

MAINE STATE LEGISLATURE

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OFFICE OF
THE GOVERNOR

NO. 1 FY 75-76

DATE August 22, 1975

SHARING COSTS OF FEDERAL STATE PROGRAMS

WHEREAS, Maine taxpayers are concerned over the ever-increasing cost of State government; and,

WHEREAS, it is the policy of this administration of the State of Maine government to actively seek out, activate, operate and refine processes and procedures which will enable us to make more informed judgments relative to resource allocation; and,

WHEREAS, the Federal government has established, through Federal Management Circular 74-4 (formerly OMB Circular A-87) a system for determining allowability of State government costs incurred in operating Federally-assisted programs; a system whereby indirect program costs such as personnel services, budget services, check-writing, space, and purchases will be recognized as acceptable program costs by the Federal government; and,


WHEREAS, because Federal grants and contracts awarded to the State frequently are based on a percentage of the total cost of a program, such indirect State costs should be included in the development of the total cost figure to ensure that both the Federal government and the State are aware of their respective full shares;

NOW, THEREFORE, I, JAMES B. LONGLEY, Governor of the State of Maine, direct that:

1. The Department of Finance and Administration shall immediately reactivate the cost allocation program which was designed by its Bureau of the Budget to ensure timely and accurate reporting of all information required to receive maximum benefit from Federal Management Circular 74-4 and revisions.

2. All State agencies applying for, receiving, or providing services to State agencies applying for or receiving Federal funds shall participate and provide such data and documents as required by the State Bureau of the Budget's program.

3. All State departments shall provide full cooperation with the Department of Finance and Administration in the continuous execution of this program and other programs aimed at providing economy, efficiency and effectiveness in State government.



JAMES B. LONGLEY
Governor