

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



OFFICE OF
THE GOVERNOR

NO. 04 FY 01/02
DATE November 21, 2001

ORDER CURTAILING ALLOTMENTS
Pursuant to 5 MRSA §1668

WHEREAS, on September 25, 2001, the Commissioner of Administrative and Financial Services reported to me in writing that the anticipated income and other available funds of the State General Fund will not be sufficient to meet the General Fund expenditures authorized by the 120th Legislature for fiscal year 2001-02; and

WHEREAS, in light of said report, and in light of the general slowing of economic growth, I issued on October 5, 2001, Executive Order 2 FY 01/02, which, among other things, froze certain allotments and accounts and directed agencies to prepare for certain reductions; and

WHEREAS, on October 19, 2001, it was reported that General Fund revenues through the first quarter of fiscal year 2001-02 were \$33 million below budget; and

WHEREAS, other New England states are reporting similar deficiencies in their first quarter revenues, and a number of nationally respected economists are forecasting that the national economy is entering a recession of uncertain length and magnitude; and

WHEREAS, on November 6, 2001, the Consensus Economic Forecasting Commission has significantly reduced the rate of growth of key economic values for the State of Maine that are used by the Revenue Forecasting Committee in forecasting state revenues; and

WHEREAS, in previous recessions Maine's volatile sales and individual income taxes have generated revenue shortfalls greater than the indicated decline in overall economic activity; and

WHEREAS, in these circumstances, 5 M.R.S.A. §1668 provides me with authority and discretion to curtail allotments "equitably" and in a limited manner to ensure that expenditures in the General Fund will not exceed the anticipated income and other available funds of the State in fiscal year 2001-02; and

WHEREAS, in carrying out the exercise of said authority and discretion in an equitable manner, I have taken into account a number of factors, including: The amount of General Fund dollars available in the 2nd, 3rd and 4th quarter state agency allotments;

- The nature of the services provided by state agencies, so as to minimize impacts to the extent practicable on services that provide or promote public health and safety, educational welfare, and effective operations of state government, including without limitation services involving direct care, law enforcement, care and custody of adults and juveniles in state correctional facilities, teaching and direct care at educational facilities, protection of the well being of the public and wards of the state, and General Fund revenue collection;
- The intent of the Legislature in authorizing state agency expenditures; and
- The requirements and results of my previous Executive Order, 2 FY 01/02, which was based upon and reflects the foregoing considerations; and

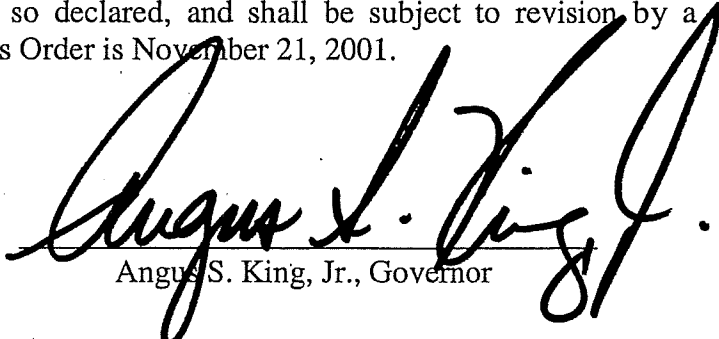
WHEREAS, reliance upon said factors constitutes a rational, reasonable, fair, just, and therefore equitable, means by which to exercise discretion in the curtailment of allotments; and

WHEREAS, the allotment curtailments ordered herein faithfully preserve the expectations, if not the priorities, of the 120th Legislature by minimizing insofar as practicable impact to services involving protection and/or promotion of the health and safety of the public, the educational welfare of our students, and the effective operation of state government; and

WHEREAS, this order curtails allotments in General Fund programs to the extent necessary to begin the process of ensuring that expenditures in the General Fund will not exceed the anticipated income and other available funds in fiscal year 2001-02, and that the recommendations contained in this order will be included in my budget recommendations to the Second Regular Session of the 120th Legislature to enable the Legislature to amend or modify any with which it disagrees;

NOW, THEREFORE, I Angus S. King, Jr., Governor of the State of Maine, do hereby order the Commissioner of Administrative and Financial Services to curtail fiscal year 2001-02 second, third, and fourth quarter allotments in the General Fund accounts consistent with the guidelines established in Executive Order 2 FY 01/02, and as specified in the attached financial order.

Any portion of this Order declared by a court of this State to be invalid, as a matter of law, shall be severed from those portions not so declared, and shall be subject to revision by a subsequent Order. The effective date of this Order is November 21, 2001.


Angus S. King, Jr., Governor

Attachment (Financial Order)