

# MAINE STATE LEGISLATURE

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***RECENT TRENDS IN  
STATE GOVERNMENT  
EXPENDITURES IN MAINE***

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## **1. Introduction**

Federal tax and budget reform combined with the election of a new Governor and Legislature present Maine with an unprecedented opportunity to reexamine its taxation and spending priorities. In making decisions about what public needs should be met through government programs, expenditure decisions are necessarily constrained by the availability of revenues. This constraint also exists in the opposite direction: decisions about the level and distribution of tax burden are necessarily constrained by decisions about what are the needs for government action. Any debate on the future of the tax structure in Maine must be informed, therefore, by a sense of both taxation and expenditure patterns.

In addition to expenditure needs serving as a constraint, the availability of revenues from sources other than taxes (and user fees) is also an important issue for Maine decision makers. This has become all too apparent because of federal budget difficulties and the resulting cutbacks in federal assistance.

This paper examines trends in State Government expenditures over recent years, including the levels of expenditures, the major categories and implied priorities of the expenditure patterns, patterns of state debt costs, and the recent trends in intergovernmental transfers. This analysis is intended simply to set forth in general terms the directions taken by previous decision makers so that those who must confront decisions about where we are going in the future may at least have some idea of where we have come from in the past.

## **2. A Note on Data Sources**

Major data sources for this analysis were the Bureau of the Census' *State Government Finances*, the State of Maine *Annual Report*, the Official Statements of the Treasurer of State, and the Advisory Committee on Intergovernmental Relations' *Significant Features of Fiscal Federalism*. Because of differences in accounting methods, definitions of expenditure categories, and presentation procedures, figures

do not necessarily agree across sources. Nevertheless, the overall trends and patterns identified are essentially consistent, and should be considered as accurate even though there may be slight discrepancies in actual figures.

This analysis also examines expenditures in real or after-inflation terms. All expenditures were adjusted for inflation by using the price index for the goods and services purchased by state and local governments. Expenditure and debt costs are also compared with personal income, and in this case expenditures were adjusted using the index for state and local governments and personal income was adjusted using the consumer price index. This method reflects the fact that inflation occurs at different rates for different commodities.

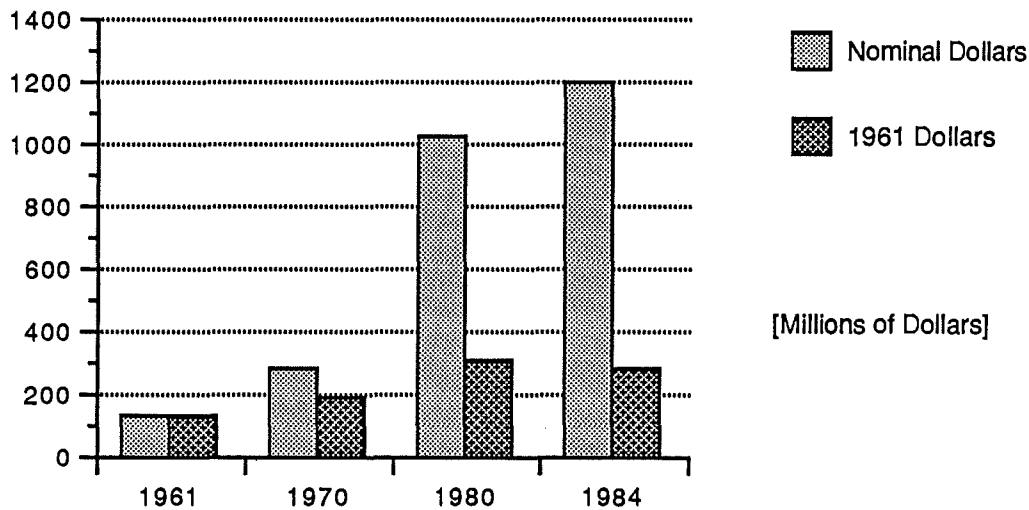
Figures on which the analysis is based are presented in the tables at the end of the paper, which are referred to in brackets in the text.

### **3. Overall Trends in Spending**

As figure 1 shows [*Table 1*], there has been a dramatic increase in state government spending over the past 25 years. From a 1961 level of only \$130 million dollars, state government expenditures grew to over 1.2 billion dollars in 1983-84. Most of the growth in spending occurred during the decade between 1970 and 1980, when spending rose approximately five times in nominal dollars. Overall spending growth since 1980 has slowed since the 1970's.

When the effects of inflation are removed, overall spending growth shows a much smaller growth. Rather than the more 800% growth in nominal dollar spending, real dollar spending growth has slightly more than doubled (115%). In 1961 dollars, spending has actually declined since 1980 (although it has risen in 1980 dollars, as discussed below).

Figure 1: Total State Expenditures



During this 24 year period, the largest growth in spending among major categories has been in interest on the general debt, public welfare, and central administration (a very broad category that encompasses many of the agencies of state government that did not exist in 1961). Smallest growth has been in highways and in "health and hospitals".

On a per capita basis, spending has risen by more than 675% in nominal terms, and slightly more than 80% in real terms. Real per capita growth can be seen as the absolute growth in state spending, that is the growth unaccounted for by either inflation or population growth. State spending as a percentage of personal income, rose from \$73.06 per thousand dollars of personal income in 1961 to \$122.10 in 1980, but declined to \$98.06 in 1984, and indication of the economic growth the state experienced during this period.

More recent and detailed figures for state government spending are shown for 1980 [Table 2] and 1984 [Table 3] and in growth rates between the two years [Table 4].

The more recent years have also seen significant growth in spending, rising by one third between 1980 and 1984. Adjusting for inflation (1982 dollars), spending rose by a more modest 6%. On a per capita basis [Table 5], current dollar spending rose by 29.6%, and real per capita spending by 3.35%.

Figure 2 Growth in Total Expenditures 1980-1984

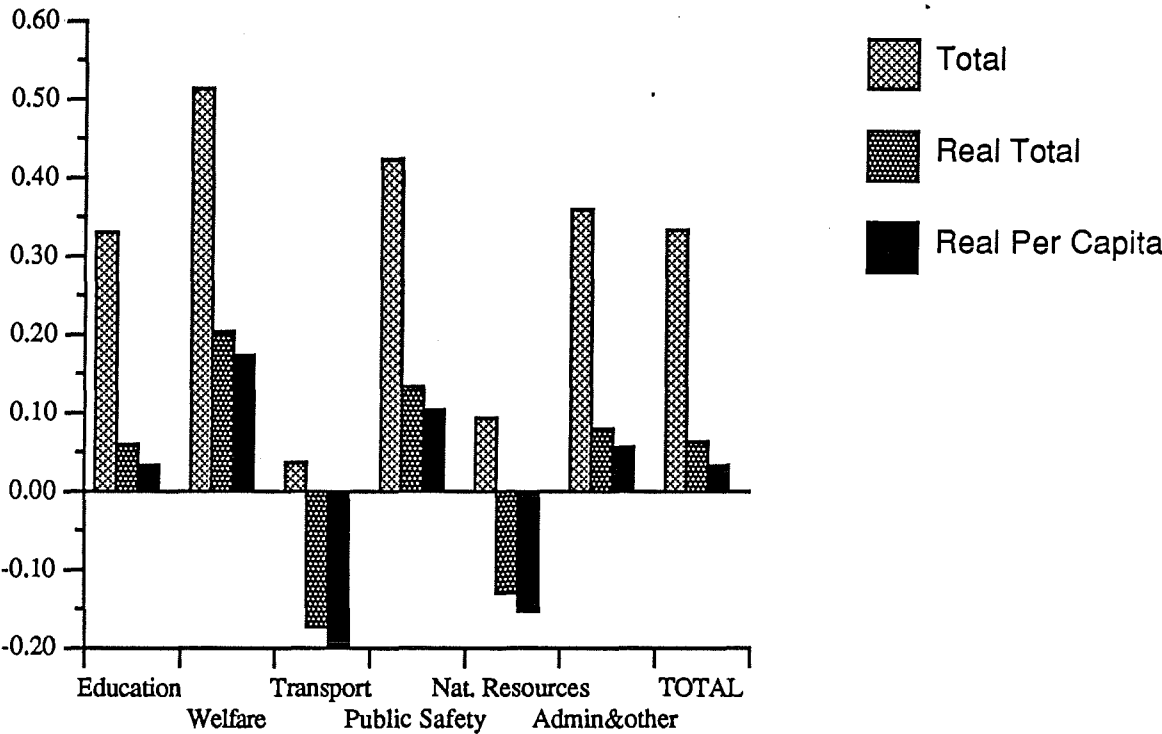


Figure 2 shows the changes in major spending categories from 1980-84. In nominal dollars, the largest increases have been in interest on general debt (126%), public welfare (47%) and in public safety (38%). Growth rates in the areas of transportation and natural resources were not sufficient to offset inflation during the period, and as a result real expenditures in these areas declined. Major real declines occurred in forestry and "other natural resources" (both of which also declined in nominal dollars) and in highway spending within transportation.

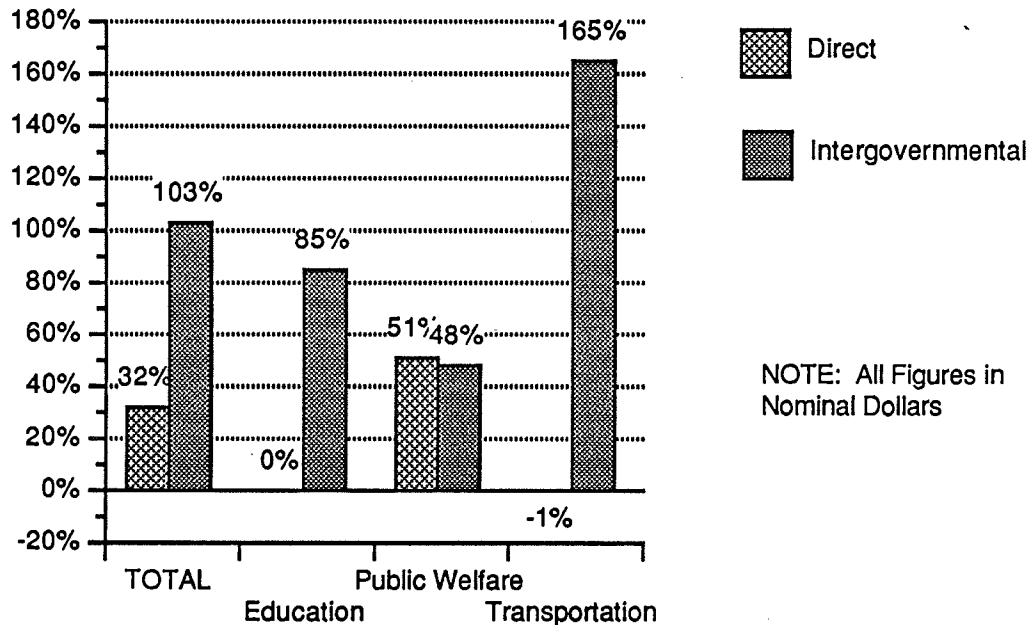
For presentation purposes, a large number of categories were cumulated into the "Administration and Other" category of figure 2. Within this category, the major growth rates occurred in health expenditures (up 35%), sewage treatment (41%) and housing-community development, a relatively small category which increased by almost five-fold. General administration costs increased by more than 80%, with large increases in financial administration, the judiciary, and the legislature. The catch-all "other" category also increased by slightly more than 40%.

Figure 3 shows the breakdown between direct state government expenditures and transfers to local governments for those categories where these transfers are significant. Total transfers to local governments (excluding the State's general revenue sharing program, data for which is not reported in the 1980 census report on state government finances) increased at a real rate three times faster than total state government expenditures, primarily because of large increases in education (85%) and highway assistance (165%).

The large increase in state intergovernmental expenditures in comparison with direct state expenditures points out one interesting feature of recent expenditure trends. Real, direct, per capita state government expenditures increased by less than

1% from 1980-84. Put another way, removing the influences of both population growth and inflation results in only a very small increase in state government's own programs.

Figure 3 Growth Rates in Direct and Intergovernmental Expenditures



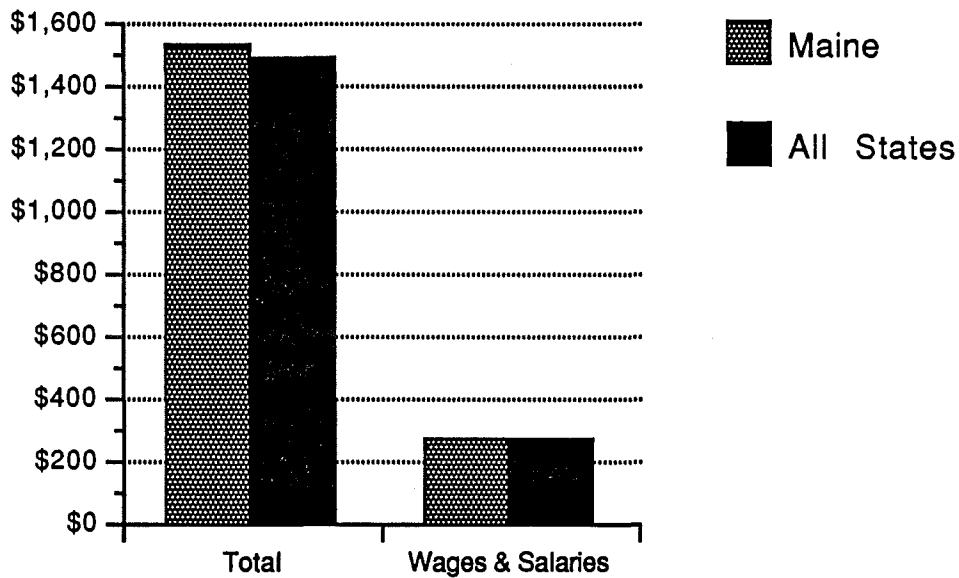
#### 4. Comparison of Maine Expenditure Patterns.

Do Maine public expenditures differ greatly from those of other states or from the federal government? While it is obvious that there will be differences in spending patterns reflecting differing circumstances (Maine will spend more on marine resources than Iowa), overall spending comparisons between Maine and other states do not reveal major differences, as shown in figure 4. Per capita spending in Maine in 1984 was about 3% higher than spending in all states, and spending on wages and salaries for state employees was also very close to the all state figure. [Table 6]



Comparing specific expenditure programs, Maine has tended to spend more heavily in transportation, public welfare, and interest on debt, and less heavily on education, health, and public safety. Much of these differences can be explained by structural differences

Figure 4 Per Capita Expenditures :  
Maine and All States (1984)



between Maine and other states; for example, the State does not own and run a large network of hospitals, which is a major reason why Maine's costs in these areas are lower. Another example is interest on debt; many states are constitutionally barred or limited in their borrowing, and so this figure is not entirely comparable across states.

A comparison of Maine's spending priorities with those of the federal government (excluding defense spending) does reveal some major differences, the most obvious of which is that interest on debt is the largest single item in the non-defense areas of the federal government. Some of the other discrepancies can

be explained by different inherent responsibilities of federal and state governments, such as in education. One notable distinction is in the area of natural resources, where federal ownership of large portions of land contrasts with the relatively little public land held by Maine state government.

Figure 5 Per Capita Expenditures by Category

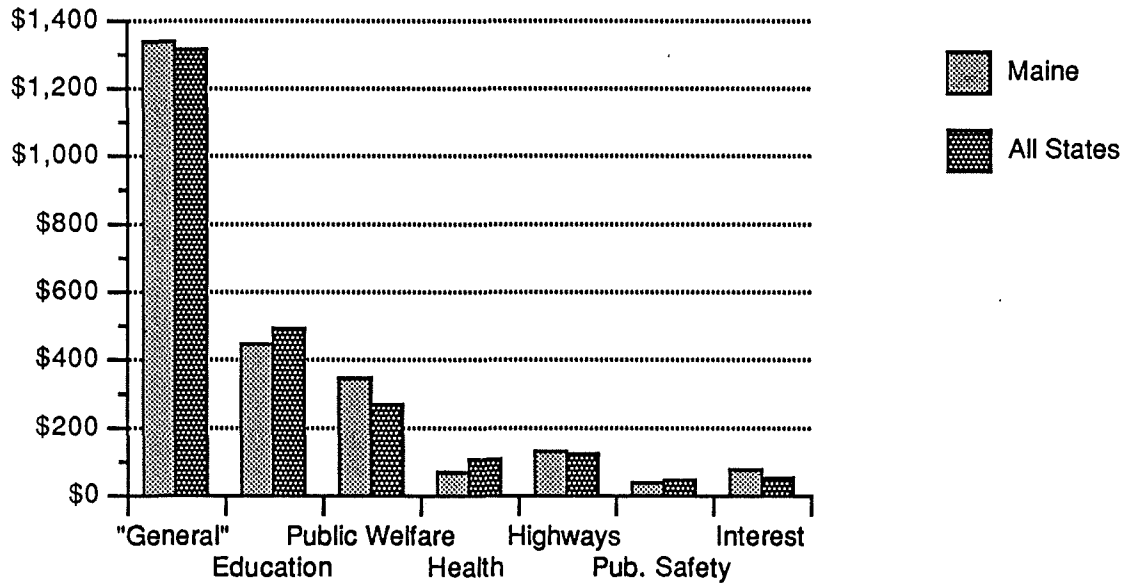
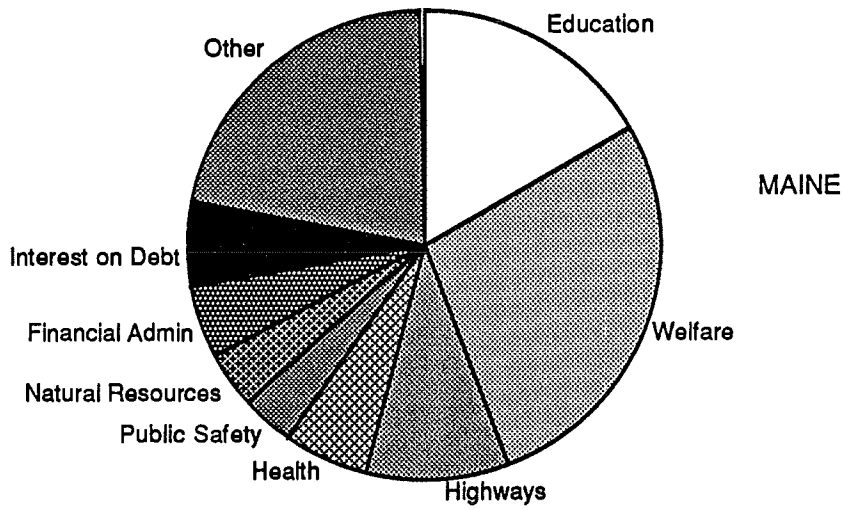
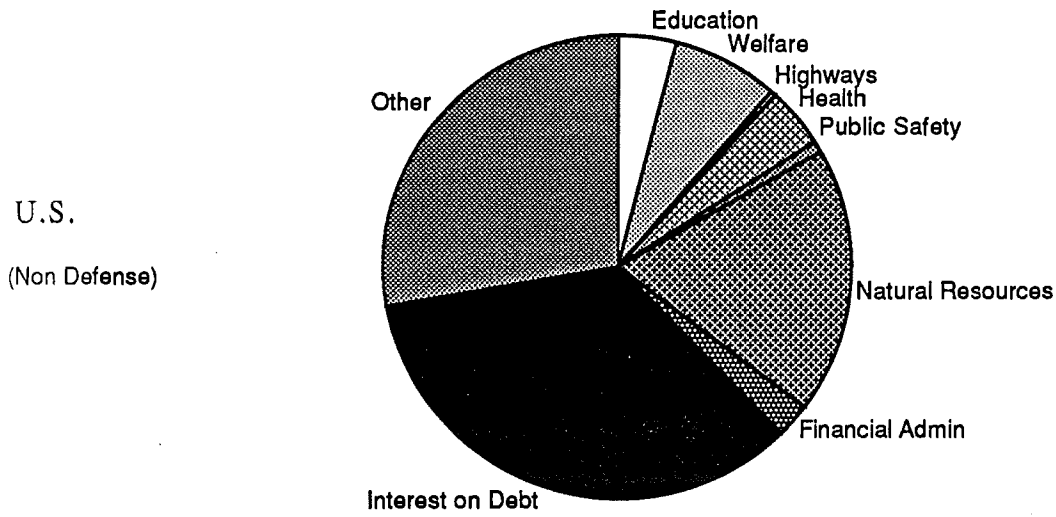


Figure 6 Maine And Federal Expenditures (FY 1984)



## 5. Trends in Federal Support of State Programs

Aside from tax reform itself, no other area of federal policy is likely to cause as much impact in Maine as efforts to reduce federal spending. Data available does not reveal the full impact of such budget-balancing measures as the Gramm-Rudman-Hollings act, but the trends are nonetheless clear even in the early years of the 1980's.

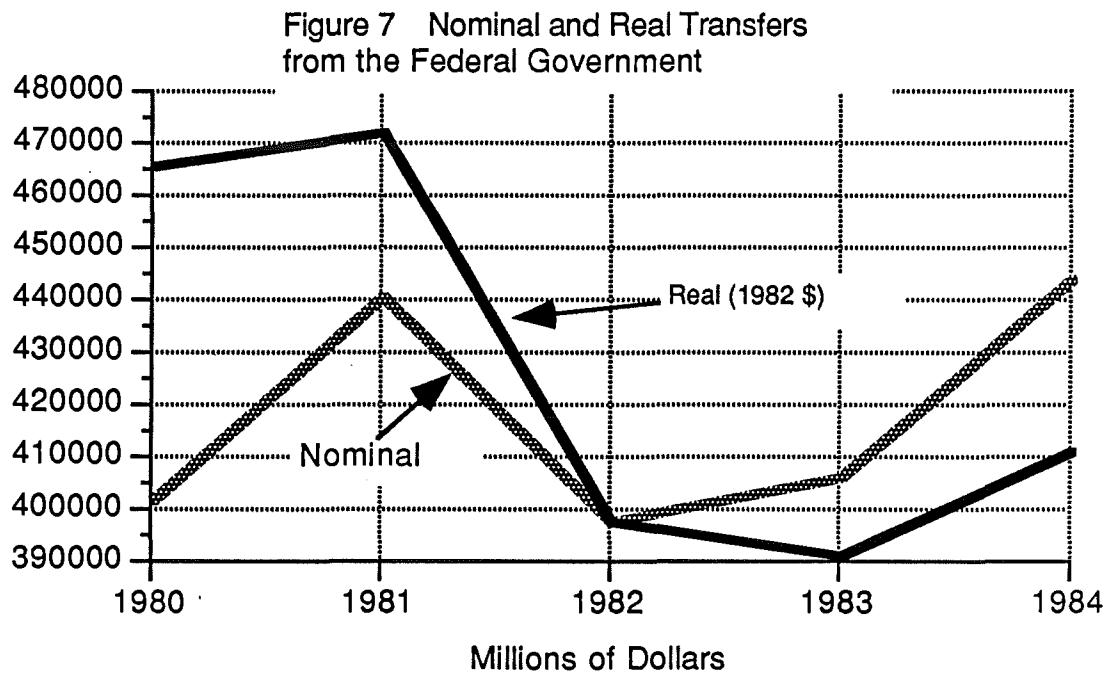
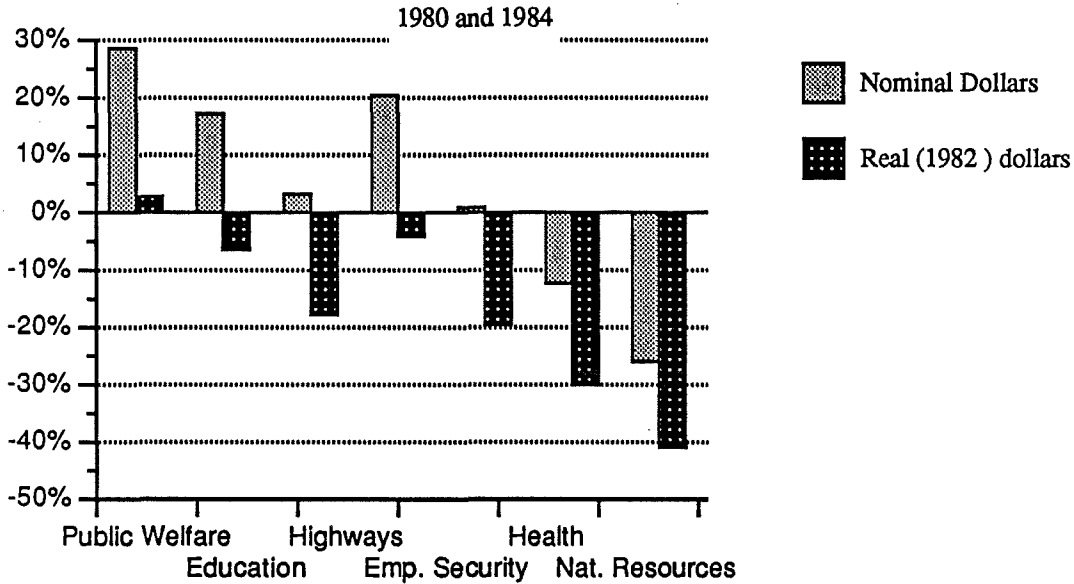


Figure 7 shows the trends in overall transfers from the federal government, and figure 8 shows the breakdown by category. Overall, federal support of state programs in Maine grew from \$401 million in 1980 to \$444 million in 1984, an increase of slightly more than 10%. However, this growth was erratic, increasing in 1981 and 1984 and

decreasing in 1982 and 1983. Moreover, in real terms, there was a decline in federal transfers of about 11% from 1980 to 1984. There was a slight increase in support from 1983-1984, even in real terms, however.

Figure 8 Federal Transfers by Category



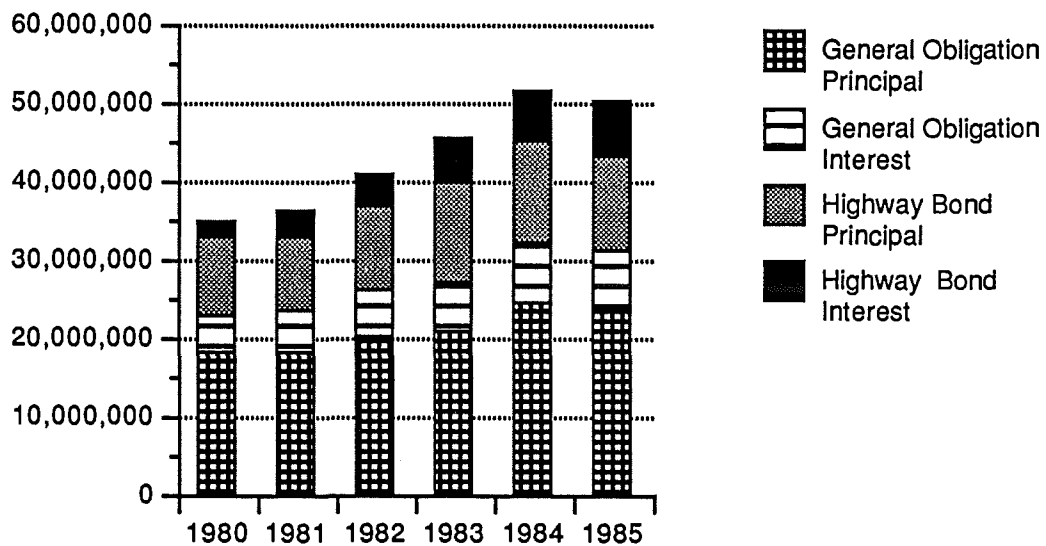
Both nominal and real federal support declined in the health and natural resources categories over the period, and declines in real dollars were observed in all categories except welfare, where there was a slight increase (2.5%). The general decline in transfers was somewhat reversed in most categories from 1983-1984, although natural resources continued to show a decline.

**6. Trends in State Government Debt**

The level of state debt has been a matter of concern to state leaders since the mid-1970's. Since 1980, total annual state debt service for both general obligation

and highway bonds has risen by about 44%, with principal payments rising by 37% and interest payments by 56% (figure 9). However, the largest portion of the growth in state debt service has come in highway debt, which rose a total of 113%, particularly because interest on this debt rose by over 200% from 1980 to 1985. General obligation bond debt service rose by 26%.

Figure 9 Annual Debt Service



In real terms, debt grew by 11%, with general obligation debt service declining in real terms by slightly more than 2% and highway debt growing by almost two-thirds (64%).

Figure 10 shows the changes in nominal debt per capita and per thousand dollars of personal income. While there was growth in debt per resident of Maine, economic growth during the period created sufficient additional wealth so that our debt payments as a portion of our income declined. When inflation is removed, debt per capita declined by almost one quarter, with general obligation debt declining by almost 40%. The increase in highway debt costs, however, pushed per capita and

personal income-based debt up slightly.

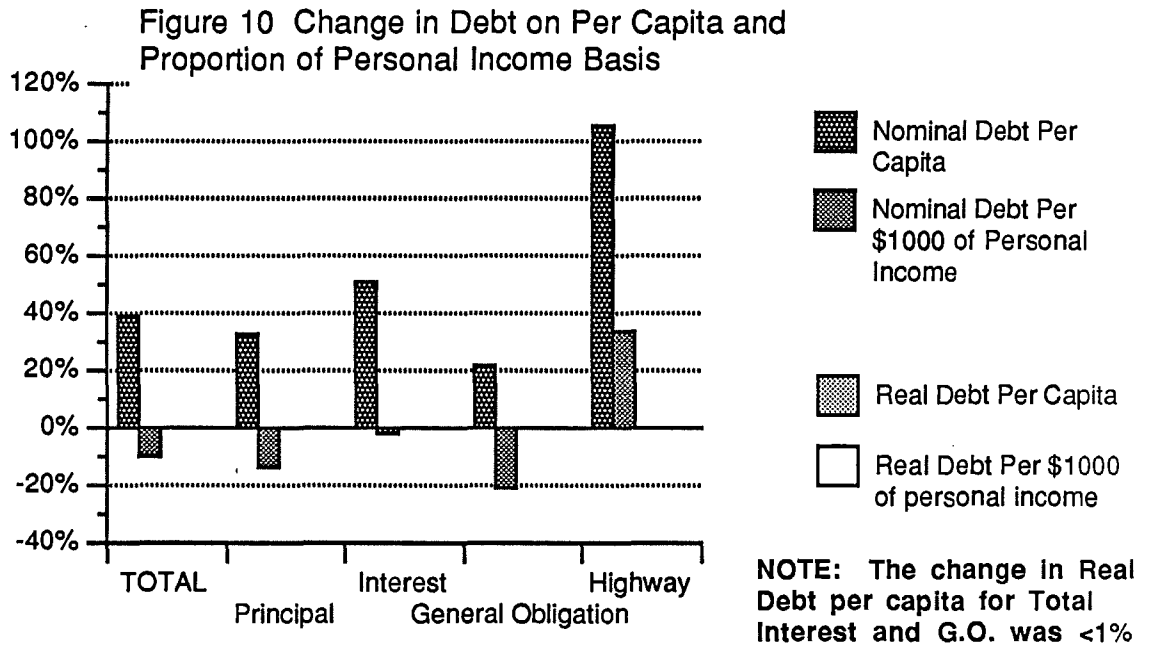
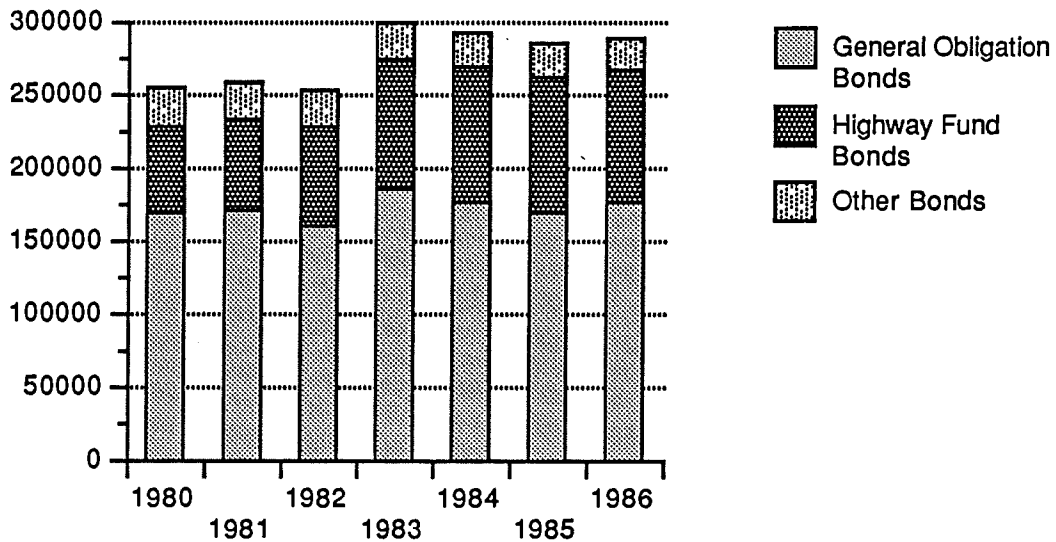


Figure 11 shows the total debt outstanding at the end of each fiscal year over the past six years. These figures indicate that highway bonds showed a large increase in 1983 after the passage of a gas tax increase, and thus account for the figures showing a faster increase in debt service costs for highways. General obligation bonds show no clear trend, although there is a general trending downward since 1980. Other bonds (self-liquidating bonds for the university, VTI's and Maine Veterans Home) have showed a steady decline over the period, and in fact this group has been declining steadily since 1974, since there has been little additional bonding of this type.

Figure 11 Debt Outstanding at June 30



## 7. Conclusion

It is clear that state government has expanded its programs and services over the past 25 years, but growth was not rapid in the period from 1980 to 1984, especially when inflation and population growth are factored out. This is also true of Maine's debt service costs, except for highway debt which has grown recently (but for which gas tax revenues are pledged). State aid to local governments grew significantly faster than did expenditures on direct state government programs.

Maine has not made major changes in spending among major spending categories. There has been a modest shift towards spending on public welfare, public safety, and interest on general debt. There has been a modest shift away from the natural resources category. However, the categories used in this analysis are very broad, and more detailed analysis is needed to fully assess the nature of changes in expenditure patterns.



TABLE 1

Maine State Government Expenditures  
1961-1984

(Millions of Dollars)

| (Millions)                  | 1961     | 1970               | 1980      | 1984       | Δ %    |
|-----------------------------|----------|--------------------|-----------|------------|--------|
| Education                   | \$18.8   | \$64.1             | \$151.8   | \$241.3    | 1183.5 |
| Highways                    | \$46.8   | \$71.1             | \$146.5   | \$139.2    | 197.4  |
| Public Welfare              | \$22.2   | \$61.4             | \$258.1   | \$391.0    | 1661.2 |
| Health&Hospitals            | \$12.9   | \$22.2             | \$59.0    | \$77.1     | 497.6  |
| Public Safety               | \$2.2    | \$5.4              | \$11.4    | \$15.9     | 622.7  |
| Central Administration      | \$4.1    | \$9.9              | \$37.3    | \$71.1     | 1634.1 |
| Interest on General Debt    | \$4.2    | \$8.5              | \$36.5    | \$84.8     | 1919.0 |
| All Other                   | \$19.5   | \$42.9             | \$321.5   | \$181.1    | 828.7  |
| Total Nominal Dollars       | \$130.7  | \$285.5<br>\$188.2 | \$1,022.1 | \$1,201.5  | 819.2  |
| Total Real Dollars (1961\$) | 130.70   | 188.15             | 307.10    | 281.36     | 115.2  |
| Exp./\$1000 Pers. Income    | \$73.06  | \$84.37            | \$122.10  | \$96.08    |        |
| Per Capita Expenditures     | \$133.84 | \$287.30           | \$907.73  | \$1,039.36 | 676.5  |
| Real Per Capita (1961 \$)   | \$133.84 | \$189.34           | \$272.74  | \$243.39   | 81.8   |

TABLE 2 1980 MAINE EXPENDITURES (Thousands of Dollars)

|                          | Direct  | Intergov | Total     |
|--------------------------|---------|----------|-----------|
| Education                | 238,857 | 150,162  | 389,019   |
| Libraries                | 1,746   |          | 1,746     |
| Education Subtotal       | 240,603 | 150,162  | 390,765   |
| Public Welfare           | 258,100 | 7,586    | 265,686   |
| Hospitals                | 29,766  |          | 29,766    |
| Health                   | 31,303  |          | 31,303    |
| Health Subtotal          | 61,069  |          | 61,069    |
| Employment Security      | 12,860  |          | 12,860    |
| Veterans                 | 170     |          | 170       |
| Highways                 | 146,453 | 4,759    | 151,212   |
| Airports                 | 1,565   |          | 1,565     |
| Water transport          | 835     |          | 835       |
| Transit Subsidies        |         |          |           |
| Transportation Subtotal  | 148,853 | 4,759    | 153,612   |
| Police                   | 11,513  |          | 11,513    |
| Corrections              | 16,351  |          | 16,351    |
| Inspection & regulation  | 8,627   |          | 8,627     |
| Public Safety Subtotal   | 36,491  |          | 36,491    |
| Agriculture              | 13,777  |          | 13,777    |
| Fish and Wildlife        | 11,336  |          | 11,336    |
| Forestry                 | 17,365  |          | 17,365    |
| Other Natural Resources  | 3,940   |          | 3,940     |
| Parks and Recreation     | 5,490   |          | 5,490     |
| Nat Resources Subtotal   | 51,908  |          | 51,908    |
| Housing & Comm Dev       | 334     |          | 334       |
| Sewage Treatment         | 6,284   |          | 6,284     |
| Financial Admin          | 20,973  |          | 20,973    |
| Judiciary                | 8,269   |          | 8,269     |
| Legislature              | 3,270   |          | 3,270     |
| Public Buildings         | 3,460   |          | 3,460     |
| Other Admin              | 4,887   |          | 4,887     |
| Administration Subtotal  | 40,859  |          | 40,859    |
| Interest on General Debt | 36,505  |          | 36,505    |
| Rev Sharing-Local Govts  |         |          | 0         |
| Other                    | 44,255  | 42,470   | 86,725    |
| TOTAL                    | 938,291 | 162,507  | 1,143,268 |

TABLE 3 1984 MAINE EXPENDITURES (Thousands of Dollars)

|                          | MAINE   |          | Total   |
|--------------------------|---------|----------|---------|
|                          | Direct  | Intergov |         |
| Education                | 239,448 | 278,241  | 517,689 |
| Libraries                | 2,068   |          | 2,068   |
| Education Subtotal       | 241,516 | 278,241  | 519,757 |
| Public Welfare           | 391,002 | 11,201   | 402,203 |
| Hospitals                | 38,748  |          | 38,748  |
| Health                   | 43,607  |          | 43,607  |
| Health Subtotal          | 82,355  |          | 82,355  |
| Employment Security      | 15,641  |          | 15,641  |
| Veterans                 | 196     |          | 196     |
| Highways                 | 139,239 | 12,591   | 151,830 |
| Airports                 | 997     |          | 997     |
| Water transport          | 6,589   |          | 6,589   |
| Transit Subsidies        |         |          |         |
| Transportation Subtotal  | 146,825 | 12,591   | 159,416 |
| Police                   | 15,870  |          | 15,870  |
| Corrections              | 24,366  |          | 24,366  |
| Inspection & regulation  | 11,648  |          | 11,648  |
| Public Safety Subtotal   | 51,884  |          | 51,884  |
| Agriculture              | 18,115  |          | 18,115  |
| Fish and Wildlife        | 15,506  |          | 15,506  |
| Forestry                 | 12,276  |          | 12,276  |
| Other Natural Resources  | 3,887   |          | 3,887   |
| Parks and Recreation     | 6,933   |          | 6,933   |
| Nat Resources Subtotal   | 56,717  |          | 56,717  |
| Housing & Comm Dev       | 2,000   |          | 2,000   |
| Sewage Treatment         | 8,842   |          | 8,842   |
| Financial Admin          | 44,206  |          | 44,206  |
| Judiciary                | 16,705  |          | 16,705  |
| Legislature              | 5,969   |          | 5,969   |
| Public Buildings         | 5,106   |          | 5,106   |
| Other Admin              | 4,226   |          | 4,226   |
| Administration Subtotal  | 76,212  |          | 76,212  |
| Interest on General Debt | 84,819  |          | 84,819  |
| Rev Sharing-Local Govts  |         | 28,283   | 28,283  |
| Other                    | 63,100  |          | 63,100  |

TABLE 4 GROWTH RATES FOR TOTAL EXPENDITURES 1980-1984

|                         | NOMINAL DOLLARS |          |         | REAL DOLLARS |          |         |
|-------------------------|-----------------|----------|---------|--------------|----------|---------|
|                         | Direct          | Intergov | Total   | Direct       | Intergov | Total   |
| Education               | 0.25%           | 85.29%   | 33.08%  | -20.06%      | 47.76%   | 6.12%   |
| Libraries               | 18.44%          |          | 18.44%  | -5.55%       |          | -5.55%  |
| Education Subtotal      | 0.38%           |          | 33.01%  | -19.96%      |          | 6.06%   |
| Public Welfare          | 51.49%          | 47.65%   | 51.38%  | 20.80%       | 17.74%   | 20.71%  |
| Hospitals               | 30.18%          |          | 30.18%  | 3.80%        |          | 3.80%   |
| Health                  | 39.31%          |          | 39.31%  | 11.08%       |          | 11.08%  |
| Health Subtotal         | 34.86%          |          | 34.86%  | 7.54%        |          | 7.54%   |
| Employment Security     | 21.63%          |          | 21.63%  | -3.01%       |          | -3.01%  |
| Veterans                | 15.29%          |          | 15.29%  | -8.06%       |          | -8.06%  |
| Highways                | -4.93%          | 164.57%  | 0.41%   | -24.19%      |          | -19.93% |
| Airports                | -36.29%         |          | -36.29% | -49.20%      |          | -49.20% |
| Water transport         | 689.10%         |          | 689.10% | 529.24%      |          | 529.24% |
| Transportation Subtotal | -1.36%          | 164.57%  | 3.78%   | -21.35%      | 110.97%  | -17.25% |
| Police                  | 37.84%          |          | 37.84%  | 9.92%        |          | 9.92%   |
| Corrections             | 49.02%          |          | 49.02%  | 18.83%       |          | 18.83%  |
| Inspection & regulation | 35.02%          |          | 35.02%  | 7.66%        |          | 7.66%   |
| Public Safety Subtotal  | 42.18%          |          | 42.18%  | 13.38%       |          | 13.38%  |
| Agriculture             | 31.49%          |          | 31.49%  | 4.85%        |          | 4.85%   |
| Fish and Wildlife       | 36.79%          |          | 36.79%  | 9.07%        |          | 9.07%   |
| Forestry                | -29.31%         |          | -29.31% | -43.63%      |          | -43.63% |
| Other Natural Resources | -1.35%          |          | -1.35%  | -21.33%      |          | -21.33% |
| Parks and Recreation    | 26.28%          |          | 26.28%  | 0.70%        |          | 0.70%   |
| Nat Resources Subtotal  | 9.26%           |          | 9.26%   | -12.87%      |          | -12.87% |
| Housing & Comm Dev      | 498.80%         |          | 498.80% | 377.49%      |          | 377.49% |

TABLE 4 (Continued)

|                          |         |         |         |         |        |         |
|--------------------------|---------|---------|---------|---------|--------|---------|
| Sewage Treatment         | 40.71%  |         | 40.71%  | 12.20%  |        | 12.20%  |
| Financial Admin          | 110.78% |         | 110.78% | 68.07%  |        | 68.07%  |
| Judiciary                | 102.02% |         | 102.02% | 61.09%  |        | 61.09%  |
| Legislature              | 82.54%  |         | 82.54%  | 45.56%  |        | 45.56%  |
| Public Buildings         | 47.57%  |         | 47.57%  | 17.68%  |        | 17.68%  |
| Other Admin              | -13.53% |         | -13.53% | -31.04% |        | -31.04% |
| Administration Subtotal  | 86.52%  |         | 86.52%  | 48.74%  |        | 48.74%  |
| Interest on General Debt | 132.35% |         | 132.35% | 85.28%  |        | 85.28%  |
| Rev Sharing-Local Govts  |         | NA      | NA      |         | NA     | NA      |
| Other                    | 42.58%  |         | 42.58%  | 13.70%  |        | 13.70%  |
| TOTAL                    | 30.14%  | 103.26% | 33.23%  | 3.78%   | 62.08% | 6.24%   |

TABLE 5 GROWTH RATES FOR PER CAPITA EXPENDITURES 1980-1984

|                         | NOMINAL DOLLARS |          |         | REAL DOLLARS |          |         |
|-------------------------|-----------------|----------|---------|--------------|----------|---------|
|                         | Direct          | Intergov | Total   | Direct       | Intergov | Total   |
| Education               | -2.48%          | 80.26%   | 29.46%  | -22.24%      | 43.74%   | 3.23%   |
| Libraries               | 15.22%          |          | 15.22%  | -8.12%       |          | -8.12%  |
| Education Subtotal      | -2.35%          | 80.26%   | 29.39%  | -22.13%      | 43.74%   | 3.18%   |
| Public Welfare          | 47.37%          | 43.64%   | 47.27%  | 17.52%       | 14.54%   | 17.43%  |
| Hospitals               | 26.64%          |          | 26.64%  | 0.98%        |          | 0.98%   |
| Health                  | 35.52%          |          | 35.52%  | 8.06%        |          | 8.06%   |
| Health Subtotal         | 31.19%          |          | 31.19%  | 4.61%        |          | 4.61%   |
| Employment Security     | 18.32%          |          | 18.32%  | -5.65%       |          | -5.65%  |
| Veterans                | 12.16%          |          | 12.16%  | -10.56%      |          | -10.56% |
| Highways                | -7.51%          | 157.38%  | -2.32%  | -26.25%      | 105.24%  | -22.11% |
| Airports                | -38.03%         |          | -38.03% | -50.58%      |          | -50.58% |
| Water transport         | 667.65%         |          | 667.65% | 512.13%      |          | 512.13% |
| Transportation Subtotal | -4.04%          | 157.38%  | 0.96%   | -23.48%      | 105.24%  | -19.50% |
| Police                  | 34.10%          |          | 34.10%  | 6.93%        |          | 6.93%   |
| Corrections             | 44.97%          |          | 44.97%  | 15.60%       |          | 15.60%  |
| Inspection & regulation | 31.35%          |          | 31.35%  | 4.74%        |          | 4.74%   |
| Public Safety Subtotal  | 38.32%          |          | 38.32%  | 10.30%       |          | 10.30%  |
| Agriculture             | 27.91%          |          | 27.91%  | 2.00%        |          | 2.00%   |
| Fish and Wildlife       | 33.07%          |          | 33.07%  | 6.11%        |          | 6.11%   |
| Forestry                | -31.23%         |          | -31.23% | -45.16%      |          | -45.16% |
| Other Natural Resources | -4.03%          |          | -4.03%  | -23.47%      |          | -23.47% |
| Parks and Recreation    | 22.85%          |          | 22.85%  | -2.04%       |          | -2.04%  |
| Nat Resources Subtotal  | 6.29%           |          | 6.29%   | -15.24%      |          | -15.24% |
| Housing & Comm Dev      | 482.52%         |          | 482.52% | 364.51%      |          | 364.51% |

TABLE 5 (Continued)

|                          |         |        |         |         |        |         |
|--------------------------|---------|--------|---------|---------|--------|---------|
| Sewage Treatment         | 36.88%  |        | 36.88%  | 9.15%   |        | 9.15%   |
| Financial Admin          | 105.05% |        | 105.05% | 63.51%  |        | 63.51%  |
| Judiciary                | 96.53%  |        | 96.53%  | 56.71%  |        | 56.71%  |
| Legislature              | 77.58%  |        | 77.58%  | 41.60%  |        | 41.60%  |
| Public Buildings         | 43.56%  |        | 43.56%  | 14.48%  |        | 14.48%  |
| Other Admin              | -15.88% |        | -15.88% | -32.92% |        | -32.92% |
| Administration Subtotal  | 81.45%  |        | 81.45%  | 44.69%  |        | 44.69%  |
| Interest on General Debt | 126.03% |        | 126.03% | 80.24%  |        | 80.24%  |
| Rev Sharing-Local Govts  |         | NA     |         |         | NA     |         |
| Other                    | 38.71%  |        | 38.71%  | 10.61%  |        | 10.61%  |
| TOTAL                    | 26.60%  | 97.74% | 29.60%  | 0.95%   | 57.68% | 3.35%   |

TABLE 6

A.

Per Capita Expenditures  
Maine and All State Governments

|                  | MAINE      | All States |
|------------------|------------|------------|
| Total            | \$1,532.82 | \$1,492.12 |
| Wages & Salaries | \$275.26   | \$276.80   |
| "General"        | \$1,342.06 | \$1,314.81 |
| Education        | \$447.83   | \$492.74   |
| Public Welfare   | \$347.93   | \$266.41   |
| Health           | \$67.24    | \$106.07   |
| Highways         | \$131.34   | \$122.85   |
| Pub. Safety      | \$34.81    | \$46.16    |
| Interest         | \$73.37    | \$55.78    |
| Other            | \$235.54   | \$224.80   |

B.

Nondefense Federal Expenditures  
and Maine State Expenditures

(Millions of Dollars)

|                   | US          | MAINE   |
|-------------------|-------------|---------|
| Education         | \$12,496.0  | \$239.4 |
| Welfare           | \$23,715.0  | \$391.0 |
| Highways          | \$792.0     | \$139.2 |
| Health            | \$12,966.0  | \$82.4  |
| Public Safety     | \$2,773.0   | \$51.9  |
| Natural Resources | \$59,415.0  | \$56.7  |
| Financial Admin   | \$7,556.0   | \$71.1  |
| Interest on Debt  | \$109,209.0 | \$84.8  |
| Other             | \$88,069.0  | \$309.0 |



TABLE 7 Intergovernmental Transfers from The Federal Government (Thousands of Dollars)

|   | 1975    | 1980    | 1981    | 1982    | 1983    | 1984    | Δ% 80-84        |
|---|---------|---------|---------|---------|---------|---------|-----------------|
| Public Welfare                                  | 92,708  | 166,746 | 200,831 | 185,848 | 196,518 | 214,367 | 28.56%          |
| Education                                       | 44,617  | 68,333  | 76,314  | 75,766  | 75,886  | 80,289  | 17.50%          |
| Highways  | 26,162  | 52,247  | 42,341  | 52,365  | 52,556  | 53,818  | 3.01%           |
| Employment Security                             | 11,418  | 14,032  | 15,990  | 14,801  | 14,487  | 16,874  | 20.25%          |
| Health & Hospitals                              | 5,813   | 11,368  | 13,598  | 10,194  | 9,655   | 11,465  | 0.85%           |
| Nat. Resources                                  | 6,679   | 10,753  | 10,939  | 9,974   | 9,298   | 9,445   | -12.16%         |
| Other   | 46,103  | 77,852  | 80,721  | 48,482  | 47,430  | 57,848  | -25.69%         |
| TOTAL   | 233,500 | 401,331 | 440,734 | 397,430 | 405,830 | 444,106 | 10.66%          |
| <b>REAL INTERGOVERNMENTAL REVENUES (1982\$)</b> |         |         |         |         |         |         | <b>Δ% 80-84</b> |
| Public Welfare                                  |         | 193,441 | 215,022 | 185,848 | 189,324 | 198,304 | 2.51%           |
| Education                                       |         | 79,273  | 81,707  | 75,766  | 73,108  | 74,273  | -6.31%          |
| Highways  |         | 60,611  | 45,333  | 52,365  | 50,632  | 49,785  | -17.86%         |
| Emp. Security                                   |         | 16,278  | 17,120  | 14,801  | 13,957  | 15,610  | -4.11%          |
| Health  |         | 13,188  | 14,559  | 10,194  | 9,302   | 10,606  | -19.58%         |
| Nat. Resources                                  |         | 12,474  | 11,712  | 9,974   | 8,958   | 8,737   | -29.96%         |
| Other   |         | 90,316  | 86,425  | 48,482  | 45,694  | 53,513  | -40.75%         |
| TOTAL   |         | 465,581 | 471,878 | 397,430 | 390,973 | 410,829 | -11.76%         |

TABLE 8 Annual General Obligation and Highway Debt Service

|                                     | 1980       | 1981       | 1982       | 1983       | 1984       | 1985       | Δ% 80-85 |
|-------------------------------------|------------|------------|------------|------------|------------|------------|----------|
| <b>Nominal Dollars</b>              |            |            |            |            |            |            |          |
| Total Debt Service                  | 35,151,920 | 38,162,056 | 41,524,711 | 49,349,945 | 51,105,317 | 50,466,468 | 43.57%   |
| Principal                           | 23,005,000 | 25,772,887 | 26,875,071 | 30,830,000 | 31,575,000 | 31,490,000 | 36.88%   |
| Interest                            | 12,146,920 | 12,389,169 | 14,649,640 | 18,519,945 | 19,530,317 | 18,976,468 | 56.22%   |
| <b>General Obligation</b>           |            |            |            |            |            |            |          |
| Principal                           | 18,215,000 | 18,375,000 | 20,332,887 | 21,015,071 | 24,545,000 | 23,845,000 | 30.91%   |
| Interest                            | 9,925,753  | 9,274,721  | 10,668,614 | 12,619,297 | 12,894,137 | 11,710,607 | 17.98%   |
| <b>Highways</b>                     |            |            |            |            |            |            |          |
| Principal                           | 4,790,000  | 5,440,000  | 5,860,000  | 6,285,000  | 7,730,000  | 7,645,000  | 59.60%   |
| Interest                            | 2,221,167  | 3,114,448  | 3,981,026  | 5,900,648  | 6,636,180  | 7,265,861  | 227.12%  |
| <b>Debt Service in 1982 dollars</b> |            |            |            |            |            |            |          |
| Total Debt Service                  | 40,779,490 | 40,858,732 | 41,524,711 | 47,543,300 | 47,275,964 | 45,180,365 | 10.79%   |
| Principal                           | 26,687,935 | 27,594,097 | 26,875,071 | 29,701,349 | 29,209,066 | 28,191,585 | 5.63%    |
| Interest                            | 14,091,555 | 13,264,635 | 14,649,640 | 17,841,951 | 18,066,898 | 16,988,781 | 20.56%   |
| <b>General Obligation</b>           |            |            |            |            |            |            |          |
| Principal                           | 21,131,090 | 19,673,448 | 20,332,887 | 20,245,733 | 22,705,828 | 21,347,359 | 1.02%    |
| Interest                            | 11,514,795 | 9,930,108  | 10,668,614 | 12,157,319 | 11,927,971 | 10,483,981 | -8.95%   |
| <b>Highways</b>                     |            |            |            |            |            |            |          |
| Principal                           | 5,556,845  | 5,824,411  | 5,860,000  | 6,054,913  | 7,150,786  | 6,844,226  | 23.17%   |
| Interest                            | 2,576,760  | 3,334,527  | 3,981,026  | 5,684,632  | 6,138,927  | 6,504,799  | 152.44%  |

TABLE 9 Nominal Debt Per Capita

|   | 1980    | 1981    | 1982    | 1983    | 1984    | 1985    | Δ% 80-85 |
|---|---------|---------|---------|---------|---------|---------|----------|
| Total Debt Service                      | \$31.22 | \$33.68 | \$36.52 | \$43.06 | \$44.21 | \$43.32 | 38.76%   |
| Principal                               | \$20.43 | \$22.75 | \$23.64 | \$26.90 | \$27.31 | \$27.03 | 32.30%   |
| Interest                                | \$10.79 | \$10.93 | \$12.88 | \$16.16 | \$16.89 | \$16.29 | 50.99%   |
| General Obligation                      | \$24.99 | \$24.40 | \$27.27 | \$29.35 | \$32.39 | \$30.52 | 22.12%   |
| Principal                               | \$16.18 | \$16.22 | \$17.88 | \$18.34 | \$21.23 | \$20.47 | 26.53%   |
| Interest                                | \$8.82  | \$8.19  | \$9.38  | \$11.01 | \$11.15 | \$10.05 | 14.03%   |
| Highways                                | \$6.23  | \$7.55  | \$8.66  | \$10.63 | \$12.43 | \$12.80 | 105.55%  |
| Principal                               | \$4.25  | \$4.80  | \$5.15  | \$5.48  | \$6.69  | \$6.56  | 54.26%   |
| Interest                                | \$1.97  | \$2.75  | \$3.50  | \$5.15  | \$5.74  | \$6.24  | 216.17%  |
| Nominal Debt Per \$1000 Personal Income |         |         |         |         |         |         |          |
|   | 1980    | 1981    | 1982    | 1983    | 1984    | 1985    | Δ% 80-85 |
| Total Debt Service                      | \$4.20  | \$3.90  | \$3.94  | \$4.35  | \$4.09  | \$3.79  | -9.84%   |
| Principal                               | \$2.75  | \$2.63  | \$2.55  | \$2.72  | \$2.52  | \$2.36  | -14.04%  |
| Interest                                | \$1.45  | \$1.27  | \$1.39  | \$1.63  | \$1.56  | \$1.42  | -1.89%   |
| General Obligation                      | \$3.36  | \$2.83  | \$2.94  | \$2.97  | \$2.99  | \$2.67  | -20.65%  |
| Principal                               | \$2.18  | \$1.88  | \$1.93  | \$1.85  | \$1.96  | \$1.79  | -17.79%  |
| Interest                                | \$1.19  | \$0.95  | \$1.01  | \$1.11  | \$1.03  | \$0.88  | -25.91%  |
| Highways                                | \$0.84  | \$0.87  | \$0.93  | \$1.08  | \$1.15  | \$1.12  | 33.55%   |
| Principal                               | \$0.57  | \$0.56  | \$0.56  | \$0.55  | \$0.62  | \$0.57  | 0.23%    |
| Interest                                | \$0.27  | \$0.32  | \$0.38  | \$0.52  | \$0.53  | \$0.55  | 105.42%  |

TABLE 10 Real Debt Per Capita

|   | 1980   | 1981   | 1982   | 1983   | 1984   | 1985   | Δ% 80-85 |
|---|--------|--------|--------|--------|--------|--------|----------|
| Total Debt Service                      | \$4.92 | \$4.14 | \$3.94 | \$4.22 | \$3.80 | \$3.40 | -30.94%  |
| Principal                               | \$3.22 | \$2.80 | \$2.55 | \$2.64 | \$2.35 | \$2.12 | -34.16%  |
| Interest                                | \$1.70 | \$1.34 | \$1.39 | \$1.58 | \$1.45 | \$1.28 | -24.85%  |
| General Obligation                      | \$3.94 | \$3.00 | \$2.94 | \$2.87 | \$2.78 | \$2.39 | -39.22%  |
| Principal                               | \$2.55 | \$1.99 | \$1.93 | \$1.80 | \$1.82 | \$1.61 | -37.03%  |
| Interest                                | \$1.39 | \$1.01 | \$1.01 | \$1.08 | \$0.96 | \$0.79 | -43.25%  |
| Highways                                | \$0.98 | \$0.93 | \$0.93 | \$1.04 | \$1.07 | \$1.00 | 2.30%    |
| Principal                               | \$0.67 | \$0.59 | \$0.56 | \$0.54 | \$0.57 | \$0.51 | -23.23%  |
| Interest                                | \$0.31 | \$0.34 | \$0.38 | \$0.50 | \$0.49 | \$0.49 | 57.35%   |
| Real Debt Per \$1000 of personal income |        |        |        |        |        |        |          |
|   | 1980   | 1981   | 1982   | 1983   | 1984   | 1985   | Δ% 80-85 |
| Total Debt Service                      | \$4.16 | \$3.94 | \$3.94 | \$4.33 | \$4.07 | \$3.78 | -9.17%   |
| Principal                               | \$2.72 | \$2.66 | \$2.55 | \$2.70 | \$2.51 | \$2.36 | -13.40%  |
| Interest                                | \$1.44 | \$1.28 | \$1.39 | \$1.62 | \$1.55 | \$1.42 | -1.16%   |
| General Obligation                      | \$3.33 | \$2.85 | \$2.94 | \$2.95 | \$2.98 | \$3.32 | -0.26%   |
| Principal                               | \$2.15 | \$1.90 | \$1.93 | \$1.84 | \$1.95 | \$2.23 | 3.34%    |
| Interest                                | \$1.17 | \$0.96 | \$1.01 | \$1.11 | \$1.03 | \$1.09 | -6.87%   |
| Highways                                | \$0.83 | \$0.88 | \$0.93 | \$1.07 | \$1.14 | \$1.12 | 34.55%   |
| Principal                               | \$0.57 | \$0.56 | \$0.56 | \$0.55 | \$0.62 | \$0.57 | 0.98%    |
| Interest                                | \$0.26 | \$0.32 | \$0.38 | \$0.52 | \$0.53 | \$0.54 | 106.96%  |

TABLE 11

State Debt Outstanding  
as of June 30

|      | TOTAL   | General Obligation | Highway | Other  |
|------|---------|--------------------|---------|--------|
| 1980 | 254,835 | 169,370            | 59,145  | 26,320 |
| 1981 | 259,520 | 171,965            | 62,105  | 25,450 |
| 1982 | 253,277 | 161,217            | 67,745  | 24,315 |
| 1983 | 300,322 | 185,097            | 90,260  | 24,965 |
| 1984 | 294,584 | 175,899            | 93,665  | 23,835 |
| 1985 | 285,934 | 170,084            | 93,185  | 22,665 |
| 1986 | 289,830 | 177,110            | 91,240  | 21,480 |