

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 864

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H.P. 624

House of Representatives, February 2, 1999

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### **An Act to Establish the Expenditure Forecasting Committee.**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative O'NEIL of Saco.  
Cosponsored by Senator HARRIMAN of Cumberland and  
Representatives: DAVIDSON of Brunswick, GAGNON of Waterville, KANE of Saco,  
MAYO of Bath, SAXL of Portland, TESSIER of Fairfield, THOMPSON of Naples, Senator:  
MICHAUD of Penobscot.



2 fiscal biennium. In its report, the commission shall fully  
describe the methodology employed in reaching its recommendations.

4 **3. Current biennium adjustments.** No later than February  
1st and November 1st annually the commission shall submit to the  
6 Governor, the Legislative Council, the Revenue Forecasting  
Committee, the Expenditure Forecasting Committee and the joint  
8 standing committee of the Legislature having jurisdiction over  
appropriations and financial affairs a report that presents the  
10 commission's findings and recommendations for adjustments to the  
economic assumptions for the current fiscal biennium. In each  
12 report the commission shall fully describe the methodology  
employed in reaching its recommendations.

14 **Sec. 4. 5 MRSA §1710-E**, as amended by PL 1997, c. 655, §4, is  
16 further amended to read:

18 **§1710-E. Revenue Forecasting Committee; established; membership**

20 There is established the Revenue Forecasting Committee,  
~~referred to in this chapter as the "committee,"~~ for the purpose  
22 of providing the Governor, the Legislature and the State Budget  
Officer with analyses, findings and recommendations relating to  
24 the projection of revenues for the General Fund and the Highway  
Fund based on economic assumptions recommended by the Consensus  
26 Economic Forecasting Commission. The ~~committee~~ Revenue  
Forecasting Committee includes the State Budget Officer, the  
28 State Tax Assessor, the State Economist and an economist on the  
faculty of the University of Maine System selected by the  
30 chancellor, the Director of the Office of Fiscal and Program  
Review and an analyst from the Office of Fiscal and Program  
32 Review designated selected by the director of that office. One  
of the 6 members must be selected by a majority vote of the  
34 ~~committee~~ Revenue Forecasting Committee members to serve as the  
chair of the ~~committee~~ Revenue Forecasting Committee.

36 **Sec. 5. 5 MRSA §1710-F**, as amended by PL 1997, c. 157, §1, is  
38 further amended to read:

40 **§1710-F. Duties of Revenue Forecasting Committee**

42 **1. Duties; use of economic assumptions.** The ~~committee~~  
Revenue Forecasting Committee shall develop current fiscal  
44 biennium and 2 ensuing fiscal biennia revenue projections using  
the economic assumptions recommended by the Consensus Economic  
46 Forecasting Commission.

48 **2. Biennial revenue projections.** The ~~committee~~ Revenue  
Forecasting Committee shall submit recommendations for state  
50 revenue projections for the next 2 fiscal biennia and analyze

2 revenue projections for the current fiscal biennium, which must  
3 be approved by a majority of the committee Revenue Forecasting  
4 Committee members. No later than December 1st of each  
5 even-numbered year, the committee Revenue Forecasting Committee  
6 shall submit to the Governor, the Legislative Council, the joint  
7 standing committee of the Legislature having jurisdiction over  
8 appropriations and financial affairs and the State Budget Officer  
9 a report that presents the analyses, findings and recommendations  
10 for General Fund and Highway Fund revenue projections for the  
11 next 2 fiscal biennia. In its report the committee Revenue  
12 Forecasting Committee shall fully describe the methodology  
13 employed in reaching its recommendations. Revenue projections  
14 for other funds of the State may be included in the report at the  
15 discretion of the committee Revenue Forecasting Committee.

16 **3. Current and ensuing biennium adjustments.** No later than  
17 March 1st and December 1st annually the committee Revenue  
18 Forecasting Committee shall submit to the Governor, the  
19 Legislative Council, the joint standing committee of the  
20 Legislature having jurisdiction over appropriations and financial  
21 affairs and the State Budget Officer a report that presents the  
22 analyses, findings and recommendations for adjustments to General  
23 Fund revenue and Highway Fund revenue for the current and ensuing  
24 fiscal biennia. In each report the committee Revenue Forecasting  
25 Committee shall fully describe the methodology employed in  
26 reaching its recommendations. Revenue adjustments for other  
27 funds of the State may be included in the report at the  
28 discretion of the committee Revenue Forecasting Committee.

30 **Sec. 6. 5 MRSA §1710-G**, as amended by PL 1997, c. 655, §5,  
31 is further amended to read:

32 **§1710-G. Use of revenue forecasts**

34 The State Budget Officer shall use the revenue projections  
35 recommended by the committee Revenue Forecasting Committee in  
36 setting revenue estimates in accordance with section 1665,  
37 subsection 3. The State Budget Officer shall use the revenue  
38 projections of the committee Revenue Forecasting Committee in  
39 preparing General Fund and Highway Fund revenue and expenditure  
40 forecasts in accordance with section 1664 and section 1665,  
41 subsection 7. If new information becomes available and the State  
42 Budget Officer wishes to recommend an adjustment to the revenue  
43 projections already recommended by the committee Revenue  
44 Forecasting Committee, the State Budget Officer shall convene a  
45 meeting of the committee Revenue Forecasting Committee as soon as  
46 practicable so that the committee Revenue Forecasting Committee  
47 may review any new data and make any additional recommendations  
48 it feels necessary.  
49  
50

2           **Sec. 7. 5 MRSA §1710-H**, as amended by PL 1997, c. 655, §6,  
is further amended to read:

4           **§1710-H. Meetings**

6           The ~~committee~~ Revenue Forecasting Committee shall meet at  
least 4 times a year. Additional meetings may be called by a  
8 majority vote of the ~~committee~~ Revenue Forecasting Committee or  
by the State Budget Officer as specified in section 1710-G.

10           **Sec. 8. 5 MRSA §1710-I**, as amended by PL 1997, c. 526, §14,  
12 is further amended to read:

14           **§1710-I. Staffing**

16           The ~~committee~~ Revenue Forecasting Committee may receive  
staff assistance from the Bureau of the Budget, the State  
18 Planning Office, the Bureau of Revenue Services and, at the  
discretion of the Legislature, the Office of Fiscal and Program  
20 Review. The ~~committee~~ Revenue Forecasting Committee may also  
utilize other professionals having revenue forecasting, economic  
22 and fiscal expertise.

24           **Sec. 9. 5 MRSA §1710-J**, as enacted by PL 1995, c. 368, Pt. J,  
§1, is amended to read:

26           **§1710-J. Access to information**

28           In order to assist the ~~committee~~ Revenue Forecasting  
30 Committee, the Department of Administrative and Financial  
Services shall provide information and data to the ~~committee~~  
32 Revenue Forecasting Committee on request. The ~~committee~~ Revenue  
Forecasting Committee members are bound by the confidentiality  
34 restrictions concerning certain tax records described in Title  
36 36, chapter 7. The State Tax Assessor may disclose any corporate  
or individualized income tax data, sales and use tax data,  
business tax data, property tax data or other tax data to the  
38 ~~committee~~ Revenue Forecasting Committee or its staff. This  
information may be requested in any form, including paper  
40 records, computerized data or summary statistics, but may not be  
transmitted with any identification by taxpayer name, number or  
42 address and must be aggregated to include at least 3 taxpayers.

44           **Sec. 10. 5 MRSA §1710-J-1 to 1710-J-6** are enacted to read:

46           **§1710-J-1. Expenditure Forecasting Committee; established;**  
**membership**

48           There is established the Expenditure Forecasting Committee  
50 for the purpose of providing the Governor, the Legislature and

2 the State Budget Officer with analyses, findings and  
4 recommendations relating to the projection of expenditures for  
6 the General Fund and the Highway Fund based on economic  
8 assumptions recommended by the Consensus Economic Forecasting  
10 Commission. The Expenditure Forecasting Committee includes the  
12 State Budget Officer, the State Economist, another employee of  
14 the executive branch selected by the Governor, an economist on  
the faculty of the University of Maine System selected by the  
chancellor, the Director of the Office of Fiscal and Program  
Review and an analyst from the Office of Fiscal and Program  
Review selected by the director of that office. One of the 6  
members must be selected by a majority vote of the Expenditure  
Forecasting Committee members to serve as the chair of the  
Expenditure Forecasting Committee.

16 **§1710-J-2. Duties of Expenditure Forecasting Committee**

18 **1. Duties: use of economic assumptions.** The Expenditure  
20 Forecasting Committee shall develop current fiscal biennium and 2  
22 ensuing fiscal biennia expenditure projections using the economic  
assumptions recommended by the Consensus Economic Forecasting  
Commission.

24 **2. Biennial expenditure projections.** The Expenditure  
26 Forecasting Committee shall submit recommendations for state  
28 appropriations and allocations for the next 2 fiscal biennia and  
30 analyze expenditure projections for the current fiscal biennium,  
32 which must be approved by a majority of the Expenditure  
34 Forecasting Committee members. No later than December 15th of  
36 each even-numbered year, the Expenditure Forecasting Committee  
38 shall submit to the Governor, the Legislative Council, the joint  
40 standing committee of the Legislature having jurisdiction over  
appropriations and financial affairs and the State Budget Officer  
a report that presents the analyses, findings and recommendations  
for General Fund and Highway Fund appropriations and allocations  
for the next 2 fiscal biennia. In its report the Expenditure  
Forecasting Committee shall fully describe the methodology  
employed in reaching its recommendations. Allocation  
recommendations for other funds of the State may be included in  
the report at the discretion of the Expenditure Forecasting  
Committee.

42 **3. Current and ensuing biennium adjustments.** No later than  
44 March 15th and December 15th annually the Expenditure Forecasting  
46 Committee shall submit to the Governor, the Legislative Council,  
48 the joint standing committee of the Legislature having  
jurisdiction over appropriations and financial affairs and the  
State Budget Officer a report that presents the analyses,  
50 findings and recommendations for adjustments to General Fund  
appropriations and Highway Fund allocations for the current and

2 ensuing fiscal biennia. In each report the Expenditure  
4 Forecasting Committee shall fully describe the methodology  
6 employed in reaching its recommendations. Allocation adjustments  
8 for other funds of the State may be included in the report at the  
10 discretion of the Expenditure Forecasting Committee.

12 **§1710-J-3. Use of expenditure forecasts**

14 The State Budget Officer shall use the expenditure  
16 projections of the Expenditure Forecasting Committee in preparing  
18 General Fund and Highway Fund revenue and expenditure forecasts  
20 in accordance with section 1664 and section 1665, subsection 7.  
22 If new information becomes available and the State Budget Officer  
24 wishes to recommend an adjustment to the expenditure projections  
26 already recommended by the Expenditure Forecasting Committee, the  
28 State Budget Officer shall convene a meeting of the Expenditure  
30 Forecasting Committee as soon as practicable so that the  
32 Expenditure Forecasting Committee may review any new data and  
34 make any additional recommendations it feels necessary.

36 **§1710-J-4. Meetings**

38 The Expenditure Forecasting Committee shall meet at least 4  
40 times a year. Additional meetings may be called by a majority  
42 vote of the Expenditure Forecasting Committee or by the State  
44 Budget Officer as specified in section 1710-J-3.

46 **§1710-J-5. Staffing**

48 The Expenditure Forecasting Committee may receive staff  
50 assistance from the Bureau of the Budget, the State Planning  
52 Office and, at the discretion of the Legislature, the Office of  
54 Fiscal and Program Review. The Expenditure Forecasting Committee  
56 may also utilize other professionals having expenditure  
58 forecasting, economic and fiscal expertise.

60 **§1710-J-6. Access to information**

62 In order to assist the Expenditure Forecasting Committee,  
64 all departments and agencies shall provide information and data  
66 to the committee on request.

68 **SUMMARY**

70 This bill establishes an Expenditure Forecasting Committee  
72 in order to provide the executive and legislative branches with  
74 analyses, findings and recommendations related to the projection  
76 of expenditures for the General Fund, Highway Fund and other



2 funds of State Government. The committee is modelled on the  
Revenue Forecasting Committee, originally established in statute  
in 1995.

4

6 This bill also makes technical changes to the authorizing  
legislation of the Consensus Economic Forecasting Commission and  
the Revenue Forecasting Committee so as to clarify their  
8 relationship to the Economic Forecasting Committee.