

File with 03 FY 11/12

State of Maine Executive Department FINANCIAL ORDER

006359 F1

ORDERED,

That the State Controller is directed to authorize adjustments to the work program for departments and agencies in accordance with the line category breakdown of the attached work program forms for the Fiscal Year Ending June 30, 2011, for which this shall be our sufficient warrant.

Statement of Fact

PL 2009, chapter 571, Part OOOO requires the Governor to curtail allotments to offset General Fund budgeted savings of \$85,050,455 in the event that Congress failed to enact an extension of Section 5001 of the American Recovery and Reinvestment Act of 2009 (ARRA) that provides states with increased Federal Medicaid matching rates through June 30, 2011. In early August, the President signed into law the Education, Jobs and Medicaid Assistance Act (PL 111-226) which provided for an extension of the hold harmless provisions of Section 5001 of ARRA through June 30, 2011 and phases down the enhanced Medicaid match rate from 6.2 to 3.2 percentage points for the period January 1, 2011 through March 31, 2011 and to 1.2 percentage points for the period April 1, 2011 through June 30, 2011. The funds provided to the state do not fully offset the \$85,050,455 specified in Part OOOO of chapter 571. Instead, the federal assistance provided by the new legislation equates to \$76,225,352, \$8,825,103 less than the budgeted savings cited in Part OOOO. This order implements the curtailments required in PL 2009, chapter 571, Part OOOO pursuant to the Maine Revised Statutes, Title 5, section 1668.

Signature of Department Head

ELLEN SCHNEITER, COMMISSIONER

Name and Title

FOR BUREAU OF THE BUDGET USE ONLY

Signature of

Policy Area: 00 - Governmental Support and Operations Umbrella: ADM00 - DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES Agency Contact: CAROL W CODY Agency Phone: (207) 624-7385