

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
OFFICE OF THE GOVERNOR  
AUGUSTA, MAINE  
04333

JOHN R. MCKERNAN, JR.

GOVERNOR

GOVERNOR'S STATEMENT ON HIS ACTION TO CURTAIL ALLOTMENTS

The Maine Constitution requires our State budget to be balanced at the end of each fiscal year and charges the Governor with, among many duties, ensuring that this requirement is met. As such, as Governor, I have an obligation to exercise my executive authority to ensure a balanced budget, however difficult and however painful this might be.

Further, as Governor, I have limits placed on my authority to carry out this constitutional responsibility. I cannot tax nor can I spend; these are powers expressly reserved for our Legislature. My authority extends only to reducing spending to levels below those established by the Legislature. I can exercise this authority only when a financial emergency exists wherein expected revenues will fall short of budgeted expenditures and only until the State's budget is amended into law with legislation action. The technical term for implementing my authority is "curtailing allotments."

It was my hope that I would not have to initiate the allotment curtailment process; that together the Legislative and Executive branches of our government could fashion a new State budget which balanced spending with available revenues. To date such an approach has been rejected by the Legislature.

My responsibility, however, to balance our State's budget continues, and my original proposal remains the only credible one put forward thus far. Accordingly, I have begun to implement this proposal through the allotment curtailment process. For most State agencies, this will mean a 15% reduction in spending in the third quarter of this fiscal year, reflected by the approximately 500 layoff notices my Administration issued earlier this week. Because this proposal incorporates the retirement deferral option, we are able to limit the reduction in funds for local and higher education to only 2.25%, as well as minimizing the affect on our most vulnerable populations, including the mentally ill and children in need of protective and other social services. In addition, we are able to avert in excess of 1500 additional layoffs which would have otherwise been necessary.

While I have initiated these reductions in State spending, I continue to view them as measures which are designed to ensure that we can fulfill our constitutional and statutory responsibilities until the Legislature acts to amend our current State budget. I am under no illusions — this will be a very difficult task. If the experiences of our neighboring states provide any guidance, we will be successful only if the result is the product of bipartisan cooperation and compromise between the Executive and Legislative branches of government. I will continue to invite the Legislature to work with me to achieve that end. But without Legislative involvement or initiative, I am bound to uphold my constitutional and statutory obligation to balance the state budget.





STATE OF MAINE  
OFFICE OF THE GOVERNOR  
AUGUSTA, MAINE  
04333

JOHN R. MCKERNAN, JR.  
GOVERNOR

M E M O R A N D U M

TO: The Honorable Charles P. Pray, President of the Senate  
The Honorable John L. Martin, Speaker of the House  
The Honorable Nancy R. Clark, Senate Majority Leader  
The Honorable Charles M. Webster, Senate Minority Leader  
The Honorable Dan A. Gwadosky, House Majority Leader  
The Honorable Walter E. Whitcomb, House Minority Leader

FROM: Governor John R. McKernan, Jr. 

SUBJECT: Temporary Curtailment of Allotments

DATE: January 4, 1991

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Pursuant to Title 5, MRSA, Section 1668, I am notifying you that I have today approved a Financial Order curtailing third quarter allotments for FY91 in order that authorized expenditures for the year will not exceed projected revenues for the year. I have today been advised by State Budget Officer G. William Buker that his revised revenue projections indicate a revenue shortfall of \$106.2 million for FY91.

In view of the magnitude of this projected revenue shortfall I feel it is necessary that I take this step in order to assure that General Fund spending is reduced from this point forward in a manner that will assure that the budget can be balanced over the last half of the year. I remain confident that we will be able to reach an agreement on appropriate reductions and spending that will result in a budget bill being enacted that will return the FY91 budget to balance. A copy of the allotment curtailment Order is attached to this memorandum. A copy of the impact analysis sheets for each of the accounts curtailed by this Order will be on file in the Office of Fiscal and Program Review.





State of Maine  
Executive Department

FINANCIAL ORDER  
08064 F1

FINANCE

Department Name

APPROVED  
JAN 4 1991  
BY GOVERNOR

*Juma*

ORDERED,

That the State Controller be, and hereby is, directed to de-allot funds in the accounts of the various State departments, institutions and agencies in accordance with the attached listing; and

BE IT FURTHER ORDERED,

That the State Controller authorize the expenditure in accordance with the attached "Request for Revision of Work Program for the Fiscal Year Ending June 30, 1991", for which this shall be our sufficient warrant.

STATEMENT OF FACT:

The purpose of this financial order is to temporarily curtail 3rd quarter allotments so that expenditures will not exceed the anticipated income and other available funds in fiscal year 1991. In addition to these reductions of allotments, an amount of \$8,209,057 will be retained in the Salary Plan Account.

*H. Sawin Mullett Jr*  
Signature of Department Head

FOR BUREAU OF THE BUDGET USE ONLY

*G. W. Buker*  
Signature of State Budget Officer

Policy Area: 00 : General Government  
Umbrella Number and Name: 08 : Department of Finance  
Unit Number and Name: 117 : Bureau of the Budget  
: :  
Agency Contact: : G. William Buker, State Budget Officer  
Telephone: : 289-2881

03064 F3

ALLOTMENT CURTAILMENT - 3rd QTR FY91

BUDGET	MFASIS	LCAT	3rd QTR	DOC #
011031	01001A032001	3	(2,400)	3063F1
011071	01001A032101	1	(13,723)	3063F1
011071	01001A032101	2	(2,269)	3063F1
011013	01001A039301	1	(57,720)	3063F1
011013	01001A039301	2	(9,968)	3063F1
011013	01001A039301	3	(665)	3063F1
011015	01001A039401	1	(17,157)	3063F1
011015	01001A039401	2	(6,000)	3063F1
011015	01001A039401	3	(11,000)	3063F1
011014	01001A039501	1	(24,870)	3063F1
011014	01001A039501	2	(12,903)	3063F1
011014	01001A039501	3	(720)	3063F1
011085	01001A039701	1	(5,000)	3063F1
011016	01001A039801	1	(25,118)	3063F1
011016	01001A039801	2	(7,388)	3063F1
011016	01001A039801	3	(1,278)	3063F1
011012	01001A040101	1	(10,133)	3063F1
011012	01001A040101	2	(3,700)	3063F1
011012	01001A040101	3	(2,000)	3063F1
011121	01002A009301	2	(9,894)	3063F1
011121	01002A009301	3	(5,671)	3063F1
011101	01002A009601	1	(8,160)	3063F1
011101	01002A009601	2	(5,986)	3063F1
015065	01004A010673	2	(5,100)	3063F1
015101	01004A022133	1	(16,433)	3063F1
015101	01004A022133	2	(13,438)	3063F1
015101	01004A022133	3	(2,600)	3063F1
015011	01004A022211	1	(21,150)	3063F1
015011	01004A022211	2	(750)	3063F1
015011	01004A022211	3	(1,130)	3063F1
015056	01004A022356	2	(1,000)	3063F1
015053	01004A023253	1	(86,981)	3063F1
015052	01004A023352	1	(21,142)	3063F1
015052	01004A023352	3	(3,000)	3063F1
015091	01004A023691	1	(45,896)	3063F1
015091	01004A023691	2	(8,487)	3063F1
015061	01004A023761	1	(6,280)	3063F1
015061	01004A023761	2	(27,157)	3063F1
015051	01004A024051	1	(51,349)	3063F1
015051	01004A024051	2	(11,000)	3063F1
015109	01004A024642	2	(4,500)	3063F1
015071	01004A051417	2	(3,343)	3063F1
015055	01004A067055	1	(14,761)	3063F1
012362	01005A017032	2	(15,649,133)	3063F1
012401	01005A017233	1	(120,000)	3063F1
012013	01005A027003	1	(10,384)	3063F1
012016	01005A027106	1	(1,957)	3063F1
012016	01005A027106	2	(7,000)	3063F1
012016	01005A027106	3	(8,301)	3063F1
012134	01005A027415	2	(25,526)	3063F1
012321	01005A028026	1	(19,916)	3063F1
012361	01005A028131	2	(3,060)	3063F1
012307	01005A028324	2	(21,709)	3063F1

## ALLOTMENT CURTAILMENT - 3rd QTR FY91

BUDGET	MFASIS	LCAT	3rd QTR	DOC #
012304	01005A028423	2	(37,086)	3063F1
012111	01005A030809	2	(5,400,500)	3063F1
012203	01005A031120	2	(2,300)	3063F1
012014	01005A031304	1	(2,472)	3063F1
012014	01005A031304	2	(3,250)	3063F1
012011	01005A036301	1	(3,521)	3063F1
012301	01005A036421	1	(34,177)	3063F1
012301	01005A036421	2	(10,600)	3063F1
012343	01005A044929	2	(42,225)	3063F1
012332	01005A065247	2	(23,000)	3063F1
015371	01006A002410	1	(6,000)	3063F1
015371	01006A002410	2	(6,000)	3063F1
015307	01006A024710	1	(23,229)	3063F1
015303	01006A024810	1	(40,884)	3063F1
015304	01006A024910	1	(2,854)	3063F1
015304	01006A024910	3	(25,038)	3063F1
015302	01006A025010	1	(10,144)	3063F1
015301	01006A025110	1	(14,376)	3063F1
015301	01006A025110	2	(7,521)	3063F1
015315	01006A045010	1	(5,000)	3063F1
015308	01006A055510	1	(9,838)	3063F1
015308	01006A055510	2	(50,000)	3063F1
015318	01006A056410	2	(100,000)	3063F1
010202	01007A007104	1	(6,000)	3063F1
010202	01007A007104	2	(7,000)	3063F1
010211	01007A007204	1	(2,000)	3063F1
010211	01007A007204	2	(2,000)	3063F1
010212	01007A007301	2	(2,000)	3063F1
010201	01007A016504	1	(58,000)	3063F1
010201	01007A016504	2	(26,251)	3063F1
010201	01007A016504	3	(2,000)	3063F1
010208	01007A064404	1	(1,000)	3063F1
010241	01007B008201	1	(26,399)	3063F1
010241	01007B008201	2	(30,500)	3063F1
010241	01007B008201	3	(1,322)	3063F1
010281	01007C005204	1	(18,369)	3063F1
010281	01007C005204	2	(5,540)	3063F1
010284	01007C046704	2	(1,755)	3063F1
010286	01007C054504	2	(420)	3063F1
010226	01007G059601	2	(95,335)	3063F1
010205	01007H041001	2	(13,601)	3063F1
010287	01007S067901	2	(30,621)	3063F1
010371	01008A000207	1	(200,000)	3063F1
010301	01008A001801	1	(7,000)	3063F1
010311	01008A005601	1	(33,779)	3063F1
010312	01008A005801	1	(19,500)	3063F1
010302	01008A008701	2	(8,300)	3063F1
010363	01008A026102	2	(500,000)	3063F1
015531	01009A026501	2	(204)	3063F1
015531	01009A026501	3	(1,600)	3063F1
015505	01009A052901	1	(11,500)	3063F1
015505	01009A052901	2	(26,238)	3063F1
015505	01009A052901	3	(3,250)	3063F1

ALLOTMENT CURTAILMENT - 3rd QTR FY91

BUDGET	MFASIS	LCAT	3rd QTR	DOC #
015502	01009A053001	1	(6,000)	3063F1
015502	01009A053001	2	(8,219)	3063F1
015502	01009A053001	3	(5,073)	3063F1
015504	01009A053101	2	(4,293)	3063F1
015504	01009A053101	3	(1,658)	3063F1
015507	01009A053401	1	(10,000)	3063F1
015507	01009A053401	2	(25,475)	3063F1
015507	01009A053401	3	(484)	3063F1
015508	01009A053501	1	(14,500)	3063F1
015508	01009A053501	2	(21,655)	3063F1
015508	01009A053501	3	(45,775)	3063F1
015522	01009A053601	2	(117)	3063F1
015509	01009A053701	1	(28,313)	3063F1
015509	01009A053701	2	(288,376)	3063F1
015509	01009A053701	3	(40,072)	3063F1
015519	01009A055901	2	(778)	3063F1
013181	01010A010001	1	(13,125)	3063F1
013255	01010A012701	1	(3,250)	3063F1
013228	01010A012801	2	(1,700)	3063F1
013151	01010A012901	1	(51,000)	3063F1
013193	01010A013001	2	(170,132)	3063F1
013197	01010A013101	2	(98,810)	3063F1
013252	01010A013401	2	(190,608)	3063F1
013191	01010A013801	2	(429,720)	3063F1
013271	01010A014001	1	(13,750)	3063F1
013271	01010A014001	2	(100,000)	3063F1
013271	01010A014001	3	(4,000)	3063F1
013051	01010A014201	1	(53,182)	3063F1
013051	01010A014201	2	(5,000)	3063F1
013101	01010A014301	1	(23,864)	3063F1
013183	01010A014601	1	(10,450)	3063F1
013261	01010A015601	1	(1,800)	3063F1
013071	01010A019601	1	(9,561)	3063F1
013071	01010A019601	2	(123,118)	3063F1
013104	01010A020001	1	(8,659)	3063F1
013167	01010A020401	1	(3,127)	3063F1
013273	01010A021101	2	(110,000)	3063F1
013201	01010A030701	1	(18,875)	3063F1
013201	01010A030701	2	(6,106)	3063F1
013052	01010A042501	1	(14,367)	3063F1
013073	01010A045201	1	(17,500)	3063F1
013074	01010A045301	1	(42,132)	3063F1
013184	01010A050301	1	(22,375)	3063F1
013225	01010A056301	2	(50,000)	3063F1
013182	01010A059901	2	(800,000)	3063F1
013152	01010A067601	2	(1,200)	3063F1
014401	01012A003005	1	(1,300)	3063F1
014401	01012A003005	2	(202)	3063F1
014201	01012A013251	2	(21,077)	3063F1
014301	01012B015831	1	(2,707)	3063F1
014301	01012B015831	2	(3,291)	3063F1
014302	01012B015940	1	(33,645)	3063F1
014302	01012B015940	2	(6,397)	3063F1

ALLOTMENT CURTAILMENT - 3rd QTR FY91

BUDGET	MFASIS	LCAT	3rd QTR	DOC #
014463	01012C005110	1	(1,822)	3063F1
014463	01012C005110	2	(52,500)	3063F1
014464	01012C060152	1	(7,903)	3063F1
014464	01012C060152	2	(54,250)	3063F1
014311	01012D016020	1	(14,419)	3063F1
014311	01012D016020	2	(1,416)	3063F1
014471	01012E031215	2	(13,470)	3063F1
011403	01013A002701	2	(80,000)	3063F1
011404	01013A002940	2	(90,500)	3063F1
011402	01013A004320	2	(50,000)	3063F1
013402	01014A012102	2	(300,000)	3063F1
013602	01014A012260	3	(3,000)	3063F1
013407	01014A013607	2	(130,000)	3063F1
013451	01014A015745	3	(3,000)	3063F1
013401	01014A016401	2	(5,000)	3063F1
013401	01014A016401	3	(4,000)	3063F1
013412	01014A066890	2	(50,000)	3063F1
013501	01014B010550	3	(35,000)	3063F1
013551	01014C012055	3	(30,000)	3063F1
013641	01014D016664	3	(40,000)	3063F1
013681	01014E011968	3	(14,000)	3063F1
016321	01015A010810	1	(23,000)	3063F1
016321	01015A010810	2	(37,000)	3063F1
016301	01015A010910	1	(34)	3063F1
016301	01015A010910	3	(428)	3063F1
016399	01015A011310	2	(26,000)	3063F1
016351	01015A021410	2	(75,000)	3063F1
016352	01015A063401	2	(3,000)	3063F1
016374	01015A065101	1	(270)	3063F1
016374	01015A065201	2	(3,000)	3063F1
016511	01016A008801	1	(7,862)	3063F1
016551	01016A010101	1	(10,440)	3063F1
016501	01016A029101	1	(356,626)	3063F1
016501	01016A029101	2	(44,548)	3063F1
016541	01016A029301	1	(5,342)	3063F1
016574	01016A038801	1	(26,923)	3063F1
016574	01016A038801	2	(140,000)	3063F1
017852	01017B032417	1	(9,855)	3063F1
017852	01017B032417	2	(11,050)	3063F1
017855	01017B064255	2	(22,000)	3063F1
017801	01017C029803	2	(28,250)	3063F1
017853	01017E035018	1	(4,650)	3063F1
010751	01018A005701	1	(15,406)	3063F1
010752	01018A005901	3	(268,266)	3063F1
010756	01018A063301	1	(29,150)	3063F1
010731	01018C035301	2	(6,000)	3063F1
010737	01018G015502	1	(13,617)	3063F1
010781	01018H003801	1	(15,260)	3063F1
010781	01018H003801	2	(62,203)	3063F1
010781	01018H003801	3	(4,479)	3063F1
010761	01018P000701	1	(19,277)	3063F1
010761	01018P000701	2	(1,317)	3063F1
011301	01019A006901	1	(1,765)	3063F1



## ALLOTMENT CURTAILMENT - 3rd QTR FY91

BUDGET	MFASIS	LCAT	3rd QTR	DOC #
011301	01019A006901	2	(1,625)	3063F1
011301	01019A006901	3	(2,500)	3063F1
010261	01019A007430	1	(2,959)	3063F1
010261	01019A007430	2	(3,400)	3063F1
011304	01019A057804	2	(16,000)	3063F1
011311	01019A058615	2	(1,375)	3063F1
011305	01019A058705	2	(10,196)	3063F1
011309	01019A059420	2	(100,540)	3063F1
011314	01019A059518	2	(25,186)	3063F1
010011	01026A031001	1	(153,000)	3063F1
010021	01026A040901	1	(93,550)	3063F1
010031	01026A041201	1	(15,170)	3063F1
010101	01027A006701	1	(19,138)	3063F1
010101	01027A006701	2	(43,387)	3063F1
010102	01027A007501	2	(3,000)	3063F1
010701	01028A002201	1	(6,000)	3063F1
010701	01028A002201	2	(30,846)	3063F1
010701	01028A002201	3	(500)	3063F1
010601	01029A004401	1	(10,000)	3063F1
010601	01029A004401	2	(54,692)	3063F1
010601	01029A004401	3	(100,000)	3063F1
010651	01029C005001	2	(3,000)	3063F1
010501	01030A008101	2	(628,500)	3063F1
010401	01040A006301	1	(214,000)	3063F1
010401	01040A006301	2	(225,230)	3063F1
010411	01040A006401	2	(200,000)	3063F1
010415	01040A059701	2	(50,000)	3063F1
011871	01065A018401	1	(30,823)	3063F1
012831	01075A003501	2	(39,978)	3063F1
012852	01078A003301	2	(13,458)	3063F1
012021	01090A061401	1	(550)	3063F1
012021	01090A061401	2	(2,185)	3063F1
013861	01090F051701	2	(202,438)	3063F1
011061	01090G054801	2	(6,650)	3063F1
013851	01092A021801	1	(6,000)	3063F1
013851	01092A021801	2	(4,828)	3063F1
013821	01092B011501	1	(5,000)	3063F1
013821	01092B011501	2	(1,000)	3063F1
013906	01092C062501	1	(1,735)	3063F1
013906	01092C062501	2	(1,175)	3063F1
013904	01092F057001	1	(1,549)	3063F1
013904	01092F057001	2	(2,538)	3063F1
013841	01094A026901	2	(1,270)	3063F1
010524	01094E041401	1	(1,634)	3063F1
010524	01094E041401	2	(976)	3063F1
013801	01094H015001	1	(2,897)	3063F1
013801	01094H015001	2	(2,600)	3063F1
010711	01094I055401	1	(19)	3063F1
010832	01094K035701	2	(1,461)	3063F1
012674	01094M017445	2	(19,567)	3063F1
012673	01094M017944	2	(35,794)	3063F1
012671	01094M018043	1	(1,959)	3063F1
012675	01094M031746	2	(4,905)	3063F1

## ALLOTMENT CURTAILMENT - 3rd QTR FY91

BUDGET	MFASIS	LCAT	3rd QTR	DOC #
012631	01094Q021539	2	(1,218)	3063F1
012632	01094Q021640	1	(2,230)	3063F1
012632	01094Q021640	2	(105,100)	3063F1
012633	01094Q021741	2	(74,236)	3063F1
010852	01094R008501	2	(6,024)	3063F1
011951	01094T067201	2	(5,000)	3063F1
012602	01094W017638	2	(17,293)	3063F1
012601	01094W017837	1	(22,468)	3063F1
013902	01099A052301	2	(4,719)	3063F1
011915	01099H066101	2	(15,000)	3063F1
013901	01099P055301	2	(6,065)	3063F1
012211	01099T055601	2	(141,488)	3063F1
			(31,484,440)	
606100	06008A001510	1	(9,694)	3063F1
606100	06008A001510	2	(14,658)	3063F1
676000	06708E002301	2	(137,000)	3063F1

OVERVIEW

SUMMARY OF ALLOTMENT CURTAILMENT

EDUCATION:

Higher Education	1.0M
General Purpose Aid	<u>5.4</u>
	6.4

RETIREMENT:

Teachers	15.6
Employees	<u>8.2</u>
	23.8

HUMAN SERVICES 1.4

MENTAL HEALTH .6

LEGISLATURE .6

JUDICIARY .7

GENERAL GOVERNMENT 6.2

SUBTOTAL 39.7

OTHER ACTIONS

PERSONNEL 8.5

FY 90 Balance 1.2

FY 91 Layoffs (4th Q) 3.0

SUBTOTAL 12.7

TOTAL 52.4M



State of Maine  
DEPARTMENT OF FINANCE  
Bureau of the Budget  
State House - Station 58  
Augusta, Maine 04333

January 4, 1991

John R. McKernan, Jr., Governor  
State of Maine  
State House Station #1  
Augusta, ME 04333

SUBJECT: FY91 Revenue Estimates

Dear Governor McKernan:

Attached is a copy of the revised fiscal year 1991 General Fund Undedicated Revenue Estimates.

As you will note the total is slightly different than the amount previously discussed.

I have held off reprojecting the estimates until this time in order that I might take advantage of the filings under the Tax Amnesty Program. Although there is not sufficient new data available to cause me to adjust the original projections for the Tax Amnesty Program the additional time has afforded me the opportunity to adjust the Corporate Income Tax due to additional assessments.

Should you like any further information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "G. W. Buker".

G. William Buker  
State Budget Officer

GWB/js

cc:  H. Sawin Millett  
 John Wakefield

Preliminary Revised General Fund Estimates  
Fiscal Year 1991

Sales	\$ 470.8
Individual Income	573.4
Corporate Income	78.7
Cigarette	47.1
Public Utilities	23.0
Inheritance Tax	9.0
Insurance Tax	43.0
Property Tax	9.0
Investments	6.0
Parimutuels	.8
Alcoholic Beverages	28.1
Lottery	35.0
Other	<u>138.9</u>
TOTAL	\$1,462.8