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OFFICE OF

07 FY 01/02

June 19, 2002

LIMITED "TEMPORARY LAYOFFS" OF STATE EMPLOYEES **DURING FISCAL YEAR 2002-03**

WHEREAS, April 2002 General Fund revenues were below budget due to several factors including lower than budgeted final payments and higher than expected refunds in the individual income tax combined with a continuing decline in revenues from the corporate income tax; and

WHEREAS, the May 2002 General Fund Undedicated Revenue report provides further evidence of the revenue shortfall anticipated in fiscal year 2001-02 as a result of the unexpected \$11.5 million shortfall in individual income tax withholding; and

WHEREAS, other states are reporting similar revenue deficiencies through fiscal year 2001-02; and

WHEREAS, in anticipation of a General Fund revenue shortfall in fiscal year 2001-02, I issued on May 9, 2002, Executive Order 05 FY 01/02, which, among other things, froze certain allotments and accounts and directed agencies to prepare for certain reductions; and

WHEREAS, on June 13, 2002, the Commissioner of Administrative and Financial Services officially reported to me in writing pursuant to 5 M.R.S.A. § 1668 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 similar shortfalls are anticipated for fiscal year 2002-03; and

WHEREAS, careful review and analysis of available alternatives have been completed, and I am issuing additional orders that will curtail expenditures across a number of areas and programs of state government; and

WHEREAS, limited "temporary layoffs" would achieve a reduction in expenses without significant interruption of public services and without the need to consider a permanent reduction of the workforce.

NOW, THEREFORE, I, Angus S. King, Jr., Governor of the State of Maine, do hereby order the Commissioner of Administrative and Financial Services to take the following measures to reduce expenses within State government:

Beginning July 5, 2002, all state employees will be required to take three (3) days off without pay prior to June 1, 2003, in accordance with the following:

- A. All State offices will be closed on July 5, 2002 and all State employees will be temporarily laid off without pay on July 5, 2002, with certain exceptions described in the policies and procedures to be issued by the Department of Administrative and Financial Services;
- B. Additionally, all State offices will be closed and State employees will be temporarily laid off without pay for two (2) workdays prior to June 1, 2003, with certain exceptions described in the policies and procedures to be issued by the Department of Administrative and Financial Services;
- C. To the extent it is not possible to temporarily layoff State employees whose duties require them to work on any of the scheduled days when State offices are closed, or employees cannot be released for an entire workday, such employees must be temporarily laid off for an equivalent amount of time; and,
- D. The Department of Administrative and Financial Services is hereby directed to issue policies and procedures as may be necessary to implement and assure compliance with this Executive Order.

This Order is effective immediately and will remain in effect through June 30, 2003, unless specifically amended, terminated, or extended by Executive Order. Any portion of this Order declared by a court of competent jurisdiction 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.

Angus S. Kirg, Jr., Governor