,4 (AFF). 2005, c. 2, §B1 (NEW). 2005, c. 12, §WW10 (AMD).
2005, c. 12, §WW14 (AFF). 2005, c. 348, §1 (AMD). 2005, c. 621, §§5-8
(AMD). 2005, c. 683, §I1 (AMD). 2007, c. 653, Pt. A, §10 (AMD).

APPENDIX II

2011 LD 1 Progress Report

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This report is available online: <http://www.state.me.us/spo/economics/>

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Executive Summary

In January 2005, Governor John E. Baldacci signed into law LD 1: An Act to Increase the State Share of Education Costs, Reduce Property Taxes and Reduce Government Spending at All Levels (Public Law 2005, Chapter 2). The goal of LD 1 is to lower Maine's state and local tax burden ranking to the middle one-third of states by 2015. The State Planning Office (SPO) annually reports on the progress made by the state, counties, municipalities, and school administrative units toward reaching the tax burden reduction goal.

In the first LD 1 report, released in January 2006, the University of Maine's Dr. Todd Gabe stated, "The ultimate success of LD 1 at lowering the tax burden in Maine will be determined, at least in part, by its ability to reduce the growth of state and local government." Below, for each level of government, two simple questions are used to assess progress toward the LD 1's tax burden reduction goals: "Is aggregate spending within the LD 1 limit?" and "Is aggregate spending growing at a slower rate than in pre-LD 1 years?" Within the report, each level of government's spending and/or tax revenue is investigated in greater depth.

State

General Fund Appropriations within LD 1 Limit? Yes No
Appropriations Growth Compared to Pre-LD 1 Years: Lower Higher

For the seventh year in a row, growth of the state's General Fund appropriations has remained below the limit set by LD 1. General Fund appropriations in FY 2012 were \$415 million (12.0%) below the limit. General Fund appropriations grew 6% from FY 2011 to FY 2012, a sharp increase after decreasing in FY 2009 and FY 2010 and growing less than 1% in FY 2011. The average annual growth for the ten years prior to LD 1 was 5.4%. The higher growth in appropriations in FY 2012 was mostly due to the expiration of federal funding from the American Recovery and Reinvestment Act of 2009 (ARRA) on June 30, 2011.

Municipalities

Combined Property Tax Levy within LD 1 Limit? Yes No
Combined Tax Levy Growth Compared to Pre-LD 1 Years: Lower Higher

For the seventh year in a row, survey-based estimates show the aggregate municipal property tax levy was below the aggregate LD 1 limit. 73% of municipalities in this year’s sample stayed within their municipal property tax levy limit, which is the highest percentage since LD 1 took effect. Based on preliminary data from Maine Revenue Services (MRS), aggregate municipal property tax commitments grew by a rate of 2.8% in 2011, which is slightly higher than last year but well below rates in years before LD 1. Small municipalities showed higher property tax commitment growth than large municipalities (3.9% vs. 2.7%) and were more likely to exceed their LD 1 limit (42% vs. 19%). Overall, property tax commitment growth in 2011 remained below pre-LD 1 years. In the three years prior to LD 1, annual commitment growth ranged from 5.2% to 6.9%.

School Administrative Units

Appropriations within LD 1 Limit? Yes No
Appropriations Growth Compared to Pre-LD 1 Years: Lower Higher

As in previous years, K-12 schools exceeded appropriations targets set by LD 1, which uses the Essential Programs and Services (EPS) model of school funding to set targets for the amount of property taxes raised for local education. The LD 1 limit for schools is 100% of EPS, but some school units might be exceeding 100% of EPS by small margins in order to provide programs and some services that are not recognized as essential in the EPS benchmark cost calculation: extracurricular activities including sports and transportation to events, Advanced Placement classes offered at some high schools, unique onetime costs incurred for facilities improvements, and even in some cases local tax dollar support for school lunch programs.

The number of local schools exceeding their limit (73% of this year’s sample) decreased slightly from last year but the amount by which they exceeded EPS stayed about the same. A record-high number (25% of this year’s sample) were under 100% of EPS. Non-federal K-12 appropriations increased substantially (2.4%) in FY 2012, but American Recovery and Reinvestment Act (ARRA) funding expired in June, 2011, so total K-12 appropriations declined 0.5% from FY 2011 to FY 2012.

Counties

Combined Assessments within LD 1 Limit? Yes No
Combined Assessment Growth Compared to Pre-LD 1 Years: Lower Higher

Counties stayed within their combined LD 1 limit in 2011. County assessments were \$1.3 million (1.0%) below the limit. Overall, assessments increased 1.2% from 2010, which is the lowest annual growth rate since LD 1 took effect. The new law unifying state and county correctional facilities and capping county jail assessments at 2008 levels coincides with this reduction in growth. Individually, nine counties stayed within their limits and seven surpassed them.

I. Introduction

In January 2005, Governor John E. Baldacci signed into law LD 1: An Act to Increase the State Share of Education Costs, Reduce Property Taxes and Reduce Government Spending at All Levels (Public Law 2005, Chapter 2). The goal of LD 1 is to lower Maine's state and local tax burden ranking to the middle one-third of states by 2015. It has three components:

- Spending limits: LD 1 limits the growth of the state's General Fund appropriations, county assessments, and local property taxes to rates reflective of Maine's income and population growth. It ties school spending to the level of student enrollment. Governing bodies may surpass the limits, but only through an explicit, public vote.
- Targeted tax relief: LD 1 increased the amount of property tax relief available through the Maine Residents Property Tax and Rent Relief Program (the "Circuit Breaker"). This program reimburses Maine homeowners and renters whose property tax bill exceeds 4% of their income. LD 1 expanded eligibility and increased the maximum refund from \$1,000 to \$2,000. Furthermore, LD 1 increased the Homestead Exemption, the amount Maine residents can subtract from the taxable value of their home, from a maximum of \$7,000 to \$13,000. A 2009 amendment (Public Law 2009, Chapter 213) reduced the Homestead Exemption to \$10,000 beginning in the 2010 tax year.
- Increased school funding: LD 1 set the course for increasing state spending on K-12 education to an amount that is 55% of the costs covered under Essential Programs and Services (EPS). In FY 2012 alone, that meant \$160 million in additional state funding was made available to offset local property tax commitments for schools (compared to 2005). However, state revenue shortfalls in the context of a national recession beginning in 2007 have delayed attainment of the 55% goal.

LD 1 charges the State Planning Office (SPO) with annually reporting the progress made by state, county, and local governments, and school administrative units, toward reaching the tax burden reduction goal. The U.S. Census Bureau compiles the tax collection data necessary to compare Maine's state and local tax burden with other states. The Census Bureau currently has tax collection data through FY 2009. Dividing total state and local tax revenue (from Census

Bureau data) by total statewide personal income (from the US Bureau of Economic Analysis), as LD 1 prescribes, SPO calculates Maine's total state and local burden for FY 2009 to be 11.7%, which is the sixth highest among the fifty states. Maine has ranked sixth highest among the fifty states for three straight years (FY 2007 – FY 2009). In FY 2009, Maine's state tax burden (7.2%) ranks 10th highest, and the local tax burden (4.5%) ranks 15th highest. An important limitation of the Census Bureau's revenue data is that it does not account for who pays the tax. Since a sizeable portion of Maine's tax revenue comes from seasonal residents and tourists, the tax burden on Maine residents may be overestimated.

For the first LD 1 report, released in January 2006, SPO contracted with Assistant Professor Todd Gabe and the Margaret Chase Smith Policy Center at the University of Maine to assess LD 1's early impact. Dr. Gabe found that "the early impact of LD 1 on reducing government spending is positive," and that, "LD 1, in its early impact, has constrained the growth of state and local governments in Maine." In 2005, state government stayed within its LD 1 limit and growth in General Fund appropriations declined. In aggregate, county assessment growth was within its limit. Approximately 60% of municipalities subject to LD 1 in 2005 stayed within their property tax levy limits. Maine Revenue Services reported that in LD 1's first year, Maine's combined state and local tax burden declined from 11.7% to 11.5%, with most of the reduction occurring at the local level. They found that statewide property taxes grew by 1.7%, the lowest rate in at least eight years. LD 1's early impact on school administrative units (SAUs) was smaller than its impact on other levels of government. Over two-thirds exceeded their spending targets and aggregate school appropriations were 3.4% over the LD 1 limit in 2005.

Replicating the core indicators first reported by Dr. Gabe, SPO found that LD 1's impact in 2006-2010 was mostly positive, but confounded by other variables. The state and a majority of county and municipal governments stayed within their limits, and revenues and/or appropriations grew slowly at all levels of government. However, much of the overall reduction in growth is due to the recession of 2007-2009 and the sluggish recovery from 2009-2011. In addition, the jail unification law that took effect in 2008 has clearly reduced growth in county tax assessments and further confounded the analysis of LD 1's impact.

This report updates last year's analysis of LD 1 and assesses progress made during 2011.

II. State Government's Experience with LD 1

LD 1 limits growth of the state's General Fund appropriations to the ten-year average annual growth rate of Maine's population plus Maine's ten-year average personal income growth (adjusted for inflation). The LD 1 appropriations limit is the previous year's limit increased by that growth factor. LD 1 provides an allowance for the additional funds expended by the state as it increases General Purpose Aid (GPA) for local schools to 55% of covered costs. The 55% goal was scheduled to be achieved in FY2010, but severe state government revenue shortfalls in the context of a national recession beginning in 2007 have delayed achievement of that goal. Once the state reaches this target, all GPA funds will be subject to the same growth limit. The state may temporarily exceed or permanently increase its limit, but only through an explicit vote of the Legislature.

The state's growth factor for FY2012 and FY2013 was set in December 2010 using the most current data available at the time. The ten-year average income growth was 1.66% and population growth was 0.40%, resulting in a growth limit of 2.05% (after rounding). That limit applies to both years of the biennium.

The appropriations limit for FY2012 was determined by applying the 2.05% growth factor to the FY2011 base appropriations limit, \$3,299 million, and adding \$160 million in increased state funding for GPA. The resulting FY2012 General Fund appropriations limit under LD1 is \$3,459 million (See Table 1).

State appropriations in FY 2012 are below the LD 1 limit. Current FY2012 General Fund appropriations are \$3,044 million, which is \$415 million (12%) below the limit.

Table 1: State General Fund Appropriations Limit Calculation*Note: All dollar figures are in millions*

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012
Annual Growth Factor	--	3.11%	3.11%	3.08%	3.08%	2.76%	2.76%	2.05%
Base General Fund Appropriations	\$2,710	\$2,794	\$2,881	\$2,970	\$3,061	\$3,146	\$3,233	\$3,299
General Purpose Aid to Schools	\$735	\$836	\$914	\$972	\$956	\$909	\$872	\$894
Additional GPA above FY2005 GPA	--	\$102	\$180	\$237	\$222	\$175	\$138	\$160
LD 1 Appropriations Limit (Base plus Additional GPA)	--	\$2,896	\$3,061	\$3,207	\$3,283	\$3,320	\$3,370	\$3,459
Actual Appropriations	\$2,784	\$2,872	\$2,978	\$3,129	\$3,018	\$2,849	\$2,873	\$3,044
LD 1 Limit Minus Actual Appropriations	--	\$24	\$82	\$78	\$265	\$471	\$498	\$415
Percent Under LD 1 Limit	--	0.8%	2.7%	2.4%	8.1%	14.2%	14.8%	12.0%

Source: Maine Department of Administrative and Financial Services; Maine State Legislature, Office of Fiscal and Program Review

Table 2 displays the growth of all General Fund appropriations, including the additional GPA funding. Total General Fund appropriations increased by 6.0% in FY2012, which is the highest annual rate of growth since LD 1 took effect and higher than the pre-LD 1 10-year average of 5.4%. The higher growth in appropriations in FY 2012 was mostly due to the expiration of federal funding from the American Recovery and Reinvestment Act of 2009 (ARRA) on June 30, 2011.

Table 2: Growth of State General Fund Appropriations

Growth of General Fund Appropriations FY2011 - FY2012	6.0%
Growth of General Fund Appropriations FY2010 - FY2011	0.8%
Growth of General Fund Appropriations FY2009 - FY2010	-5.6%
Growth of General Fund Appropriations FY2008 - FY2009	-3.6%
Growth of General Fund Appropriations FY2007 - FY2008	5.1%
Growth of General Fund Appropriations FY2006 - FY2007	3.7%
Growth of General Fund Appropriations FY2005 - FY2006	3.1%
Growth of General Fund Appropriations FY2004 - FY2005	5.4%
Growth of General Fund Appropriations Pre-LD 1 10-Year Average	5.4%

Source: Maine Department of Administrative and Financial Services and Maine State Legislature, Office of Fiscal and Program Review

Table 3 shows the growth of General Fund appropriations by GPA and non-GPA funding. For current FY2012 appropriations, GPA funding increased by 2.5% and non-GPA funding increased by 7.4%. From FY2006 to FY2010 the growth of GPA appropriations exceeded the growth of non-GPA appropriations, but in FY2011 and FY2012 non-GPA appropriations growth exceeded GPA appropriations growth. GPA appropriations grew steadily from FY2005 until the

recession hit mid-way through FY2008. This reflects the increase of state education funding towards 55% of covered costs.

Table 3: Growth of GPA and non-GPA General Fund Appropriations

Note: All dollar figures are in millions

Fiscal Year	GPA	Annual Change in GPA	Non-GPA	Annual Change in Non-GPA	Total General Fund Appropriations	Annual Change in Total
2012	\$894	2.5%	\$2,149	7.4%	\$3,044	6.0%
2011	\$872	-4.0%	\$2,000	3.1%	\$2,873	0.8%
2010	\$909	-5.0%	\$1,940	-5.9%	\$2,849	-5.6%
2009	\$956	-1.6%	\$2,061	-4.4%	\$3,018	-3.6%
2008	\$972	6.3%	\$2,157	4.5%	\$3,129	5.1%
2007	\$914	9.3%	\$2,064	1.4%	\$2,978	3.7%
2006	\$836	13.8%	\$2,036	-0.7%	\$2,872	3.1%
2005	\$735	4.6%	\$2,050	5.6%	\$2,784	5.4%
2004	\$702	-1.6%	\$1,941	6.2%	\$2,643	4.0%
2003	\$713		\$1,827		\$2,540	

Source: Maine Department of Administrative and Financial Services and Maine State Legislature, Office of Fiscal and Program Review

In addition to limiting General Fund appropriations, LD 1 strengthened two targeted property tax relief programs: the Maine Residents Property Tax and Rent Refund program, better known as the “Circuit Breaker,” and the Homestead Exemption.

The Circuit Breaker provides a refund to households whose property tax bill exceeds 4% of their income. Households may receive 50% of the amount by which property taxes exceed 4% to 8% of their income and 100% of the amount over 8%. Renters may receive reimbursement for property taxes paid indirectly through rental payments. LD 1 increased the maximum refund amount from \$1,000 to \$2,000. Refunds for FY2012 are estimated to be \$42.1 million. About 89,000 Maine homeowners and renters received Circuit Breaker refunds in 2009. Maine Revenue Services estimates that about 200,000 are eligible.

The Homestead Exemption reduces the assessed value of Maine homeowners’ primary residences for the purpose of property tax calculations. The property tax rate is applied to a lower value in order to lower residents’ tax bills. Prior to LD 1, the Homestead Exemption was

available on a sliding scale determined by the assessed value of the property. The deduction was limited to \$7,000 and the state reimbursed municipalities for 100% of the foregone tax revenue. LD 1 increased the exemption to \$13,000 for all homesteads, with the state reimbursing municipalities for 50% of the foregone tax revenue. From FY2004 to FY2010, the amount of state funding distributed to municipalities to pay for the Homestead Exemption declined primarily due to the growth in municipal valuations that lowered the mil rates applied to the \$13,000 exemption. A 2009 amendment (Public Law 2009, Chapter 213) reduced the Homestead Exemption to \$10,000 beginning in the 2010 tax year. In addition, the state now splits the reimbursement of foregone tax revenue to municipalities into two payments: 75% of the total is reimbursed in the current fiscal year and 25% is reimbursed in the following fiscal year. As a result of these two recent changes, FY2011 appropriations for the Homestead Exemption were \$16.2 million, a sharp decline from FY2010.

Table 4: State Appropriations for Circuit Breaker and Homestead Exemption

Note: All dollar figures are in millions.

Fiscal Year	Homestead Exemption	Circuit Breaker	Total
2012 (Estimate)	\$23.6	\$42.1	\$65.7
2011	\$16.2	\$41.4	\$57.6
2010	\$28.4	\$40.9	\$69.3
2009	\$27.6	\$48.7	\$76.3
2008	\$27.8	\$46.7	\$74.5
2007	\$28.8	\$44.4	\$73.2
2006	\$31.2	\$42.8	\$74.0
2005	\$32.3	\$26.0	\$58.3
2004	\$34.3	\$23.3	\$57.6

Source: Maine Revenue Services

Note: The state now reimburses the Homestead Exemption across two years. The Homestead Exemption fell sharply in 2011 because 25% of it is reimbursed in 2012 and because the exemption was reduced from \$13,000 to \$10,000 beginning in 2010.

SUMMARY

For the seventh year in a row, the state's General Fund appropriations were below the limit set by LD 1. Based on legislation enacted during the First Regular Session of the 125th Legislature, total General Fund appropriations increased 6.0% in FY2012. Within these appropriations was an additional \$160 million for local K-12 education compared to 2005. Setting aside that additional GPA funding as LD 1 directs, General Fund appropriations increased by 5.4%.

III. Effect of LD 1 on Local Property Tax Commitments

This section focuses on local property tax commitments as an overall indicator of LD 1's impact on property tax relief. Commitments are the amount of property tax collections approved by each municipality to finance anticipated expenditures for municipal government operations, public schools, and county government. Other sections of this report look at those three categories individually. This section looks at *total* local property tax commitments, which combines all three.

Combined Statewide Municipal Commitment Growth

Calculations of state tax burden use aggregate measures of the total amount of taxes collected within a state. To test whether LD 1 successfully reduces the growth of property tax collections, the State Planning Office compared Municipal Valuation Returns (MVRs)¹ for years before and after LD 1. The analysis in this section is based on a sample of municipalities that had filed this year's MVR form by early December 2011. The sample of reporting municipalities differs from previous years, so figures differ slightly from past LD 1 progress reports. Furthermore, figures reported here may differ slightly from numbers reported in the future by Maine Revenue Services based on 100% of filed MVRs.

In early December 2011, 448 communities had filed the MVR, representing 92% of all municipalities in the state and accounting for 96% of the total statewide commitment in 2010. Results here are thus broadly representative of the total population of Maine municipalities.

¹ The Municipal Valuation Return is an annual report summarizing local tax information that assessors are required to file with Maine Revenue Services.

² "Small municipalities" have a population less than 1263, the median population of all towns in Maine. "Large municipalities" have a population greater than 1263. There were 239 large municipalities and 209 small municipalities in this year's MVR sample.

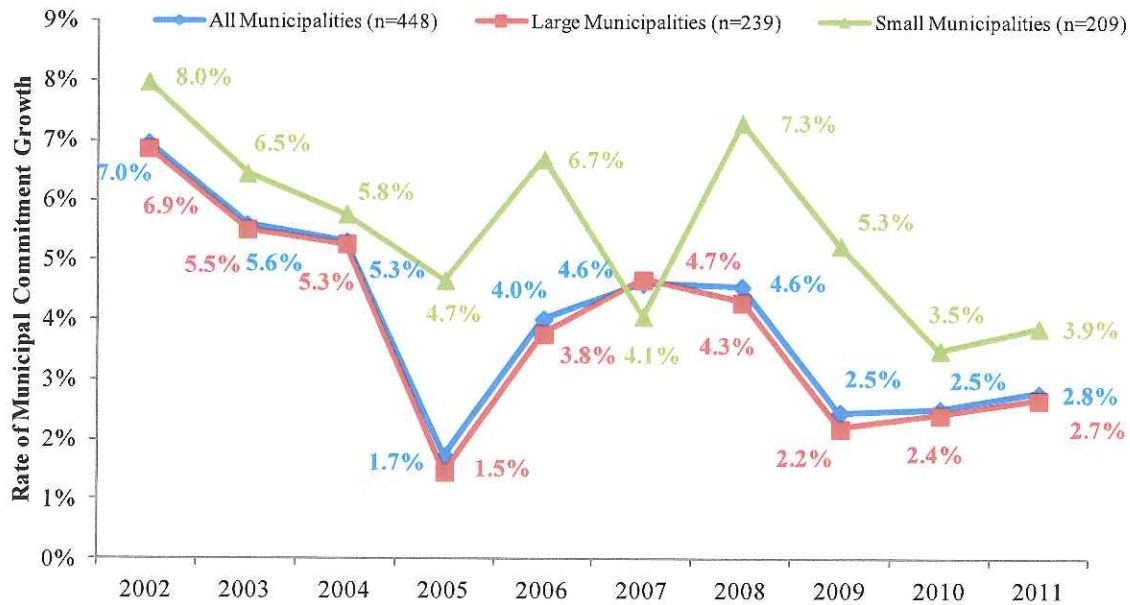
³ A municipality identified as having a personal property factor that exceeds 5%, as determined pursuant to Title 36,

Figure 1 shows recent annual growth of aggregate municipal commitments for small municipalities, large municipalities, and the entire sample of 448 municipalities as a whole.² In 2005, the first year of LD 1, large communities showed a dramatic reduction in commitment growth – from 5.3% in 2004 to 1.7% in 2005. This is partly due to the fact that LD 1 in its first year only applied to towns with fiscal years beginning on or after July 1st, and 64% of large towns met this criterion. The overall FY 2005 growth rate was considerably lower than the 4.7% commitment growth in small municipalities in 2005, 67% of which had fiscal years beginning earlier than the July 1st and thus were not covered by LD 1 at the time. After 2005, LD 1 applied to all municipalities. In aggregate, all municipalities increased commitment growth from 2005-2007 but remained below pre-2005 growth rates. The growth rate flattened at 4.6% in 2008, then fell to 2.5% in 2009 and 2010, and then ticked up to 2.8% in 2011. Small and large municipalities showed significant differences in commitment growth. Commitment growth in small municipalities was more volatile year-to-year than in large municipalities and was also greater than large municipalities in every year except 2007.

² “Small municipalities” have a population less than 1263, the median population of all towns in Maine. “Large municipalities” have a population greater than 1263. There were 239 large municipalities and 209 small municipalities in this year’s MVR sample.

Figure 1: Annual Growth in Municipal Property Tax Commitments

Calculations based on the 448 municipalities reporting on the 2011 MVR as of December 2011



Source: Maine Revenue Services Municipal Valuation Reports (2001-2011) & author's calculations.

Note: "Small municipalities" have a population less than 1263, the median population of all towns in Maine.

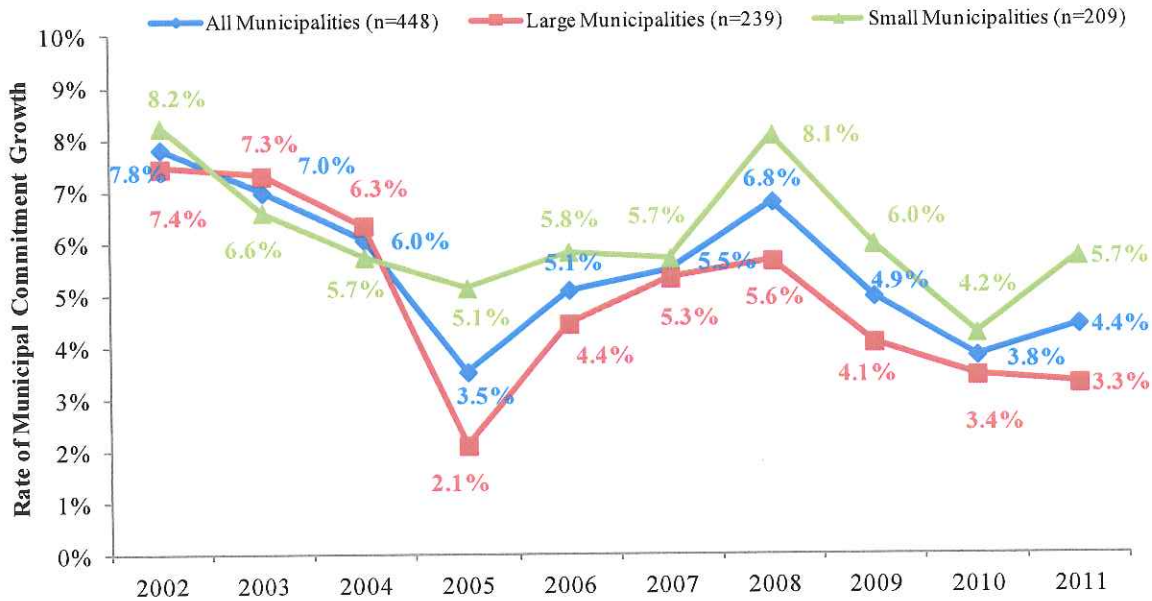
"Large municipalities" have a population greater than 1263.

The overall decrease in commitment growth in 2009 was driven in part by the recession and in part by the county jail unification law (Public Law 2008, Chapter 653). Municipalities responded to the unemployment and anxiety caused by the recession by limiting commitment growth. In addition, the jail unification law limited the amount of taxes that counties can collect from municipalities for county corrections.

Commitment Growth of Individual Municipalities

The previous section focused on aggregate property tax commitments to assess the progress toward reducing overall local property tax burden. Aggregate measures can be influenced by the relatively small number of large municipalities whose budgets are enormous compared to those of Maine's smaller towns. To better understand decisions being made by individual municipalities, Figure 2 reports *average* municipal commitment growth in the years before and after LD 1 took effect in 2005.

Figure 2: Average Annual Growth in Municipal Property Tax Commitments
 Calculations based on 448 municipalities reporting on the 2011 MVR as of December 2011



Source: Maine Revenue Services Municipal Valuation Reports (2001-2011) & author's calculations.
 Note: "Small municipalities" have a population less than 1263, the median population of all towns in Maine.
 "Large municipalities" have a population greater than 1263.

Figure 2 shows that average growth in municipal commitments is similar to aggregate commitment growth (Figure 1), with one notable exception. Compared to aggregate annual growth, average annual growth is more influenced by the higher and more variable growth of Maine's small municipalities and less influenced by the lower and less variable growth of Maine's large cities.

Similar to aggregate municipal commitment growth, average growth in municipal commitments declined in 2005. This reduction was only temporary, as average growth climbed steadily to 6.8% in 2008, eclipsing the pre-LD 1 2004 growth rate. In 2009, declines in average commitment growth among both small and large municipalities helped pull the average for all municipalities down to 4.9%, below the 2006 growth rate and well below pre-LD 1 growth rates. Average growth declined to 3.8% in 2010 before ticking up to 4.4% in 2011.

IV. Municipal Governments' Experience with LD 1

The preceding section examined the effect of LD 1 on local property tax commitments to assess its influence in reducing the growth of local government expenditures and the property tax burden. Local commitments are the combined sum of the local property taxes collected for financing public schools, municipal government services and operations, and county government operations.

This section addresses the impact of LD 1 on local property tax revenues used to finance municipal operations and services. LD 1 does this by limiting the growth of municipal operational expenditures to a specified rate (i.e., "growth limitation factor"). The limit applies to a municipality's municipal property tax levy, meaning the amount of property tax revenue approved to fund municipal operations and services, excluding funds allocated for county taxes and local schools. These budget items are addressed elsewhere under LD 1. The growth limitation factor allows property taxes to increase at the rate of Maine's ten-year average annual personal income growth (adjusted for inflation) plus growth in the value of new taxable property (i.e., "property growth factor"), adjusted for any change in state funding for existing services previously funded by property taxes. A municipality wishing to either temporarily exceed or permanently increase its municipal property tax levy limit must explicitly vote to do so.

Survey Methodology

To determine the impact of LD 1 on property tax commitments raised for municipal operations, the Maine Municipal Association (MMA) and SPO distributed a voluntary survey (2011 Municipal Property Tax Levy Limit Survey) to all of Maine's municipal governments. The survey guides municipalities through the calculation of their municipal property tax levy and municipal property tax levy limits for both the past (2010) and current (2011) years. These calculations are used to determine whether or not the municipality surpassed the municipal property tax levy limit, as defined by LD 1.

MMA and SPO received a total of 188 useable responses to the 2011 survey, representing roughly 38% of all Maine municipalities. This is less than last year's response rate of 58% (283

useable responses). The municipalities included in the sample of 188 useable responses represent approximately 55% of the statewide aggregate municipal commitment in 2010, and 57% of the 2011 municipal commitment of the 451 communities that had filed their 2011 MVR by early December, 2011.

Past years' analyses of the municipal survey responses suggested that sample municipalities are sufficiently representative of all municipalities according to most criteria. The major differences between respondents and non-respondents were that non-respondents tended to be smaller and have slightly lower median household incomes. Smaller communities are somewhat underrepresented in this year's sample as well. Past analyses have shown that smaller communities generally have greater difficulty complying with LD 1's limits. Therefore, based on the underrepresentation of smaller communities in the sample, this year's analysis may slightly overstate municipal government compliance with LD 1.

Survey Results

As prescribed by LD 1, the survey asked municipalities to use their 2010 LD 1 limit (municipal property tax levy limit) as a starting point for determining their 2011 LD 1 limit. "Municipal property tax levy" refers to property taxes raised to fund municipal governments. It excludes property taxes raised for schools, counties, and Tax Increment Financing (TIF) and is calculated by subtracting total municipal deductions (Line 11, Municipal Tax Assessment Warrant) from municipal appropriations (Line 2, Municipal Tax Assessment Warrant) and adding any revenue included in the total municipal deductions that paid for non-municipal appropriations, such as schools. Municipalities that explicitly voted to increase their limit in 2010 were asked to use their voter-approved limit as the base for calculating their 2011 limit.

Next the survey asked municipalities to calculate their 2011 growth limitation factor as prescribed by LD 1. The growth limitation factor is the sum of the state's ten-year inflation-adjusted average annual personal income growth (1.66% for calendar year 2011 or fiscal year 2011-12) and the local property growth factor. The property growth factor is calculated as the total value of newly taxable real and personal property divided by the total value of all real and

personal property in the community.³ Some municipalities made noticeable errors in completing their survey. In most cases, the errors were simple arithmetic mistakes and MMA and SPO made the appropriate corrections. In cases where errors were not obviously correctable, SPO attempted to contact the municipality in question to gain clarification. In cases where errors could not be corrected, the survey response was not included in the analysis.

Table 5: Summary Statistics, 2011 Municipal Property Tax Levy Limit Survey Results

Number of Municipalities	188
Aggregate Municipal Commitment, 2011 (from MVR)	\$1,160,764,780
Aggregate Municipal Property Tax Levy Limit, 2011	\$420,956,943
Aggregate Municipal Property Tax Levy, 2011	\$381,209,952
Ratio of Municipal Property Tax Levy to Total Commitment, 2011	32.8%
Percent by which Levy was Below Limit, 2011	9.4%
Mean Growth Limitation Factor, 2011	3.2%
Mean Growth Limitation Factor, 2010	3.6%
Mean Growth Limitation Factor, 2009	4.3%
Number of Municipalities Surpassing 2011 LD1 Limit (as percent of 2011 sample)	27%
Average Margin by which Municipalities over LD 1 Limit exceeded the limit	14%
Average Margin by which Municipalities below the LD 1 Limit were under the limit	13%
Percent of Municipalities over the Limit who reported voting to increase the limit	40%
Percent of Municipalities over the Limit who reported voting to exceed the limit	36%
Percent of Municipalities over the Limit who did not report voting to increase or exceed	24%

Source: Maine Revenue Services Municipal Valuation Returns, MMA/SPO Municipal Survey, and author's calculations

Among the 188 useable responses, the average growth limitation factor was 3.2% (Table 5). This was lower than last year's average growth limitation factor of 3.6%.

The growth limitation factor was applied to last year's limit to estimate this year's LD 1 limit (.,property tax levy limit'). As shown in Table 5, the aggregate 2011 commitment was \$1.161

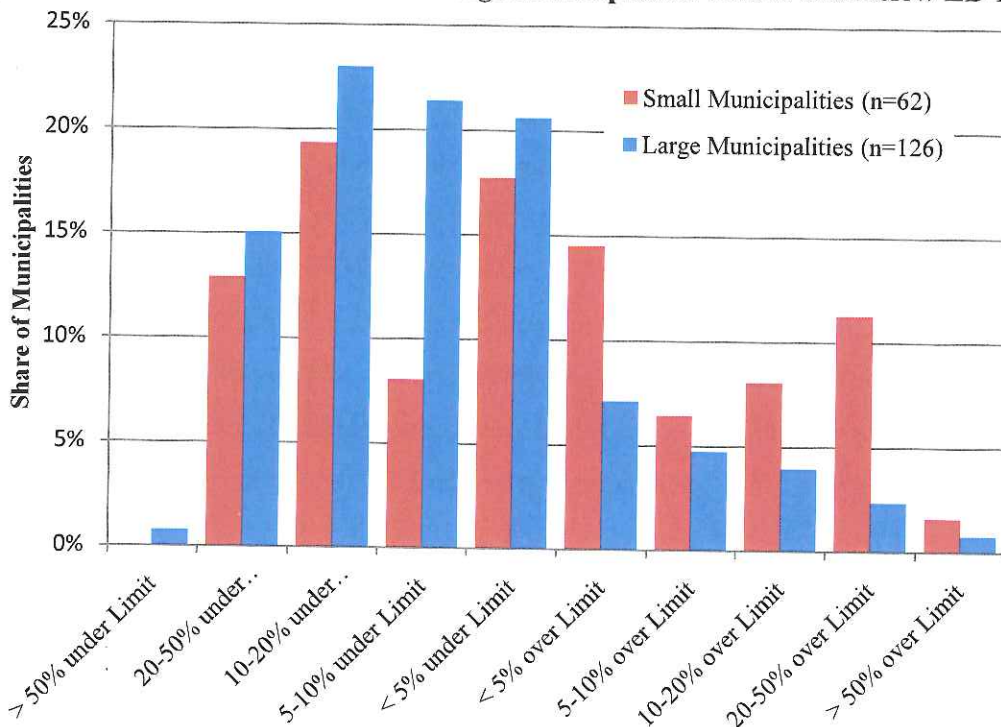
³ A municipality identified as having a personal property factor that exceeds 5%, as determined pursuant to Title 36, section 694, subsection 2, paragraph B, may calculate its property growth factor by including in the numerator and the denominator the value of personal and otherwise qualifying property introduced into the municipality notwithstanding the exempt status of that property pursuant to Title 36, chapter 105, subchapter 4-C.

billion for the 188 municipalities in the sample.⁴ The combined 2011 municipal property tax levy was \$381 million or 32.8% of the aggregate 2011 commitment. The aggregate property tax levy limit for 2011 was \$421 million. This means that when aggregated across the survey sample, Maine communities kept the municipal property tax levy below the total amount allowable under LD 1 by \$39.7 million, or 9.4% of the LD 1 limit. Stated differently, municipalities' aggregate property tax levy equaled about 90.6% of that allowable under LD 1. This is consistent with last year's report and is the seventh year that municipalities came in under the statewide LD 1 limit. In 2010, Maine municipalities kept the aggregate municipal property tax levy below the aggregate LD 1 limit by \$49 million, or 9.4%. In 2009, the aggregate levy was 6.7% below the aggregate LD 1 limit, and in 2008, the aggregate levy was 3.2% below the aggregate LD 1 limit.

Although the aggregate municipal property tax levy was easily below the aggregate limit, the experiences of individual communities varied considerably. Of the 188 municipalities in the 2011 sample, 138 (73%) stayed within their individual LD 1 limit. This is a higher percentage than in any previous year. The 27% of municipalities who surpassed their 2011 limit were, on average, 14% over the limit. Municipalities that stayed within their 2011 limit were, on average, 13% below the limit. 32 municipalities (17% of the sample) were more than 5% over their limit and 22 (12% of the sample) were more than 10% over their limit. Figure 3 shows the distribution of small and large municipalities in the survey sample above and below their individual LD 1 limits.

⁴ Estimates for three responding towns that were missing 2011 MVR commitment data at the time of this report were produced by applying the 2011 aggregate commitment annual growth rate (2.67%) to their 2010 MVR commitments.

Figure 3: Distribution of Small and Large Municipalities Above and Below LD 1 Limits



Source: MMA/SPO 2011 Municipal Property Tax Levy Limit Survey

Note: "Small municipalities" have a population less than 1263, the median population of all towns in Maine. "Large municipalities" are towns with a population greater than 1263.

Tables 6 and 7 present percentages and statistical tests to help identify some of the characteristics of municipalities that were either over or under their LD 1 limit. Small municipalities and slow growing municipalities had greater difficulty staying within their commitment limits. Table 6 shows that the average population of municipalities surpassing the LD 1 limit was 1,910 and the average population of municipalities that stayed within the LD 1 limit was 4,394. It also shows that the populations of municipalities that stayed within the LD 1 limit grew at an average rate of 7.5% from 2001 to 2010, whereas municipalities that went over their LD 1 limit grew at an average rate of -0.3% over the same period. Similarly, Table 7 shows that municipalities with small and/or shrinking populations went over their LD 1 limit at a significantly greater rate than larger municipalities.

Table 6: Characteristics of Municipalities that are Over/Under LD1 Tax Levy Limit
Comparisons based on municipalities reporting on 2011 MMA/SPO Survey

Characteristic	All Municipalities	Over LD 1 Limit	Under LD 1 Limit
All Municipalities	188	50 ^	138 ^
Average population, 2010	3,733	1,910 **	4,394 **
Average population growth rate, 2001-2010	5.4%	-0.3% **	7.5% **
Commitment per capita, 2011 (Millions)	\$1,772	\$1,860	\$1,740
Aggregate municipal commitment growth rate, 2010-2011	2.7%	3.8% ^	2.5% ^
Average property tax rate, 2011	1.35%	1.34%	1.36%
Median household income, 2010	\$45,609	\$44,180	\$46,127
Average Growth Limitation Factor	3.2%	2.9% **	3.3% **

*Indicates statistically significant difference between over/under samples (90% confidence level)

**Indicates statistically significant difference between over/under samples (95% confidence level)

^Based on aggregate data, no statistical tests are available

Source: Maine Revenue Services, Municipal Valuation Returns 2011 & 2010; US Census Bureau, 2011 MMA/SPO Municipal Survey, and author's calculations.

Table 7: LD 1 Compliance in Subgroups of Municipalities
Comparisons based on municipalities reporting on 2011 MMA/SPO Survey

	All Municipalities		Municipalities Over LD 1 Limit	
	Number	Percent of All Survey Respondents	Number	Percent of Subgroup
All Municipalities	188	100%	50	27%
Small Municipalities (Pop < 1263)	62	33%	26	42% **
Shrinking Municipalities (Pop '01 > Pop '10)	58	31%	22	38% **
Central Municipalities	20	11%	6	30%
Downeast Municipalities	28	15%	8	29%
Mid-Coast Municipalities	30	16%	8	27%
Northern Municipalities	51	27%	15	29%
Southern Municipalities	31	16%	5	16%
Western Municipalities	28	15%	8	29%

**Indicates subgroup is statistically different than the rest of the survey sample (95% confidence)

Sources: US Census Bureau, 2011 MMA/SPO Municipal Survey, and author's calculations.

The survey also asked municipalities surpassing the LD 1 limit to report whether they voted to temporarily exceed or permanently increase it, as required by LD 1. A vote to *exceed* allows the municipality to surpass the limit in that year but requires that year's limit to be used as the base

for the next year's limit calculation, as usual. A vote to *increase* allows the municipality to surpass the limit in that year and resets the limit so that the amount that was actually levied becomes the new limit and is used as the base for the next year's limit calculation. Municipalities were then asked to explain why they chose to exceed or increase their base commitment limit. This year, 50 municipalities (27% of the sample) went over their LD 1 limit. 20 of these communities voted to increase their limit, 18 voted to exceed their limit, and 12 did not report voting to exceed or increase. In the past, some municipalities have explained this non-compliance by indicating that they were unaware of the necessity of voting, had trouble calculating growth limits, or did not think LD 1 applied to them.

The survey provided municipalities space to comment on why they decided to vote to exceed or increase their LD 1 limit. This year, the most common responses cited reductions of other revenue sources such as revenue sharing and excise taxes, road and paving costs, increasing costs of providing services, and costs for capital improvements such as buildings and equipment. Some towns said they voted to exceed or increase simply to comply with LD 1.

Summary

For the seventh year in a row, municipalities held property taxes raised for municipal operations below their aggregate statewide LD 1 limit. Among the 188 useable responses to the MMA/SPO survey, the aggregate municipal property tax levy was 9.4% below the aggregate LD 1 limit. A record number of municipalities (73% of the sample) stayed within their LD 1 limit. Those surpassing the limit did so by an average margin of 14%. Municipalities under the limit were more likely to have larger, growing populations.

V. School Administrative Units' Experience with LD 1

The second and frequently largest component of municipal property taxes is raised to finance local public schools. LD 1 uses the Essential Programs and Services (EPS) model of school funding to set targets for the amount of property taxes raised for local education. Essential Programs and Services are those educational resources required for all students to meet the knowledge and skill standards set by the Maine Learning Results. Under LD 1, K-12 school appropriations are constrained to 100% of the costs calculated by the EPS formula, excluding “local-only” debt. It should be noted, however, some school units might be exceeding 100% of EPS by small margins in order to provide programs and some services that are not recognized as essential in the EPS benchmark cost calculation: extracurricular activities including sports and transportation to events, Advanced Placement classes offered at some high schools, unique onetime costs incurred for facilities improvements, and even in some cases local tax dollar support for school lunch programs.

LD 1 also set the course for increasing the state’s share of school funding to 55% of EPS over five years. The 55% goal was scheduled to be achieved in FY 2010, but state revenue shortfalls in the context of a national recession beginning in 2007 have delayed achievement of that goal. The state’s contribution in the 2011-2012 school year was 43% of the costs covered under EPS.

The Maine Department of Education (MDOE) collects information on school appropriations from state, local, and other sources on an annual basis. Preliminary data⁵ on state and local educational appropriations for FY 2012 was used to determine the share of local school districts that kept appropriations below 100% of EPS, and those results were compared to previous years (Table 11). The significant reorganization of school districts that began in FY 2010 continued in FY 2012.⁶ Overall, the number of School Administrative Units (SAUs) was reduced from 287 in

⁵ Data available at the time of writing reflects state funding approved through the end of the First Regular Session of the 125th Legislature.

⁶ Public Law 2007, Chapter 240, Part XXXX (enacted by passage of LD 499, the two-year budget, on June 11, 2007) and Public Law 2007, Chapter 668 (enacted by passage of LD 2323, An Act to Remove Barriers to the Reorganization of School Administrative Units, on April 18, 2008).

FY 2009 to 218 in FY 2010 to 179 in FY 2011 to 164 in FY 2012. 94% of Maine's school children are enrolled at SAUs now conforming to the new reorganization laws.

Although there are now 164 SAUs, MDOE has continued to collect and provide EPS and budget information for many former school districts that have consolidated into new SAUs, so the analysis in this section is based on samples of 229 "local schools" that constitute the 164 SAUs. To allow comparisons across years, school districts that had not yet reported appropriations to MDOE for FY 2012 at the time of writing were excluded from the analysis. Also excluded were school districts with missing appropriations data from past years. As a result, the numbers included in this year's report differ slightly from numbers in previous LD 1 progress reports.

Appropriations Growth of Individual School Budgets

Table 8 and Figure 4 examine state and local K-12 appropriations across time. To help distinguish between local schools that exceeded EPS by small margins and local schools that exceeded EPS by large margins, Table 8 differentiates between a target of 100% of EPS and a target of 105% of EPS. Table 11 also shows how the number of local schools that are falling short of funding 100% of EPS has changed over time.

Table 8 shows that the margin by which aggregate state and local appropriations exceed 100% of EPS has fallen every year since FY 2009, and now stands at 5.3%. The percentage of local schools exceeding 100% of their EPS target also declined steadily between FY 2009 and FY 2012, from 88.5% to 73.2%. Local schools that exceeded 100% EPS did so by a margin of 19.2% in FY 2012, compared to 23.6% in FY 2009. Similarly, after peaking at 80.3% in FY 2009, the percent of local schools exceeding 105% of EPS has declined for two years and is now at 55.7%.

Consistent with these trends, the number of schools that have fallen short of 100% of EPS has increased steadily since 2009. As shown in Table 8, 25% of local schools appropriated less than 100% of EPS in FY 2012, compared to only 9.3% in 2009.

Table 8: Overall School Compliance with LD 1: FY 2006 – FY 2012**Note: Based on a sample of 183 out of 229 local school budgets*

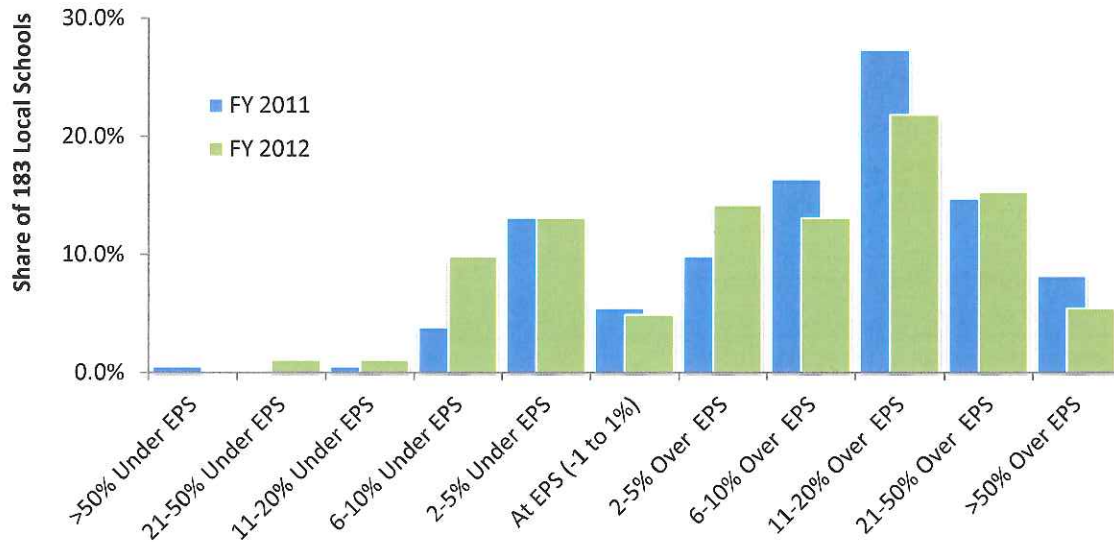
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Aggregate EPS (\$ millions)	\$1,722	\$1,759	\$1,811	\$1,781	\$1,842	\$1,871	\$1,899
Total K-12 Appropriations (\$ millions)	\$1,793	\$1,890	\$1,971	\$2,007	\$2,006	\$2,009	\$2,000
Difference as Percent of EPS	4.1%	7.4%	8.8%	12.7%	8.9%	7.4%	5.3%
Percent of local schools exceeding 100% of EPS...	73.8%	79.8%	81.4%	88.5%	83.6%	79.2%	73.2%
...Percent by which they exceeded 100% of EPS	18.6%	19.0%	18.3%	23.6%	20.4%	20.4%	19.2%
Percent of local schools exceeding 105% of EPS...	57.4%	65.6%	64.5%	80.3%	69.9%	66.7%	55.7%
...Percent by which they exceeded 105% of EPS	17.1%	16.7%	16.6%	19.8%	18.0%	17.9%	18.5%
Percent of local schools under 100% of EPS	22.4%	15.3%	16.9%	9.3%	13.1%	18.0%	25.1%

*Source: Maine Department of Education and author's calculations*** Calculations include state transitional funds but exclude local-only debt*

Figure 4 shows the distribution of local schools around their targeted EPS funding levels.

Compared to FY 2011, the percentage of districts appropriating amounts greater than EPS by more than 20% decreased in FY 2012, and the percentage of districts appropriating amounts less than EPS increased.

Figure 4: Distribution of local schools above and below EPS*



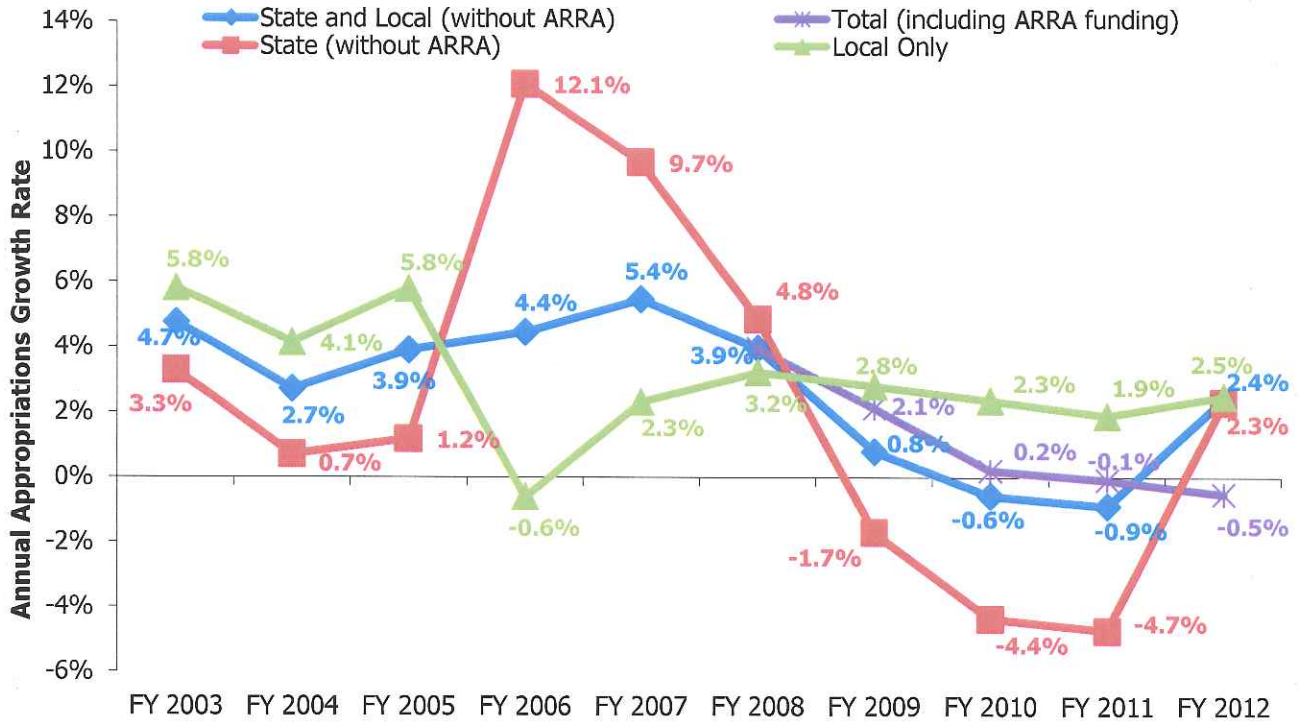
Source: Maine Department of Education and author's calculations
 *Calculations include state transitional funds but exclude local-only debt

Combined Statewide K-12 Education Appropriation Growth

Figure 5 uses a longer time horizon to assess the impact of LD 1 on total K-12 appropriations to schools. Both state transitional funds and local-only debt are included in the analysis.⁷ Numbers may not match those reported in previous year's LD 1 reports because only 175 of 229 local schools are represented in this year's sample.

⁷ The vast majority of the local appropriations are raised through local property tax commitments. In FY 2011 local-only debt accounted for about 3.5% of local school appropriations, and in FY 2012 local-only debt accounted for about 3.2% of local school appropriations.

Figure 5: Annual Growth of State* and Local Appropriations for K-12 Education**



Source: Maine Department of Education and author's calculations

*State funds include transitional EPS funding

**Local funds include local only debt for all years

Note: This graph shows growth rates. Any number greater than zero indicates a year-over-year increase in appropriations.

In the years immediately prior to FY 2006 (the year LD 1 took effect), the growth rate of combined state and local appropriations fluctuated between 2.7% and 4.7%. With the passage of LD 1 the state dramatically increased its share of school funding, increasing the annual growth rate of its share from 1.2% in FY 2005 to 12.1% in FY 2006. Corresponding with the increased state funds, annual growth in local appropriations to schools declined from 5.8% in FY 2005 to -0.6% in FY 2006. Annual growth in total non-federal state and local appropriations to schools increased from 3.9% FY 2005 to 4.4% in FY 2006.

State appropriations for K-12 education began a three-year run of negative growth in FY 2009, before turning positive again in FY 2012. At the local level, following the brief decline in FY 2006, K-12 appropriations grew steadily from FY 2007 to FY 2012. In FY 2011, a third straight year of decreasing state appropriations combined with slightly slower growth in local

appropriations left K-12 schools with a 0.1% decrease in total appropriations.⁸ FY 2012 saw a return to growth in state appropriations for K-12 schools, but the expiration of American Recovery and Reinvestment Act (ARRA) funding meant total K-12 appropriations declined by 0.5% in FY 2012.

Summary

LD 1 uses the Essential Programs and Services (EPS) model of school funding to set targets for the amount of property taxes raised for local education. Although the LD 1 target for K-12 schools is 100% of EPS, some schools might be exceeding 100% of EPS by small margins in order to provide programs and some services that are not recognized as essential in the EPS benchmark cost calculation: extracurricular activities including sports and transportation to events, Advanced Placement classes offered at some high schools, unique onetime costs incurred for facilities improvements, and even in some cases local tax dollar support for school lunch programs. Approximately 73% of local schools exceeded their individual limit for FY 2012, and combined state and local appropriations to local schools exceeded 100% of EPS by 5.3%. FY 2012 also saw a significant increase in the number of schools that fell short of 100% of EPS funding, with approximately 25% of local schools not meeting the EPS minimum.

Growth in combined non-federal state and local appropriations to schools (including local debt for schools) slowed steadily in FY 2008 and FY 2009, and turned negative in FY 2010 and FY 2011. These declines were driven by state revenue shortfalls in the context of an economic recession that began in 2007. State appropriations (not including ARRA funds) for K-12 schools declined on an annual basis in FY 2009, FY 2010 and FY 2011, before recovering somewhat with 2.3% growth in FY 2012.⁹ However, the expiration of ARRA funding in June 2011 left K-12 schools with an overall 0.5% decline in funding.

⁸ In FY 2009 thru FY 2011, Maine received K-12 stabilization funds through the American Recovery and Reinvestment Act (ARRA): \$26.8 million in FY 2009, \$42.6 million in FY 2010, and \$58.5 in FY 2011.

⁹ In FY 2009 thru FY 2011, Maine received K-12 stabilization funds through the American Recovery and Reinvestment Act (ARRA): \$26.8 million in FY 2009, \$42.6 million in FY 2010, and \$58.5 in FY 2011.

VI. County Governments' Experience with LD 1

LD 1 limits the growth of each county's assessment, an amount charged to municipalities within the county and paid through property taxes. For each county assessment growth is limited to the ten-year average annual growth rate of state personal income (adjusted for inflation) plus the county's property growth factor. The property growth factor is calculated by totaling growth in newly taxable property reported by each town and dividing by the towns' total property valuation. The LD 1 county assessment limit is based on the previous year's limit increased by the combined income-plus-property growth factor. If the county has received net new state funds for existing services funded by the assessment, then the limit is reduced by that amount. A county wishing to either temporarily exceed or permanently increase its limit must explicitly vote to do so.

With the passage of Public Law 2008, Chapter 653, "An Act to Better Coordinate and Reduce the Cost of the Delivery of State and County Correctional Services" (Jail Unification) the amount counties can assess for corrections-related expenses was frozen at 2008 levels. Only assessments for non-correctional-related costs are allowed to increase by the LD 1 growth factor. Counties have struggled to interpret this law and the vast majority of them have miscalculated their LD 1 limits in 2009-2011. In some cases, conversations between SPO and county officials resulted in revised LD 1 calculations. When this was not possible, SPO used the best available data to correct the LD 1 calculations so that the analysis below reflects current law as closely as possible.

Somerset County built a new jail in 2008 and switched to a July 1-June 30 fiscal year starting in 2008. Despite the fact that their assessments increased substantially from calendar year 2007 to FY 2009, Somerset County officials did not vote to increase or exceed their LD 1 limit in 2008 (FY 2009). Conversations in 2009 between SPO and Somerset County staff members revealed confusion due to the timing of their budget approval process, the change to a fiscal year accounting period, and Jail Unification. Jail Unification directed counties to exclude assessments or correctional-related services from the LD 1 calculation for budget years starting after January 1, 2009. For FY 2009, however, which started July 1, 2008, the LD 1 limit still included both correctional- and non-correctional-related assessments; Somerset County was required to vote to

exceed or increase their LD 1 limit. SPO calculated that Somerset surpassed its FY 2009 LD 1 limit by \$3.4 million primarily because of an increase in assessments for its new jail. Likewise, since Somerset did not vote to increase its limit for FY 2010, SPO calculated that its assessment in FY 2010 was \$2.7 million over its LD 1 limit. However, Somerset County officials may have voted to increase their LD 1 limit in FY 2009 had they understood they were required to. Table 13 includes a column that assumes Somerset County had voted to increase its LD 1 limit in FY 2009.

In 2010 and 2011, confusion arose about Somerset County's statutory corrections assessment cap. Jail Unification set the corrections cap for Somerset County at \$5,363,665. However, it further stipulated that "the county assessment for correctional services-related expenditures in Somerset County must be set at the fiscal year 2009-10 level when the new Somerset County Jail is open and operating at a level sufficient to sustain the average daily number of inmates from Somerset County." Somerset County's reported corrections assessment for fiscal year 2009-10 was \$5,281,630, so SPO used that number for FY 2011 and FY 2012 despite the fact that Somerset County reported a lesser corrections assessment figure for FY 2011 and FY 2012.

With the passage of Public Law 2011, Chapter 315, "An Act To Amend the Laws Governing the Tax Assessment for Correctional Services in Lincoln County and Sagadahoc County" the corrections assessment caps for Lincoln and Sagadahoc Counties were changed to create an even split between the two counties for the funding of the Two Bridges Regional Jail. Effective January 1, 2012 for Sagadahoc County and July 1, 2011 for Lincoln County, each county is required to raise \$2,657,105 for the jail. In addition, Lincoln County was required to pay all withheld revenue from its tax assessment for correctional services from July 1, 2009 to June 30, 2011 directly to the Two Bridges Regional Jail by July 1, 2011 for the jail's correctional services operations in fiscal year 2012-13.

In 2010 and 2011, confusion arose about the actual figure for Lincoln County's correctional services-related assessment. Part of this confusion may be due to the fact that Lincoln County is on a calendar year budget but the Two Bridges Regional Jail is on a fiscal year budget. Lincoln County reported a correctional services-related assessment of \$3,017,292 for 2011 (FY 2012). That figure includes withheld revenue specified in PL 2011, Chapter 315 equal to \$257,870, but

the balance is still greater than the cap of \$2,657,105. For the purposes of this report, SPO assumed \$2,657,105 to be the correct figure.

Similarly, Lincoln County's reported corrections assessment for 2010 (FY 2011) was \$3,262,957, which is greater than the amount of \$3,018,361 specified by Jail Unification. For the purposes of this report, SPO assumed \$3,018,361 to be the correct figure.

Combined Statewide County Assessment Growth

Calculations of state tax burden use aggregate measures of the total amount of taxes collected within a state. To assess LD 1's impact on the growth of county assessments, Table 9 presents the combined assessment growth of all sixteen counties. The counties' combined assessment limit was \$137.3 million. Actual assessments were \$136.0 million (1.0% below the limit). This is consistent with counties' experience last year as well.¹⁰

Table 9: Combined County Assessment Limit Calculation**

Note: All dollar figures in millions

	2004	2005	2006	2007	2008	2009	2010	2011	2011*
LD 1 Average Annual Growth Factor	--	--	6.1%	5.2%	5.6%	4.8%	4.1%	3.5%	3.5%
Base Assessment Limit	\$99.4	\$104.4	\$110.8	\$119.4	\$130.1	\$132.7	\$135.7	\$137.3	\$140.2
Exempt L-S Jail Funding	--	\$0.4	\$4.2	\$2.7	-	-	-	-	-
LD 1 Assessment Limit (Base plus Lincoln-Sagadahoc Jail Project)	--	--	\$115.0	\$122.1	\$130.1	\$132.7	\$135.7	\$137.3	\$140.2
Actual Total Assessments	\$99.4	\$104.8	\$111.3	\$119.8	\$128.8	\$131.0	\$134.4	\$136.0	\$136.0
Amount Below LD 1 Limit	--	--	\$3.7	\$2.2	\$1.3	\$1.7	\$1.3	\$1.3	\$4.2
Percent Below LD 1 Limit	--	--	3.2%	1.8%	1.0%	1.3%	1.0%	1.0%	3.0%

Source: Maine State Planning Office

** If Somerset had voted to increase its LD 1 Limit in FY 2009*

***Sagadahoc County did not submit LD 1 data for 2011, so SPO used 2010 property growth and budget data to estimate the limit.*

¹⁰ When LD 1 became law, Lincoln and Sagadahoc counties were given a two-year exemption, ending in 2007, on funds used to construct and start operations at the new Two Bridges Regional Jail (Public Law 2005, Chapter 348). Lincoln and Sagadahoc voters approved funding for the jail in November 2003, prior to the passage of LD 1. Sagadahoc County, which operates on a July 1-June 30 fiscal year, included all jail spending under its limit in the 2007 LD 1 report. Lincoln County included all jail spending in the 2008 LD 1 report. Table 13 isolates this exemption from other spending.

Table 10 shows annual growth of total county assessments. Assessments increased 1.2% between 2010 and 2011, the smallest annual increase since LD 1 took effect. A major reason for the reduction in growth of total county assessments is that assessments for jails are now capped and cannot be increased. Non-correctional-related expenses grew 3.5% in 2011.

Table 10: Growth of Total County Assessments

Note: All dollar figures in millions

Year	Total Assessments	Annual % Change
2011	\$136.0	1.2%
2010	\$134.4	2.6%
2009	\$131.0	1.7%
2008	\$128.8	7.5%
2007	\$119.8	7.7%
2006	\$111.3	6.2%
2005	\$104.8	5.4%
2004	\$99.4	--

Source: Maine State Planning Office

Assessment Growth of Individual Counties

In 2011, every county was allowed to increase their assessment by the 1.66% income growth factor plus the growth in newly taxable property in the county. New property growth ranged from 0.52% in Piscataquis County to 6.42% in Washington County.¹¹ Adding together personal income and property growth factors produced LD 1 assessment growth factors ranging from 2.18% to 8.08%.

In 2008-2010 many counties reported difficulty obtaining information on new property growth from their member municipalities. Only a few counties were able to calculate a property growth factor based on new valuations from all of their member towns. In 2011 many counties had similar difficulties. In addition, obtaining accurate information from most counties was challenging. Some counties did not seem to understand what information was needed for this report. Some counties made noticeable errors in the information they provided, and other

¹¹ Sagadahoc County did not provide a property growth factor or limit calculation, so SPO used the 2010 property growth factor of 0.83% to estimate the LD 1 limit in 2011. Oxford County uses the state valuation to calculate its property growth factor, a method different than the one prescribed by law.

counties likely made unnoticeable errors. Most counties calculated their limit incorrectly with respect to Jail Unification. Most counties that did calculate their limit correctly were calculating it based on an incorrect number for their 2010 LD 1 limit, thus making their reported 2011 limit incorrect. Oxford County was not able to supply SPO with an accurate property growth factor. Instead it used growth in total state valuation to calculate its LD 1 limit, which includes growth in the valuation of existing property. Somerset and Lincoln Counties provided assessments for jails that did not match statutory limits.^{12,13} Sagadahoc County did not provide a property growth factor or LD 1 limit calculation. SPO attempted to correct and verify all information used in this report, but some questionable numbers remain.

Nine counties stayed within their LD 1 limits, the same number as in 2009 and 2010 and three fewer than in 2008. The nine that stayed with their limits reported assessments ranging from 27.0% to 1.2% below the limit. Of these, three counties were more than 10.0% below the limit and six counties were between 1.2% and 10.0% below their limit. On average these nine counties were 8.7% below their limit.

Of the seven counties that surpassed their LD 1 limit, only Penobscot voted to exceed or increase their limit. Many of the other counties assumed they were under their LD 1 limit, and there are several potential explanations for this confusion:

1. They incorrectly included correctional-related assessments in their LD 1 calculation.
2. They began their 2011 limit calculation with the incorrect limit they reported in 2010.
3. They mistakenly believe LD 1 has a “banking” provision where the “surplus” from one year can be added to the following year’s limit.

¹² Per PL 2008, Chapter 653, Somerset County’s correctional services-related assessment limit is set at the fiscal year 2009-10 level. Somerset County’s reported corrections assessment for fiscal year 2009-10 was \$5,281,630, so SPO used that number despite the fact that Somerset County reported a lesser correctional-related assessment figure.

¹³ Per PL 2011, Chapter 315, Lincoln County’s correctional-related assessment limit is set at \$2,657,105 for FY 2012 and beyond. Lincoln County reported a correctional services-related assessment of \$3,017,292 for 2011 (FY 2012). That figure includes withheld revenue specified in PL 2011, Chapter 315 equal to \$257,870, but the balance is still greater than the cap of \$2,657,105. For the purposes of this report, SPO assumed \$2,657,105 to be the correct figure.

Summary

In aggregate, counties stayed within their LD 1 limit in 2011. County assessments were \$1.3 million (1.0%) below the limit. Total statewide county assessments grew 1.2% from 2010 to 2011, which was the lowest annual growth rate since LD 1 took effect. Individually, nine counties stayed within their limits and seven surpassed them. Only one of the seven counties surpassing their limit voted to exceed or increase their limit as prescribed by law, most likely due to errors in calculating LD 1 limits.

VII. Summary

The growth of local property tax commitments and state general fund appropriations has clearly declined since LD 1 took effect. However, a major cause of the slower growth seen in the 2008-2011 period is the global recession that began in December, 2007. The recession and sluggish recovery have reduced revenues for state and local governments, so the effect of LD 1 is difficult to isolate.

In FY 2012, the state stayed within its General Fund appropriations limit for the seventh year in a row. Declining state revenue in the context of a global recession that began in December, 2007 severely curtailed growth in General Fund appropriations, including General Purpose Aid for local schools. Although the expiration of ARRA funding in FY 2012 coincided with a return to general fund growth, the state remained 12% below the limit. In aggregate, municipal property taxes levied to fund municipal operations and services were within their combined LD 1 limit. The growth of property taxes was lower than before LD 1 took effect, but a major reason for this slow growth is the recession and sluggish recovery. A record high of 73% of municipalities stayed within their limits.

Nine of Maine's sixteen counties stayed within their LD 1 growth limits in 2011 (or FY 2012 for counties operating on fiscal year budgets). Overall, total county assessment growth was 1.2%, which is the lowest rate of annual growth since LD 1 took effect. This is primarily because of the new law creating a unified correctional system and capping county jail assessments at 2008 levels. All sixteen counties continue to have difficulty calculating their LD 1 limits, which became considerably more complicated with the 2008 jail unification law and the 2011 amendments to that law.

For a seventh year, Maine's K-12 schools exceeded their aggregate limit, which is 100% of EPS. Combined state and local appropriations for schools exceeded 100% of EPS by 5.3%. Seventy-three percent of schools exceeded their individual 100% of EPS target, and 56% of schools exceeded 105% of EPS. Compared to last year, the percentage of schools exceeding 100% of EPS decreased, but the amount by which they exceeded EPS stayed about the same. FY 2012 also saw a significant increase in the number of schools that fell short of 100% of EPS funding,

with approximately 25% of local schools not meeting the EPS minimum. Combined state and local appropriations for K-12 schools increased 2.4% in FY 2012. This was the first increase since FY 2009, but it coincided with the expiration of ARRA funding, which had bolstered K-12 schools in FY 2009 – FY 2011. As a result, overall appropriations (federal, state, and local) for K-12 schools decreased by 0.5% in 2012.

APPENDIX III

FY2010-2011 County Budget Assessments to LD 1 County Assessment Limits*

					Percent
	County	Assessment	Assessment	Amount	Under
County	Assessment	LD 1 Limit	Under (Over)		(Over)
Androscoggin	\$ 7,814,674	\$ 7,913,311	\$ 98,637		1.2%
Aroostook	4,966,467	5,097,536	131,069		2.6%
Cumberland	22,576,349	22,996,642	420,293		1.8%
Franklin	4,658,719	4,364,523	(294,196)		-6.7%
Hancock	5,141,325	5,829,469	688,144		11.8%
Kennebec	9,037,843	8,939,196	(98,647)		-1.1%
Knox	6,476,074	6,283,372	(192,702)		-3.1%
Lincoln	8,550,288	8,768,935	218,647		2.5%
Oxford	4,990,440	4,767,037	(223,403)		-4.7%
Penobscot	12,502,085	11,435,441	(1,066,644)		-9.3%
Piscataquis	3,303,943	3,528,657	224,714		6.4%
Sagadahoc	7,232,232	10,061,611	2,829,379		28.1%
Somerset	11,168,174	8,741,971	(2,426,203)		-27.8%
Somerset*	11,168,174	11,651,148	482,974		4.10%
Waldo	6,804,570	7,240,776	436,206		6.0%
Washington	4,783,788	5,635,637	851,849		15.1%
York	15,952,700	1,569,333	(260,367)		-1.7%

*If Somerset had voted to increase its LD 1 limit in FY2009

*2011 State Planning Office Survey

APPENDIX III

Budgeted FY 2012-2013 Municipal Cost Component Unorganized Territory County Assessment Growth Limit

INCOME GROWTH FACTOR + PROPERTY GROWTH FACTOR = COUNTY ASSESSMENT LIMIT

COUNTIES	INCOME GROWTH FACTOR	PROPERTY GROWTH FACTOR	COUNTY ASSESSMENT LIMIT
	[from State Planning]	[from Property Tax]	
AROOSTOOK	1.43	0.684	2.11
FRANKLIN	1.43	46	47.43 **
HANCOCK	1.43	0.59	2.02
KENNEBEC	1.43	0	1.43
OXFORD	1.43	0.5	1.93
PENOBSCOT	1.43	0.34	1.77
PISCATAQUIS	1.43	0.17	1.6
SOMERSET	1.43	0.71	2.14
WASHINGTON	1.43	9.63	11.06 **
**TIF funds from Wind Projects			

APPENDIX III

FY 2012-2013 Calculation of County Assessment Limits for the Unorganized Territory

	2013 County Assessment	LD 1 Assessment Limit Amount	Under (Over) Assessment Limit	Percentage Under (Over)
*Androscoggin				
Aroostook	\$ 973,192	\$ 973,276	\$ 83.76	0.01%
*Cumberland				
Franklin	839,845	1,188,393	348,548.32	29.33%
Hancock	158,145	158,136	8.90	0.01%
Kennebec	6626	4,184	(2,442.34)	-58.37%
**Knox				
**Lincoln				
Oxford	866,635	776,878	(89,757.16)	-11.55%
Penobscot	976,973	948,274	(28,699.48)	-3.03%
Piscataquis	948,372	982,326	33,953.70	3.46%
**Sagadahoc				
Somerset	1,388,233	1,164,783	(223,449.89)	-19.18%
**Waldo				
Washington	835,934	897,856	61,921.69	6.90%
*York				
Total	6,993,955	7,094,105	100,167.50	N/A

* Counties do not contain unorganized territory

**Unorganized territory within these counties do not require services