

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1521

H.P. 1006

House of Representatives, April 8, 2025

### **An Act to Require All State Agencies to Provide a Zero-based Budget Once Every 10 Years**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative DUCHARME of Madison.  
Cosponsored by Senator BICKFORD of Androscoggin and  
Representatives: ARATA of New Gloucester, FLYNN of Albion, HASENFUS of Readfield,  
MCINTYRE of Lowell, RUDNICKI of Fairfield, Senator: STEWART of Aroostook.

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

**Sec. 1. 5 MRSA §1662, sub-§1-B is enacted to read:**

**1-B. State budget document.** For biennial budget documents for fiscal years 2027-28 and 2028-29, the budget document must be prepared and submitted using a budget process that includes zero-based budgeting for each department and other agency in the Executive, Legislative and Judicial Departments at least once every 10 years. For the purposes of this subsection, "zero-based budgeting" means a method of budgeting in which programs and activities are justified for a budgetary period using cost-benefit analysis without regard to the amount that was budgeted for those programs and activities in a prior budgetary period;

**Sec. 2. Budget provisions review.** By January 1, 2026, the Department of Administrative and Financial Services shall review the provisions of the Maine Revised Statutes, Title 5, chapter 149 and submit legislation to the Joint Standing Committee on Appropriations and Financial Affairs by January 15, 2026 making necessary changes to statute to facilitate the submission of a budget for fiscal years 2027-28 and 2028-29 that includes zero-based budgeting based on the following conditions:

1. Establishing a zero-based budgeting system in which each agency is required to use a zero-based budgeting format every 10 years;

2. Establishing a system for periodic agency review with the biennial budget;

3. Establishing targeted budgeting or a similar alternative budgeting system for agencies for budget submissions during years when the agency is not submitting a zero-based budget; and

4. Requiring the provision of alternative funding and budget recommendations for agencies that, at a minimum, require recommendations from each agency outlining 5% and 10% funding reduction proposals during years when the agency is not submitting a zero-based budget.

The joint standing committee may report out a bill to the Second Regular Session of the 132nd Legislature based on the legislation submitted by the department.

## SUMMARY

The bill requires the development of a new budgeting system in which agencies would be subject to zero-based budgeting every 10 years and in the interim years be subject to review and alternative budget requirements. The bill also requires the Department of Administrative and Financial Services to submit legislation facilitating a zero-based budget to the Joint Standing Committee on Appropriations and Financial Affairs and authorizes the committee to report out a bill based on the department's submission.