

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2340

H.P. 1663

House of Representatives, February 13, 1992

Submitted by the Special Commission on Governmental Restructuring pursuant to Public Law 1991 chapter 139.

Reference to the Joint Standing Committee on State and Local Government suggested and printing ordered under Joint Rule 18.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-TWO

An Act to Restructure the Department of Administrative and Financial Services.

(EMERGENCY)



2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, the Department of Administrative and Financial
6 Services is in the midst of reorganization; and

8 Whereas, immediate action to direct the reorganization will
avoid duplicative and potentially costly re-reorganization; and

10 Whereas, in the judgment of the Legislature, these facts
12 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
14 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

18 **Sec. 1. PL 1991, c. 622, Pt. BB, §BB-2 is amended to read:**

20 **Sec. BB-2. Department of Administrative and Financial Services;**
22 **transition.** The Department of Administrative and Financial
Services is created within State Government. The Commissioner of
24 Finance shall serve as the Commissioner of Administrative and
Financial Services until such time as a new commissioner is
26 appointed and confirmed.

28 The commissioner may appoint a deputy commissioner to assist
in the administration of the department. The deputy commissioner
30 serves at the pleasure of the commissioner. The authority and
the personal services funding for the position of deputy
32 commissioner ~~is~~ are transferred from the existing position of the
Commissioner of Administration and the funding for that position.

34 All duties and responsibilities of the Commissioner of
36 Administration and the Commissioner of Finance become the duties
and responsibilities of the Commissioner of Administrative and
38 Financial Services on the effective date of this Act. The
Commissioner of Administrative and Financial Services shall
40 submit to the Legislature by January 30, 1992 specific language
detailing all functions and responsibilities of the department,
42 including a revised budget for fiscal year 1992-93, commencing
July 1, 1992.

44 1. The Bureau of General Services is created within the
46 department. The Bureau of General Services shall assume all
responsibilities of the Bureau of Public Improvements, the Bureau
48 of Purchases and the Division of Risk Management, which are
within the Department of Administration. All duties and
50 responsibilities of the Bureau of Public Improvements, the Bureau

2 of Purchases and the Division of Risk Management become the
3 duties and responsibilities of the Bureau of General Services on
4 the effective date of this Act. All duties and responsibilities
5 of the Director of the Bureau of Public Improvements and the
6 State Purchasing Agent become the duties and responsibilities of
7 the Director of the Bureau of General Services on the effective
8 date of this Act. The Division of Risk Management becomes a
9 division within the Bureau of General Services on the effective
10 date of this Act. The Director of the Bureau of General Services
11 is responsible for all duties that were, immediately prior to the
12 effective date of this Act, the responsibility of the
13 Commissioner of Administration relating to the duties and
14 responsibilities of the Division of Risk Management. The
15 Commissioner of Administrative and Financial Services shall
16 submit to the Legislature by January 30, 1992 specific language
17 detailing all the functions, duties and budgetary requirements of
18 the Bureau of General Services. The plan submitted by the
19 commissioner must include competitive bidding procedures for the
20 contracting out of services provided currently by the Bureau of
21 Public Improvements, the Bureau of Purchases and the Division of
22 Risk Management.

23
24 2. Effective July 1, 1992, the Bureau of Alcoholic
25 Beverages and Lottery Operations is created within the
26 department. The Bureau of Alcoholic Beverages and Lottery
27 Operations shall assume all duties and responsibilities of the
28 Bureau of Alcoholic Beverages and the Bureau of Lottery, which
29 are within the Department of Finance. The Commissioner of
30 Administrative and Financial Services shall submit to the
31 Legislature by January 30, 1992 specific language detailing all
32 the functions, duties and budgetary requirements of the Bureau of
33 Alcoholic Beverages and Lottery Operations.

34 3. The Until abolished under restructuring mandated under
35 subsection 8, the Division of Financial Services is created
36 within the department. All internal financial functions that
37 existed immediately prior to the effective date of this Act in
38 the Department of Administration and the Department of Finance
39 become the responsibility of the Division of Financial Services
40 on the effective date of this Act. All positions in the
41 Department of Administration and the Department of Finance
42 engaged in the budgetary and financial support of those
43 departments must be transferred administratively to this
44 division. The division must be financed within existing
45 appropriations and allocations of the various units of the
46 departments. The commissioner Commissioner of Administrative and
47 Financial Services may transfer positions, necessary funds and
48 equipment from the various bureaus to this division.

49 ~~The commissioner shall submit a revised and unified budgetary~~
50 ~~request for the division for the fiscal year commencing July 1,~~
51 ~~1992 to the Legislature by January 30, 1992.~~
52

2 4. The Until abolished under restructuring mandated by
3 subsection 8, the Division of Personnel Services is created
4 within the department. All personnel functions that existed
5 immediately prior to the effective date of this Act in the
6 Department of Administration and the Department of Finance become
7 the responsibility of the Division of Personnel Services on the
8 effective date of this Act. All positions in the office of the
9 commissioner within the Department of Administration and the
10 Department of Finance, Division of Administrative Services
11 engaged in personnel administration and related functions must be
12 transferred administratively to this division. The division must
13 be financed within existing appropriations and allocations of the
14 various units of the departments. ~~The commissioner~~ Commissioner
15 of Administrative and Financial Services may transfer positions,
16 necessary funds and equipment from the various bureaus to this
17 division.

18 ~~The commissioner shall submit a revised and unified budgetary~~
19 ~~request for the division for the fiscal year commencing July 1,~~
20 ~~1992 to the Legislature by January 30, 1992.~~

21 5. The Bureau of Information Services is created within the
22 department. All duties and responsibilities of the Department of
23 Administration, Office of Information Services become the duties
24 and responsibilities of the Bureau of Information Services on the
25 effective date of this Act. The bureau is administered by a
26 bureau director who shall assume the duties and responsibilities
27 of the Deputy Commissioner for Information Services on the
28 effective date of this Act. The Bureau of Data Processing is
29 transferred to this bureau as the Division of Data Processing.
30 The Commissioner of Administrative and Financial Services shall
31 submit to the Legislature by January 30, 1992 specific language
32 detailing the statutory and budgetary changes necessary to effect
33 the final transition from the Office of Information Services to
34 the Bureau of Information Services. Laws affecting the Office of
35 Information Services and the Deputy Commissioner for the Office
36 of Information Services remain in effect until new language is
37 adopted following the January 30, 1992 submission by the
38 Commissioner of Administrative and Financial Services.

39 6. The Bureau of Accounts and Control, until abolished
40 under restructuring mandated by subsection 8, the Bureau of the
41 Budget, until restructured under the mandate of subsection 8, and
42 the Bureau of Taxation within the Department of Finance and the
43 Bureau of Employee Relations and the Bureau of Human Resources
44 within the Department of Administration continue to perform those
45 duties and responsibilities as directed by law in effect on the
46 effective date of this Act. The Commissioner of Administrative
47 and Financial Services shall submit to the Legislature by January
48 30, 1992 the commissioner's recommendation for any statutory and
49 and
50 and

2 budgetary changes ~~in the functions and personnel of the~~
3 ~~respective bureaus,~~ consistent with subsection 8, required to
4 implement this subsection.

5
6 7. The Capitol Planning Commission is within the Department
7 of Administrative and Financial Services on the effective date of
8 this Act.

9
10 8. By January 30, 1992, the Commissioner of Administrative
11 and Financial Services shall submit to the Legislature detailed
12 language and budgetary requirements to achieve a restructuring of
13 the Department of Administrative and Financial Services
14 consistent with the following principles.

15
16 A. The Bureau of the Budget must be reformed into a budget
17 planning and analysis office that provides direct staff
18 support to the commissioner and the Governor in policy
19 analysis, budget preparation and evaluation of program
20 performance. The budget planning and analysis office must
21 provide the Governor with analysis and options evaluation
22 regarding budget proposals and relevant legislative
23 proposals and enactments. Working with the State Planning
24 Office, state departments and agencies, legislative staff
25 and information systems specialists in the Department of
26 Administrative and Financial Services, the office shall
27 provide leadership in the development of information and
28 management systems. The budget planning and analysis office
29 is not responsible for regular budget management and control
30 activities.

31 The functions of the budget planning and analysis office
32 must include:

33 (1) Economic revenue forecasting in support of the
34 Governor's and the consensus forecasting processes;

35 (2) Providing the Governor with analysis and options
36 evaluation regarding budget proposals and relevant
37 legislative proposals and enactments;

38 (3) Designing a fiscal program and preparing the
39 biennial budget; and

40 (4) Planning and implementing effective information
41 systems to track program performance.

42
43 B. The department must have responsibility for determining
44 the mix and level of financing methods for all capital
45 investments including debt, general obligation debt, leases
46 and other financial vehicles. The department must have
47 responsibility for management of the debt, so that it can
48 make decisions on refinancing when appropriate.

2 C. The department must include a consolidated unit that
4 handles the management and defense of workers' compensation
6 claims brought against the State. The department shall set
8 explicit goals for reductions in the number of personal
 injuries, motor vehicle accidents and the costs of
 individual claims.

10 D. The department shall develop mechanisms that will
12 support capital budgeting planning and result in capital
 investments based on long-term cost-benefit analysis. Among
 the mechanisms considered must be the following:

14 (1) The creation of a capital pool, funded by specific
16 and regular appropriations, from which agencies could
 borrow to finance capital improvements;

18 (2) Increased use of lease-purchase agreements;

20 (3) Use of bonds to finance planned and approved
22 capital improvements; and

24 (4) Cost and benefit analyses conducted to determine
26 the appropriateness of individual capital
28 improvements. The department should have primary
 responsibility for developing steps to ensure that such
 mechanisms are established and employed throughout
 State Government.

30 E. Contingent upon the passage of a constitutional amendment
32 repealing the provisions governing the election of the State
34 Treasurer, the Office of Treasurer of State must be located
36 within the department. The commissioner shall ensure that
38 the functions and activities of the Office of Treasurer of
 State are carefully coordinated with those of other bureaus
 and divisions responsible for financial management. The
 Treasurer of State must be appointed by the commissioner and
 serves at the commissioner's pleasure.

40 F. The Division of Financial Services, the Division of
42 Personnel Services and the Bureau of Accounts and Control
44 must be abolished and the Division of Internal Control
46 created within the department. All routine budget
48 management responsibilities must be combined with the
 functions of the Bureau of Accounts and Control in the
 Division of Internal Control. It must be the responsibility
 of the Division of Internal Control to decentralize
 financial and administrative control by providing blanket
50 approval of all budget orders submitted by state departments
 that demonstrate adequate administrative and financial
 internal control mechanisms.

