

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 follows.

STATE LAW LIBRARY
AUGUSTA, MAINE



OFFICE OF
THE GOVERNOR

NO. 09 FY 08:09
DATE December 18, 2007

December 18, 2007 ORDER CURTAILING ALLOTMENTS
Pursuant to Title 5 M.R.S.A. Section 1668

WHEREAS, on December 18, 2007, the Commissioner of Administrative and Financial Services reported to me in writing after 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 123rd Legislature for fiscal Year 2007-08; and

WHEREAS, the Revenue Forecasting Committee in its December 2007 report has projected a downward revision in General Fund revenues of \$37.7 million for Fiscal Year 2007-08 based on a deepening contraction in the national residential housing and credit markets combined with oil trading at historic prices, as well as other non-tax revenue lines performing below expectations; and

WHEREAS, in light of the Maine Constitution's requirement for a balanced budget in each fiscal year, this presents a serious situation that must be addressed forthwith; and

WHEREAS, in these circumstances Title 5 M.R.S.A. Section 1668 provides me with the 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 2007-08; and

WHEREAS, in order to address the anticipated continued shortfall in Fiscal Year 2007-08, I have directed the following review process involving state departments and agencies:

- Departments and agencies were assigned reduction targets for Fiscal year 2007-08;
- Departments and agencies have presented options and program impact analyses in connection with the reduction targets for Fiscal year 2007-08;
- Discussions were held with affected departments and agencies about the options and program impact analyses they presented;
- 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 impacts;
- 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 provisions of 5 M.R.S.A. Chapter 375 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 ordering these curtailments, I have followed the guiding principles set forth in Title 5 M.R.S.A. Section 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 Steven Rowe; 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 are made, insofar as practicable, consistent with the intent of the 123rd Legislature by minimizing 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 is a temporary measure to ensure that expenditures will not exceed the anticipated income and other available funds until such time as the Legislature can act; and

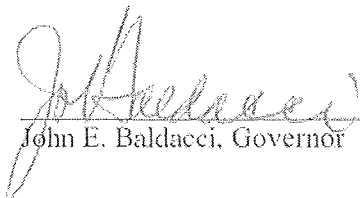
WHEREAS, I intend to propose a more comprehensive package of recommendations for the Legislature's consideration during the 2nd Regular Session of the Legislature in the form of a supplemental budget that will, in part, negate the need for some of these curtailments if adopted;

NOW, THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, do hereby order the Commissioner of Administrative and Financial Services to curtail Fiscal Year 2007-08 quarterly allotments by \$37,773,087 in the General Fund accounts 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.

Effective Date

The effective date of this Order is December 18, 2007.



John E. Baldacci, Governor

Attachment (Financial Order)