

MAINE STATE LEGISLATURE

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04 FY 01/02



STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

ANGUS S. KING, JR.

GOVERNOR

To: Honorable Michael H. Michaud, President of the Senate
Honorable Richard A. Bennett, President Pro Tem of the Senate
Honorable Michael V. Saxl, Speaker of the House
Honorable Beverly C. Daggett, Democratic Leader of the Senate
Honorable Sharon A. Treat, Assistant Democratic Leader of the Senate
Honorable Mary E. Small, Republican Leader of the Senate
Honorable Paul Davis, Assistant Republican Leader of the Senate
Honorable Patrick Colwell, Majority Leader of the House
Honorable William S. Norbert, Majority Whip of the House
Honorable Joseph Bruno, Minority Leader of the House
Honorable William J. Schneider, Assistant Minority Leader of the House

From: Angus S. King, Jr., Governor **ASK**

Subject: Notification of General Fund allotment curtailments in FY 02

Date: November 21, 2001

In accordance with Title 5, section 1668 I have approved Executive order 04 FY 01/02 and financial order 5195 F2 that carry out the curtailment of General Fund allotment in FY 02 in response to the current economic downturn and resulting decline in General Fund revenues.

The allotment curtailments contained in the financial order take into account the requirements and results of Executive Order 2 FY 01/02 about which members of Leadership were briefed. The allotment curtailments also consider the nature of the services impacted, as explained in more detail in the Executive Order, as well as the intent of the Legislature in authorizing these expenditures.

The State Budget Officer has transmitted to the Office of Fiscal and Program more detailed information in support of the allotment curtailments. If you have any questions, please do not hesitate to contact my staff or me. As always, your support during these difficult times is greatly appreciated.

cc: Kay Rand, Governor's Chief of Staff
Janet Waldron, Commissioner, Department of Administrative and Financial Services
David Boulter, Executive Director of the Legislative Council
Grant Pennoyer, Director, Office of Fiscal and Program Review
Honorable Jill M. Goldthwait, Senate Chair of the Joint Standing Committee on Appropriations and Financial Affairs
Honorable Randall L. Berry, House Chair of the Joint Standing Committee on Appropriations and Financial Affairs
Jack Nicholas, State Budget Officer



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Summary of Alloment Curtailment – FY 02

1. Savings from the hiring freeze.	\$4,500,000
2. Savings from new positions in non-emergency legislation. <u>(Includes the value of new positions that did not meet the exemption criteria in Executive Order 02 FY 01/02, item 4.)</u>	\$2,079,729
3. Savings from discretionary and low impact All Other reductions. <u>(Includes \$400,000 in projected savings in General Obligation Debt Service Payments and savings of \$1,481,457 in debt service savings in the Maine Governmental Facilities Authority. Also see additional note 1. below.)</u>	\$3,099,592
4. Savings from reductions in Grants to Public and Private Organizations. <u>(Includes UMS @ \$2,610,049, MMA @ \$117,757 and MTCS @ \$608,093.)</u>	\$4,340,398
5. Savings from frozen first quarter All Other allotment reserves. <u>(Includes \$454,500 in debt service savings in the Maine Governmental Facilities Authority, \$564,270 of savings in facility relocation costs and \$300,000 in projected savings in the MFASIS System Project.)</u>	\$1,318,770
Total	\$15,338,489

Note 1. All Other savings include two items that as explained below. The Maine State Library reduced by \$515 expenditure category 6300, Grants to Cities and Towns, that is used for payments to library resource centers in Portland and Bangor. This expenditure category had been over-budgeted by that amount resulting in savings. The

Department of Transportation achieved All Other reductions through reduced payments of \$55,931 to the Island Ferry Services Fund, an Enterprise Fund, as a means of achieving the least amount of program impact.