

MAINE STATE LEGISLATURE

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MAINE STATE LEGISLATURE
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0005
Telephone: (207) 287-1635
FAX: (207) 287-6469

July 7, 2005

TO: Members, Legislative Council
FROM: Grant T. Pennoyer *GP*
RE: **FOLLOW-UP INFORMATION**

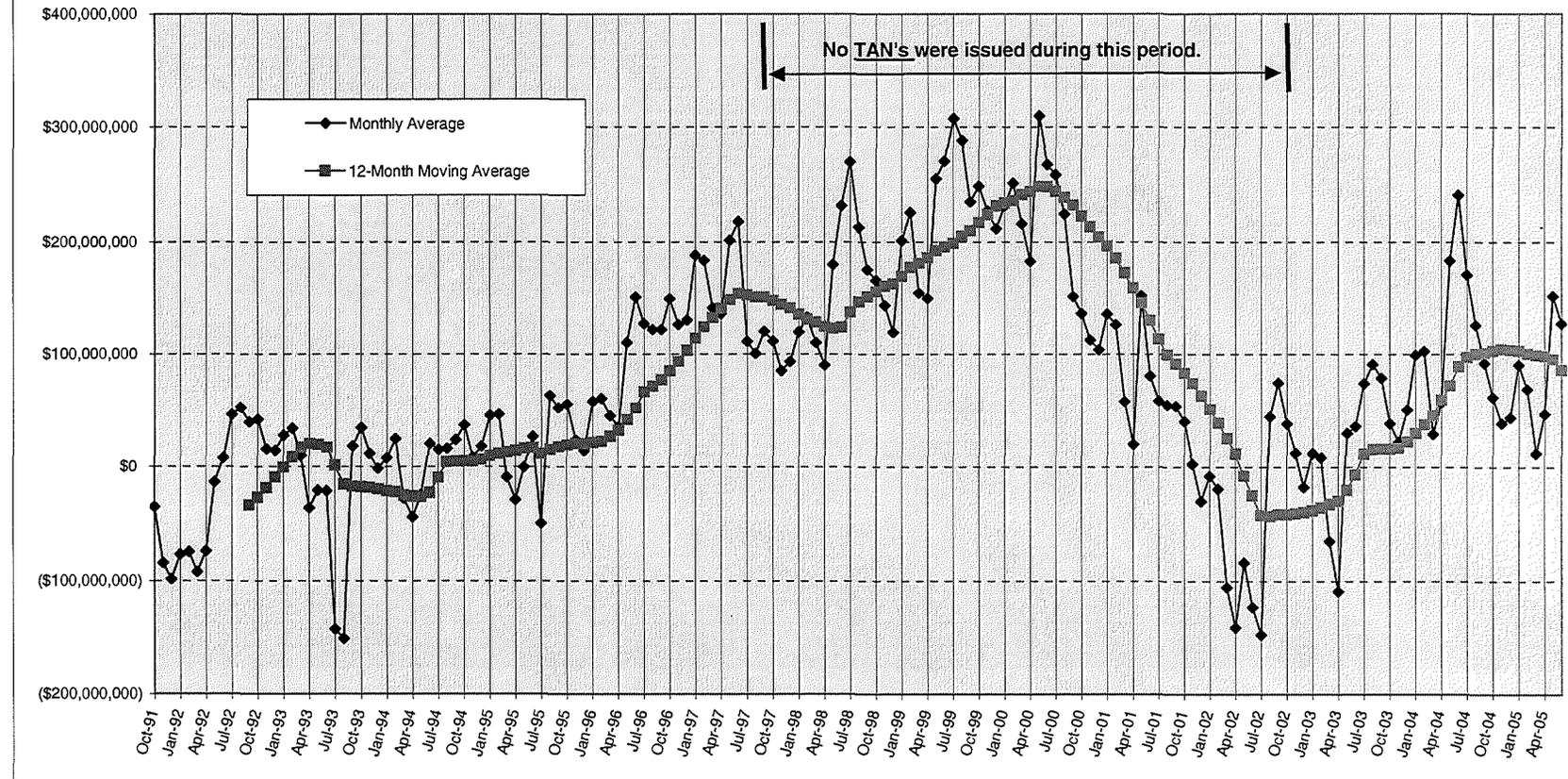
Attached is the corrected page inadvertently left out of today's Council package. I apologize for the oversight.

I am also enclosing of the year-end transfer summary for fiscal year ending June 30, 2005, the so-called "cascade". Based on my comments today, you should note that sufficient resources are available to fund all items identified.

I would be happy to answer any questions you might have.

Cc: David Boulter, Executive Director
Joy O'Brien, Secretary of Senate
Millie MacFarland, Clerk of the House
Office Directors

**GENERAL FUND
 DAILY STARTING CASH BALANCES**



TAX ANTICIPATION NOTES (TAN's) - History from FY 1990-91 ⁽¹⁾

<u>Fiscal Year</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Reference</u>
2004-05 ⁽¹⁾	\$301,688,831 ⁽¹⁾	\$190,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2003-04 ⁽¹⁾	\$284,492,042 ⁽¹⁾	\$275,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2002-03 ⁽¹⁾	\$282,869,203 ⁽¹⁾	\$250,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2001-02	\$100,000,000	\$0	5 MRSA, §150 (as amended by PL 2001, c. 467)
1997-98	\$100,000,000	\$0	PL 1997, c. 24, §F-1 (Repealed by PL 1997, c. 643, §E-5)
1996-97	\$190,000,000	\$150,000,000	PL 1995, c. 665 §F-1
1995-96	\$182,000,000	\$182,000,000	PL 1995, c. 368, §V-1
1994-95	\$175,000,000	\$175,000,000	PL 1993, c. 707, §P-2
1993-94	\$170,000,000	\$170,000,000	PL 1993, c. 382, §1
1992-93	\$170,000,000	\$170,000,000	PL 1991, c. 780, §BB-1
1991-92	\$150,000,000	\$150,000,000	PL 1991, c. 589, §1
1990-91	\$125,000,000	\$115,000,000	PL 1991, c. 5, §1

Notes: ⁽¹⁾ 5 MRSA, §150 provides the statutory authorization for Tax Anticipation Notes. As amended by PL 2001, c. 705, the limit is the same as that imposed by the Constitution of Maine, Article IX, Sec. 14, 10% of total General Fund appropriations and Highway Fund allocations or 1% of the State Valuation, whichever is less. The amounts authorized for fiscal years 2002-03 and 2003-04 reflect General Fund appropriations and Highway Fund allocations through the 121st Legislature, 1st Regular Session. Amounts for fiscal year 2004-05 reflect budgeted amounts at the end of the 121st Legislature, 2nd Special Session. Special exceptions to the general authorization levels are detailed in this table.

Distribution of General Fund Unappropriated Surplus at Year's End

Detail for Fiscal Year 2004-05 (Minimum Amounts to Fund "Cascade")

Changes to Unappropriated Surplus over Budgeted Balance	
Prior Period and Other Accounting Adjustments	\$0
Total Lapsed Balances ¹	\$0
Less Budgeted Lapsed Balances ¹	\$0
Excess/Surplus Revenue	\$0
Total Increase (Decrease) of Unappropriated Surplus ²	\$15,447,000
Baxter Compensation Authority ⁴	\$7,122,000
Sub-total available for distribution per statute	\$8,325,000
Distributions in Order of Priority	
1) Budget Stabilization Fund (32% of Unappropriated Surplus)	\$2,664,000
2) Retirement Allowance Fund (32% of Unappropriated Surplus)	\$2,664,000
3) Reserve for General Fund Operating Capital (16% of Unappropriated Surplus)	\$1,332,000
4) State Contingent Account (up to \$350,000 to replenish account - 5 MRSA §1507)	\$350,000
5) Loan Insurance Reserve Fund (up to \$1,000,000 - 5 MRSA §1511)	\$1,000,000
6) DECD - Maine Microenterprise Initiative Fund	\$315,000
Net Increase (Decrease) to Unappropriated Surplus after Year-end Transfers	\$0

Notes:

- ¹ Total of lapsed balances is from data provided by the Bureau of Accounts and Control. Budgeted lapsed balances are those items already included in Transfers and Adjustments to Balance in the Budgetary Status maintained by the Office of Fiscal and Program Review and are typically statutory language requiring certain amounts to lapse from General Fund carrying accounts.
- ² The actual amounts of the unbudgeted increases in the unappropriated surplus of the General Fund are not available until the end of July or early August. The amount shown above is the increase necessary to fully fund all authorized transfers and reserves based on law as enacted to-date through the 122nd Legislature, 1st Special Session.
- ³ PL 2003, c. 673, Part BBBB authorizes a year-end transfer from available unappropriated surplus as the next priority after the statutory transfers (Items 1 to 5 above) of up to \$315,000 for the Maine Microenterprise Initiative Fund in DECD.
- ⁴ PL 2005, c. 386, Part Z authorizes a year-end transfer from available unappropriated surplus as the first priority before the statutory transfers (Items 1 to 5 above) of up to \$7,122,000 at the end of FY05 for the Baxter Compensation Authority.