

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1426

S. P. 434

In Senate, April 3, 1975

Referred to Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Conley of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Establish a Zero Base Budget for the State.

Be it enacted by the People of the State of Maine, as follows:

§ MRSA c. 149 is repealed and the following enacted in place thereof:

CHAPTER 149
BUDGET ACT

§ 1661. Short title

This chapter shall be known and may be cited as the "Budget Act."

§ 1662. Definitions

As used in this chapter unless the context otherwise indicates the following words shall have the following meanings.

1. Board. "Board" means the Board of Tax and Revenue Estimates as established in this chapter and consisting of the members as provided in this chapter.

2. Budget. "Budget" means the complete financial plan for each fiscal year in the biennium as proposed in the budget report as presented by the Governor to the Legislature.

3. Budget allocation. "Budget allocation" means the allocation of revenues made for any budget unit by the Bureau of the Budget and the Governor as provided in this chapter.

4. Budget estimate. "Budget estimate" means the statement with accompanying explanations, constructed from a base of zero, as provided in

this chapter, in which a budget unit states its financial requirements for each fiscal year in the upcoming biennium, to the Bureau of the Budget.

5. Budget message. "Budget message" means the required statement by the Governor to the Legislature within 6 weeks after its convening which gives a summary description of his proposed financial policies and plans contained in the budget report together with his recommendations.

6. Budget report. "Budget report" means the recommendation of the Governor to the Legislature as to the financial plans and expenditures of the State for both fiscal years in the biennium with accompanying statements and explanations as provided in this chapter.

7. Budget unit. "Budget unit" means a department, institution, agency or other unit of organization for which separate budget allocations are made.

8. Certified final revenue estimate. "Certified final revenue estimate" means the final revenue estimate less the amount withheld for the Governor's Program Priority Fund.

9. Final revenue estimate. "Final revenue estimate" means that total amount of anticipated revenues from all sources of the State for both fiscal years in the ensuing biennium as determined by the board.

10. Governor elect. "Governor elect" when used in chapters 145 through this chapter shall mean the candidate most recently elected to the office of the Governor in the State of Maine in the November election for Governor or his successor.

11. The zero base budget. "The zero base budget" means a budget whereby each and every budget unit shall individually construct each program within that unit from a base of zero and all computations supporting said program shall be shown on forms to be provided by the Bureau of the Budget.

§ 1663. Board of Tax and Revenue Estimates

1. Board of Tax and Revenue Estimates established. There shall be established in the Office of the Governor a Board of Tax and Revenue Estimates for the purpose of promoting economy and efficiency in the fiscal management of the State Government to be comprised of the following members:

- A. The Governor (chairman);
- B. Commissioner of Finance and Administration;
- C. State Tax Assessor;
- D. Director of the Bureau of the Budget;
- E. House and Senate Chairman of the Legislative Committee on Taxation;
- F. One economist to be appointed by the Governor and to serve at his pleasure;
- G. One Maine businessman to be appointed by the Governor and to serve at his pleasure.

2. Board. The Board of Tax and Revenue Estimates when referred to within this chapter shall be referred to as the "board."

§ 1664. Powers and duties of the board

The board at the direction of the Governor and subject to the provisions of this chapter shall have the following powers and duties.

1. Meet. The board shall meet at the pleasure of the Governor but not less than 4 times per fiscal year.

2. Review state revenue sources. The board shall review all state revenue sources and approve by majority vote the final revenue estimate for each fiscal year of the ensuing biennium.

3. Final revenue estimate. The board shall by July 1st, of the even-numbered years send to the Director of the Bureau of the Budget a certified final revenue estimate for each fiscal year in the ensuing biennium.

4. Review budget estimate. The board can review any budget estimate submitted to the Director of the Bureau of the Budget by any budget unit and submit comments and recommendations to the Governor with respect to such budget estimate.

5. Percentage of final revenue estimate. The board shall set the percentage of the final revenue estimate that will be used to fund the Governor's Program Priority Fund in accordance with this chapter.

§ 1665. Bureau of the Budget's powers and duties

The Department of Finance and Administration, through the Bureau of the Budget shall have the following powers and duties.

1. Receive. To receive from the board the certified final revenue estimate for each fiscal year in the biennium.

2. Review. To review with the Governor-elect the certified final revenue estimate as provided in this chapter and allocate to each budget unit the budget allocation that each budget unit shall have available for operation of their budget unit during each fiscal year for the ensuing biennium.

3. Compile. To compile a composite budget document based upon the budget estimates submitted to the Bureau of the Budget by the heads of each budget unit. This composite budget document shall be submitted to the Governor or the Governor-elect not later than September 15th of the even-numbered years.

4. Analyze. To analyze financial and administrative aspects of proposed legislation when requested by the Governor or the Governor-elect or the Legislature.

5. Assistance. To provide such assistance as the Legislature may request and be available to assist its appropriation committees with any needed information or material.

6. Review. To constantly review the administrative activities of each of the budget units and study the organization and administration and investi-

gate duplication of work and to formulate plans for better and more efficient management and report periodically to the Governor and, on request, to the Legislature.

7. Rules and regulations. To prepare a complete set of rules and regulations necessary for the implementation of the zero base budget system as provided in this Budget Act, to include, but not be limited to, the following:

A. An annual time table of all budgetary and allotment matters which will be made available to all budget units and to the public.

B. Penalties shall be provided for knowingly under budgeting any budget account and submitting a budget estimate that exceeds the budget allocation for a budget unit.

§ 1666. Governor's Program Priority Fund

To the end the Governor requires revenues to fund his program priorities and to the end that emergency needs of the state agencies are not ascertainable at the time of submission of the budget report to the Legislature there is established the Governor's Program Priority Fund as follows.

1. Amount of fund. The fund shall be equal to an amount to be not less than 1% nor greater than 5% of the final revenue estimate as determined by the board.

2. Determination. The board shall determine by majority vote the percentage of final revenue estimate that shall be used to establish this fund for each fiscal year in the biennium in accord with the provisions of the Budget Act.

§ 1667. Allocation of Governor's Program Priority Fund

The allocation of the Governor's Priority Fund shall be as follows.

At the discretion of the Governor to fund his priority programs by allocation to the budget unit that would supervise said program.

The head of the budget unit desiring an allotment from said fund shall present such request to the Governor in such form and with such explanation as he may require, and the Governor may allow or disallow the request at his discretion.

§ 1668. Form of budget report

The budget report setting forth the financial plan for State Government for each fiscal year in the ensuing biennium shall consist of one part and shall include but not be limited to the following.

1. Budget message. The budget message of the Governor.

2. Summary statement. Summary statements of the financial condition of the State, accompanied by such detailed schedules of assets and liabilities as the Governor deems desirable, which shall include, but not be limited to, the following.

A. A comparative consolidated balance sheet showing all assets and liabilities of the State and the surplus or deficit, as the case may be at the close of the 2 fiscal years last concluded.

B. Summary statements of the fund balances showing in detail for each fund the surplus or deficit at the beginning of each of the 2 fiscal years last concluded, the actual income of that year, the total appropriation of that year and the total expenditures of that year.

3. Statements of income and receipts. Statements of income and receipts for the 2 fiscal years last concluded, and the final revenue estimate of the current fiscal year and a statement of the unappropriated surplus expected to have accrued in the State Treasury at the beginning of the next fiscal year.

4. Statements of expenditures and disbursements. Summary statements of the expenditures and disbursements for each of the fiscal years last concluded, itemized by budget units under functional heads and showing the amounts expended for each major function of the Government.

5. Statement of surplus account. A statement of the surplus account showing the excess of all current assets over current liabilities as of the end of each of the 2 fiscal years concluded, and all changes of surplus account during each of such 2 fiscal years.

6. Statement of cash resources. A summary statement of the cash resources estimated to be available at the beginning of the next fiscal year.

7. Other information. Such other information as the Governor deems desirable or is required by law.

§ 1669. Budget report to be presented by the Governor.

The Governor with the cooperation of the Bureau of the Budget shall prepare and submit to the Legislature within 6 weeks after its convening a budget report for its consideration. The Governor shall have the budget report printed.

STATEMENT OF FACT

This bill would establish a Governor-oriented zero base budget system for the State of Maine. This budget system would greatly facilitate a close examination of the expenses involved in the operation of all governmental departments or agencies.