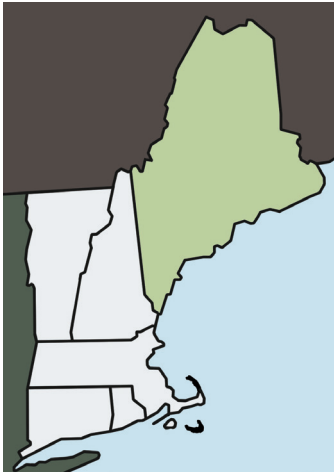


## MAINE Budget Report Card



MAINE EARNED B AVERAGES for fiscal 2015 through 2019 in all five budget categories. Its most notable improvement over the period was in legacy costs, which includes public worker pensions and other postemployment benefits (OPEB), primarily health care. Maine started making actuarially determined OPEB contributions in 2017 and exceeded the actuarial sum by \$9.4 million in 2018. The actions contrast with the twenty-seven states that failed to provide actuarial OPEB funding. Also helping the grade was Maine’s 84 percent pension funding ratio in 2019, 13 percentage points above the total for all states.

The budget forecasting grade was buoyed by the state’s use of a consensus revenue forecasting process, multiyear revenue forecasts, and detailed explanations of revenue growth projections. It missed a top A mark by failing to provide multiyear expenditure forecasts.

The B average for reserve funds reflected the disbursement and replenishment policies for Maine’s Budget Stabilization Fund. The account grew steadily over the study period and contained \$309 million in 2019, equivalent to 8.3 percent of general fund expenditures. The state missed getting an A because it did not tie its reserves to revenue volatility, a practice followed by twenty states.


### NEW ENGLAND STATES SIDE BY SIDE: Five-Year Average Grades, Fiscal 2015–19


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Connecticut	A	C	D	B	B
Maine	B	B	B	B	B
Massachusetts	C	C	D-	A	B
New Hampshire	D	B	D	B	B
Rhode Island	A	C	B	B	B
Vermont	B	B	D	B	B
US AVERAGE	C	B	C	B	B


**NOTE** States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preparing for the Storm* at [VolckerAlliance.org](http://VolckerAlliance.org).


## MAINE Budget Report Card, Fiscal 2015–19

BUDGET FORECASTING							TREND				
	2015	2016	2017	2018	2019	'15	'16	'17	'18	'19	
 CATEGORY GRADE	B	B	B	B	B						
Consensus Revenue Forecasts	✓	✓	✓	✓	✓						
Multiyear Expenditure Forecasts	X	X	X	X	X	●	●	●	●	●	
Multiyear Revenue Forecasts	✓	✓	✓	✓	✓						
Revenue Growth Projections	✓	✓	✓	✓	✓						
5-YEAR AVERAGE						B					

BUDGET MANEUVERS							TREND				
	2015	2016	2017	2018	2019	'15	'16	'17	'18	'19	
 CATEGORY GRADE	C	B	B	B	B						
Deferring Recurring Expenditures	X	✓	✓	✓	✓						
Revenue and Cost Shifting	X	X	X	X	X		●	●	●	●	
Funding Recurring Expenditures with Debt	✓	✓	✓	✓	✓	●					
Using Asset Sales and Up-Front Revenues	✓	✓	✓	✓	✓						
5-YEAR AVERAGE						B					

LEGACY COSTS							TREND				
	2015	2016	2017	2018	2019	'15	'16	'17	'18	'19	
 CATEGORY GRADE	C	C	A	A	A						
Public Employee OPEB Funding	X	X	✓	✓	✓			●	●	●	
Public Employee Pension Funding	✓	✓	✓	✓	✓	●	●				
Public Employee Pension Funded Ratio*	83%	77%	82%	85%	84%						
5-YEAR AVERAGE						B					

RESERVE FUNDS							TREND				
	2015	2016	2017	2018	2019	'15	'16	'17	'18	'19	
 CATEGORY GRADE	B	B	B	B	B						
Positive Reserve or General Fund Balance	✓	✓	✓	✓	✓						
Reserve Funds Disbursement Policy	✓	✓	✓	✓	✓	●	●	●	●	●	
Reserve Funds Replenishment Policy	✓	✓	✓	✓	✓						
Reserves Tied to Revenue Volatility	X	X	X	X	X						
5-YEAR AVERAGE						B					

TRANSPARENCY							TREND				
	2015	2016	2017	2018	2019	'15	'16	'17	'18	'19	
 CATEGORY GRADE	B	B	B	B	B						
Consolidated Budget Website	✓	✓	✓	✓	✓						
Provides Debt Tables	✓	✓	✓	✓	✓	●	●	●	●	●	
Discloses Deferred Infrastructure Replacement Costs	X	X	X	X	X						
Discloses Tax Expenditures	✓	✓	✓	✓	✓						
5-YEAR AVERAGE						B					

### KEY

✓	Followed best practice
X	Did not follow best practice

**BUDGET FORECASTING** evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

\* **SOURCE** Bloomberg.

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