

# 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)

Financial Order and memo  
follow

STATE LAW LIBRARY  
AUGUSTA, MAINE



OFFICE OF  
THE GOVERNOR

NO. 04 FY 02/03  
DATE December 24, 2002

**DECEMBER 23, 2002 ORDER CURTAILING ALLOTMENTS**  
**Pursuant to Title 5 M.R.S.A. §1668**

**WHEREAS**, on December 23, 2002, the Commissioner of Administrative and Financial Services reported to me in writing upon receiving the official communication from the Revenue Forecasting Committee 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 120<sup>th</sup> Legislature for Fiscal Year 2002-03; and

**WHEREAS**, in anticipation of a General Fund revenue shortfall in Fiscal Year 2002-03, I issued on July 1, 2002, Executive Order 01 FY 02/03, which among other things, froze certain allotments and accounts and directed agencies to prepare for certain reductions; and

**WHEREAS**, other states are reporting similar revenue deficiencies through Fiscal Year 2002-03; and

**WHEREAS**, the Revenue Forecasting Committee in its December 2002 report has projected a downward revision in General Fund revenues of \$43.6 million for Fiscal Year 2002-03 based on continued low employment and income growth and the fact that Maine and the National economies have not rebounded as originally projected; and

**WHEREAS**, in these circumstances, Title 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 General Fund in Fiscal Year 2002-03; and,

**WHEREAS**, in order to address the anticipated continued shortfall in Fiscal Year 2002-03, I have directed the following review process involving state departments and agencies:

- Departments and agencies were assigned reduction targets that adjusted for budget reductions already taken for Fiscal Year 2002-03:

- Discussions were held with affected departments and agencies that received General Fund appropriations in Fiscal Year 2002-03;
- Departments and agencies have presented options and program impact analyses in connection with the reduction targets for Fiscal Year 2002-03; and
- Proposed reduction options and analyses were evaluated based on a number of factors, including without limitation the following:
  - The hierarchy of needs and the impact of proposed reduction in service on public health, safety, education, welfare and effective program operations;
  - Whether any such impact would be direct or indirect;
  - The extent to which an impact on program beneficiaries could be minimized;
  - The extent to which a department or agency had available other resources to support the program or to meet a public service need;
  - The extent to which efforts supported by new spending could be delayed to avoid or minimize adverse effects;
  - The extent to which expenditure growth could be reduced so as to minimize any impact on services;
  - The extent to which a department or agency may be required to issue rules under the provisions of Chapter 375 of Title 5 of the Maine Revised Statutes in order to accomplish savings in a timely manner;
  - The availability of other options to achieve the same level of savings and avoid or minimize any impact on services to the public;
  - Whether an option avoids termination of a program or service; and
  - Whether proposed reductions could be made in a fair and equitable manner, and preserve insofar as practicable the intent of the Legislature.

**WHEREAS**, in these circumstances, the Governor has authority and discretion under Title 5 M.R.S.A. §1668 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 General Fund in Fiscal Year 2002-03; and

**WHEREAS**, in ordering these curtailments, I have attempted to follow the guiding principles set forth in Title 5 M.R.S.A. §1668, the Superior Court's decision in Butterfield et al. v. Department of Human Services, CV-91-29 (Kenn. Cty., Jan 17, 1991) ( Alexander, J.), and the June 18, 2002 guidance letter from Attorney General G. Steven Rowe, including requirements that allotment curtailments be made "equitably", and curtailments be made consistent with the intent of the Legislature insofar as practicable; 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

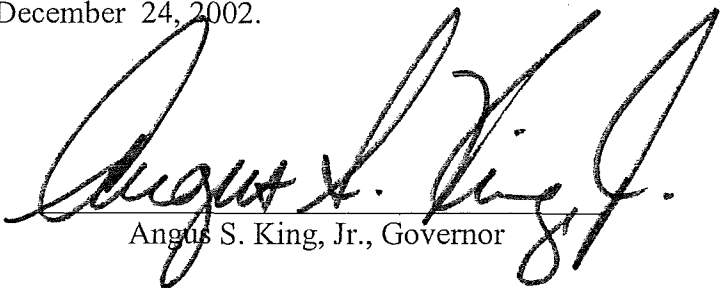
**WHEREAS**, the allotment curtailments ordered herein faithfully preserve the expectations, if not the priorities, of the 120<sup>th</sup> Legislature by minimizing insofar as practicable the impact to services involving protection and/or promotion of the health and safety of the public, the educational 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 ensure that expenditures in the General Fund will not exceed the anticipated income and other available funds in Fiscal Year 2002-03;

**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 2002-03 quarterly allotments by \$20,291,137 in the General Fund accounts consistent with the guidelines established in Executive Order 05 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 December 24, 2002.



Angus S. King, Jr., Governor

Attachment (Financial Order)