

MAINE STATE LEGISLATURE

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OFFICE OF
THE GOVERNOR

NO. 2 FY 95/96
DATE October 17, 1995

SPECIAL BUDGET AND EXPENDITURE ORDER OF OCTOBER, 1995

WHEREAS, General Fund undedicated revenues are below budget in Fiscal Year 1995-96 on a year-to-date basis;

WHEREAS, the Maine economy is continuing a pattern of slow growth;

WHEREAS, it is prudent to implement immediate measures to reduce General Fund expenditures pending completion of the Revenue Forecasting Commission's review and analysis of state revenue projections in order to ensure a balanced General Fund budget through June 30, 1996;

WHEREAS, it is fiscally responsible to undertake contingency planning in anticipation of the possibility of a revenue shortfall;

WHEREAS, the expertise and cooperation of State agencies and their employees are vital to the success of these fiscal control and planning initiatives;

NOW, THEREFORE, I, Angus S. King, Jr., Governor of the State of Maine, do hereby order that, effective immediately, each State agency and department must review its programs and implement the following procedures for their General Fund accounts:

1. Implement reductions in All Other and Capital spending equal to 30% of the budgeted Fiscal Year 1995-96 All Other and Capital allotment and allotment reserves (existing as of October 1, 1995) in the expenditure categories listed below:

- * Professional Services Not-by-State
- * Travel In-State
- * Travel Out-of-State
- * Vehicle Operation
- * Repairs

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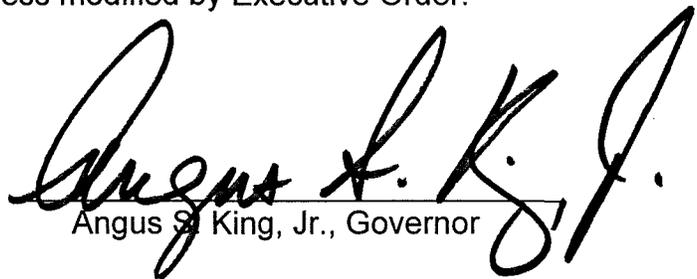
- * General Operations
- * Office Supplies
- * Miscellaneous Supplies
- * Capital Equipment

These expenditure reductions must be achieved first by freezing remaining first quarter All Other and Capital allotment reserves and then any remaining necessary reductions must be achieved by reducing second, third, and fourth quarter All Other and Capital expenditures.

2. In the event an agency or department demonstrates that it is unable to comply with Paragraph 1 above, it must submit an alternative plan that will achieve the same amount of savings, to be developed in cooperation with the Bureau of the Budget no later than October 31, 1995.

Nothing in this Executive Order may be interpreted to authorize departments and agencies to postpone the processing of invoices payable in Fiscal Year 1995-96. This Order also is not intended to prevent State agencies and departments from addressing extreme emergencies or imminent threats to health and safety, or from fulfilling legal obligations entered into prior to the effective date of this Executive Order.

This Executive Order is effective October 17, 1995, and shall remain in effect through December 31, 1995, unless modified by Executive Order.



Angus S. King, Jr., Governor