

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1663, L.D. 2340, Bill, "An Act to Restructure the Department of Administrative and Financial Services"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

Sec. 1. 5 MRSA §1662-A is enacted to read:

§1662-A. Bureau of Management and Budget; responsibilities

The Department of Administrative and Financial Services, through the Bureau of Management and Budget, shall provide for budget planning and analysis, the management of debt and financing, mechanisms that support capital budget planning, internal control over budgets, provide direct staff support to the Commissioner of Administrative and Financial Services, state agencies and the Governor in policy analysis, budget preparation and evaluation of program performance. The bureau must provide the Governor with analysis and evaluation of options regarding budget proposals and relevant legislation. In cooperation with state departments and state agencies and the Legislature, including legislative staff, the bureau shall establish information and management systems necessary to support these responsibilities.

The Bureau of Management and Budget is responsible for the following in addition to all those duties and responsibilities currently defined in law:

COMMITTEE AMENDMENT

2 1. Budget planning and analysis. The functions of budget
3 planning and analysis, including:

4 A. Revenue forecasting in support of the Governor's and the
5 consensus forecasting processes;

6 B. Providing the Governor with analysis and options
7 evaluation regarding budget proposals and relevant
8 legislation; and

9 C. Planning and implementing effective information systems
10 to track program performance;

11 2. Debt management and financing. The functions of debt
12 management and financing, including:

13 A. Evaluating the mix and level of debt and making
14 necessary recommendations to the Governor and the
15 Legislature;

16 B. Determining the financing methods of all capital
17 investments including debt, general obligations debt,
18 leases, lease purchases, subject to the limitations of
19 section 1587 and other financial vehicles;

20 C. Increased use of lease-purchase agreements, subject to
21 the limitations of section 1587, or other financing vehicles;

22 D. Determining when debt refinancing is appropriate and in
23 the best interest of the State and making necessary
24 recommendations to the Governor and the Legislature;

25 E. The creation of a capital pool, funded by specific and
26 regular appropriations, from which agencies may borrow to
27 finance capital improvements;

28 F. The use of bonds to finance planned and approved capital
29 improvements; and

30 G. The development of mechanisms that support planning and
31 result in capital investments based on long-term,
32 cost-benefit analysis, including cost-benefit analysis
33 conducted to determine the appropriateness of individual
34 capital improvements. The bureau has primary responsibility
35 to ensure that those mechanisms are established and employed
36 throughout State Government; and

37 3. Internal control. Subject to the limitations of section
38 1585 and this chapter, the functions of internal control over
39 budgets include development and maintenance of an internal
40 control program as a model for departments and agencies to:

2 A. Establish and maintain guidelines for a system of
4 internal control that enhances management accountability,
responsibility and decision making;

6 B. Establish and maintain a system of internal control that
8 is designed to identify internal control weaknesses and
identify actions that are needed to correct those weaknesses;

10 C. Designate an internal control officer to implement and
12 review the department or agency's internal control program;

14 D. Implement education and training efforts to ensure
16 employee awareness of an understanding of internal control
standards and evaluation techniques; and

18 E. Periodically evaluate the need for an internal audit
20 function.

22 **Sec. 2. 5 MRSA §21009 is enacted to read:**

24 **§21009. Consolidation of state workers' compensation claims**

26 The commissioner shall establish a consolidated unit to
28 handle the management and defense of workers' compensation claims
brought against the State. The commissioner shall set explicit
30 goals for each department for reductions in the number of
personal injuries, motor vehicle accidents and the costs of
individual claims.

32 **Sec. 3. Maine Revised Statutes amended; revision clause.** Wherever
34 in the Maine Revised Statutes the words "Bureau of the Budget"
36 appear or reference is made to those words, they are amended to
read and mean "Bureau of Management and Budget," and the Revisor
of Statutes shall implement this revision when updating,
publishing or republishing the statutes.

38 **FISCAL NOTE**

40 The new internal control responsibilities assigned to the
42 Bureau of Management and Budget will require an additional
44 position and related operating expenses. The proposed
46 supplemental budget for fiscal year 1992-93, LD 2185, includes
funding for this position as a transfer from another division
within the Department of Administrative and Financial Services to
the Bureau of Management and Budget.'

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STATEMENT OF FACT

This amendment replaces the original bill and provides general direction for the new Department of Administrative and Financial Services, particularly in the area of budget preparation and management, program evaluation, capital investment and debt management. It is not the intent of the Legislature by this amendment to expand the authority of the department with regard to debt management.

Reported by the Committee on State and Local Government
Reproduced and distributed under the direction of the Clerk of the House
3/25/92 (Filing No. H-1267)