MAINE STATE LEGISLATURE

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AN ORDER CONCERNING STATE GRANTS AND CONTRACTS

WHEREAS, the State will face a substantial revenue shortfall in the next biennium;

WHEREAS, it is the intention of the Administration to bring the State's budget and fiscal obligations into structural balance in light of these diminishing revenue sources without sudden and severe disruption of State employees and services at the beginning of the next biennium; and

WHEREAS, it is the obligation of the Executive Branch to assure that the State budget balances in each and every biennium;

NOW, THEREFORE, I, Angus S. King, Jr., Governor of the State of Maine, do hereby order and direct that each department and agency review its programs for the remainder of the biennium in order to implement the following.

All grants, contracts and commodity purchases paid for wholly or partially from the General Fund shall be reviewed by the department or agency head, and, where applicable, by the Purchases Review Committee. The term of all grants and contracts shall be limited to the remainder of this biennium, unless expressly approved for a longer term by the Purchases Review Committee based on substantial cost savings or legal requirements. No agency may enter into a Federal contract requiring state matching funds unless the State funds for the match have been appropriated by the Legislature for the duration of the contract without the expressed, written approval of the Purchases Review Committee.

Each Commissioner and Agency Head is directed to prepare a plan to reduce grant making by 15%, contracting by 10%, and commodities by 5% in the 1998-99 biennium. Wherever possible, these cost savings shall be achieved through increased competition and better negotiation in procurement and in the reduction of providers'

administrative and overhead costs. This plan shall be submitted to the Governor's Chief Operating Officer no later than August, 1, 1996.

This Order is effective immediately and will remain in effect through June 30, 1997, unless specifically amended, terminated, or extended by Executive Order. This Order amends Executive Order 7 FY 94/95.

Angus S. Hing, Jr., C