

MAINE STATE LEGISLATURE

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L.D. 468

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DATE: 3.24.05

(Filing No. S-30)

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STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "F" to COMMITTEE AMENDMENT "A" to H.P. 343, L.D. 468, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007"

Amend the amendment by striking out the substitute title and replacing it with the following:

'An Act To Implement a Temporary Budget for the Operations of State Government for the Period from July 1, 2005 to September 30, 2005'

Further amend the amendment by striking out everything after the title and before the summary and inserting in its place the following:

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

Whereas, the 90-day period will not terminate until after the beginning of the next fiscal year; and

Whereas, legislation must be in place prior to July 1, 2005 in order to continue the various programs and services into fiscal year 2005-06; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of

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Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
safety; now, therefore,

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

**Sec. 1. Appropriations and allocations for first quarter of fiscal year
2005-06.** The Legislature hereby appropriates and allocates from
the State Treasury to the departments and agencies of State
Government amounts sufficient to continue the operations of State
Government for the first quarter of fiscal year 2005-06, the
period from July 1, 2005 to September 30, 2005, consistent with
law and legislative intent as enacted through the 121st
Legislature and including Public Law 2005, chapter 2. These
appropriations and allocations are subject to the additional
restrictions in this Act.

**Sec. 2. Operation of State Government; first quarter of fiscal year
2005-06.** The State Controller shall authorize expenditures for
the first quarter of fiscal year 2005-06 consistent with the
provisions of this Act upon receipt of allotments duly approved
by the Governor based on temporary work programs submitted to the
State Budget Officer.

Sec. 3. Limitation on General Fund allotments. The total General
Fund allotment for the first quarter of fiscal year 2005-06 may
not exceed \$676,943,471, excluding allotments of encumbered and
unencumbered balances carried forward from fiscal year 2004-05.
To remain within this amount, expenditures for programs may be
adjusted through deferring expenditures until later quarters in
fiscal year 2005-06, if the additional budgetary restrictions in
section 6 are not sufficient to keep allotments within the total
amount authorized in this section, except that expenditures for
the following may not be adjusted through deferring expenditures:

1. General Purpose Aid for Local Schools within the
Department of Education;

2. Any program with debt service expenditures including
debt service within the Office of the Treasurer of State and Debt
Service - Governmental Facilities Authority within the Department
of Administrative and Financial Services; and

3. Programs that represent an entitlement as a statutory
benefit.

Expenditures for general purpose aid for local schools, debt
service and statutory entitlements must be expended consistent

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with existing debt requirements and current law, including Public
Law 2005, chapter 2.

Sec. 4. Limitation on Highway Fund allotments. The total
Highway Fund allotment for the first quarter of fiscal year
2005-06 may not exceed \$82,510,295, excluding allotments of
encumbered and unencumbered balances carried forward from fiscal
year 2004-05. To remain within this amount, expenditures for
programs may be adjusted by deferring expenditures until later
quarters in fiscal year 2005-06, if the additional budgetary
restrictions in section 6 are not sufficient to keep allotments
within the total amount authorized in this section, except that
expenditures for the following may not be adjusted through
deferring expenditures:

1. Bond Interest - Highway and Bond Retirement - Highway
within the Department of Transportation; and

2. Programs that represent an entitlement as a statutory
benefit.

Expenditures for Highway Fund debt service costs and
statutory entitlements must be consistent with existing debt
requirements and current law.

Sec. 5. Limitation on allotments of other funds. For fund accounts
other than General Fund and Highway Fund, allotments for the
first quarter of fiscal year 2005-06 must be established and
expenditures made in accordance with the statutes that establish
the fund accounts subject to the following provisions:

1. Sufficient cash is available in the fund accounts;

2. Allotment is required to maintain a level of program
effort consistent with legislative intent;

3. Failure to allot these available funds could have a
detrimental effect on current programs; and

4. The funds are allotted by financial order.

Sec. 6. Other budget restrictions. For the period beginning July
1, 2005 and ending September 30, 2005, each state agency and
department shall review its programs and implement the following
procedures.

1. Financial orders that request the transfer of balances
of appropriations and allocations between line categories and
accounts, that request the use of savings for project or

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2 limited-period positions or that request allotment in excess of
allocation, except for Government/Student Intern positions, may
4 not be approved unless the State Budget Officer determines such
uses are necessary to protect the health or safety of the public,
6 to meet payroll obligations or to fund legislatively approved
salary increases and adjustments or are necessary to meet
unavoidable legal obligations.

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2. A hiring freeze is immediately in effect for all
10 positions that are vacant or that become vacant. Emergency
exceptions to this subsection may be approved by each department
12 or agency head with advice and recommendations from the Bureau of
the Budget and the Commissioner of Administrative and Financial
14 Services, or the commissioner's designee. Department and agency
heads shall make every effort to streamline operations in order
16 to avoid the filling of vacancies. Hiring decisions by
department and agency heads are limited by available Personal
18 Services funds in General Fund accounts during fiscal year
2005-06.

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3. Unscheduled overtime is not permitted except in
22 emergency or other unavoidable circumstances and only with the
prior approval of the department or agency head, or the
24 department or agency head's designee.

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4. All travel must be reduced to the absolute minimum
necessary to maintain effective operations with the following
28 exceptions:

30 A. Travel directly related to the care of residents, wards,
foster children and other individuals under state care or
32 protection;

34 B. Travel required in the execution of law enforcement
investigations, interstate contracts directly related to the
36 extradition of an individual or the transfer of an
individual to or from a correctional facility;

38 C. Travel directly involved in the securing of revenue or
40 that directly affects revenue; and

42 D. Travel required in emergencies or other extraordinary
circumstances.

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All department and agency heads shall explore alternatives to
46 travel, especially the use of appropriate telecommunications
technology.

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5. Each department and agency head shall review and reduce
50 all contracts, grants or purchases to the absolute minimum
necessary to maintain effective operations or to meet emergency

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2 situations. Each department or agency head is responsible for
3 making the determination that a contract, grant or purchase
4 satisfies the emergency or cost-effective operation standard in
5 accordance with guidelines developed by the Department of
6 Administrative and Financial Services, Division of Purchases. The
7 Director of Purchases is authorized to return to a department or
8 agency head any contracts, grants or purchases that are
9 determined to be nonessential or that can be delayed or
10 postponed. This subsection does not apply to Federal Expenditures
11 Fund accounts and Federal Block Grant Fund accounts if a General
12 Fund match or other General Fund obligation is not required.

13 This section is not intended to prevent state agencies and
14 departments from addressing emergencies or imminent threats to
15 health and safety or from fulfilling legal obligations entered
16 into prior to the effective date of this section.

17 **Sec. 7. Report.** The Commissioner of Administrative and
18 Financial Services shall provide a report that lists the
19 allotments authorized by this Act to the Joint Standing Committee
20 on Appropriations and Financial Affairs and the Joint Standing
21 Committee on Transportation no later than July 15, 2005.

22 **Emergency clause.** In view of the emergency cited in the
23 preamble, this Act takes effect July 1, 2005.'

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28 **SUMMARY**

29 This amendment authorizes expenditures for the first quarter
30 of fiscal year 2005-06 in order to ensure that State Government
31 can continue to operate in the event that the effective date of
32 the current services budget is delayed. It authorizes allotments
33 based on current law except that the General Fund and the Highway
34 Fund first quarter allotments are limited to 1/4 of the total
35 budgeted revenue as estimated by the Revenue Forecasting
36 Committee as revised in its March 2005 report. Expenditures for
37 debt service, general purpose aid for local schools and any
38 statutory entitlements are to be fully funded in the General Fund
39 and Highway Fund. Additional budgetary restrictions are imposed
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2 for the first quarter of fiscal year 2005-06, in order to stay
3 within available revenue and maintain a balanced budget by
4 staying within the allotment limitations. If these restrictions
5 are not enough, other General Fund and Highway Fund expenditures
6 may be deferred until after the first quarter.

8 **FISCAL NOTE REQUIRED**
(See attached)

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12 SPONSORED BY: Richard A. Nass
14 (Senator R. NASS)

16 COUNTY: York
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SENATE AMENDMENT



Approved: 03/23/05 *MAC*

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LD 468

LR 2149(18)

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007

Fiscal Note for Senate Amendment **F to Committee Amendment **A****

Sponsor: Sen. Nass

Fiscal Note Required: Yes

Fiscal Note

Current bienniom cost decrease - General Fund
Current bienniom revenue increase - General Fund

Fiscal Detail and Notes

This amendment replaces Committee Amendment "A" and will increase the General Fund cost of the bill by \$2,201,786 in fiscal year 2004-05 and decrease the General Fund cost of the bill by \$2,715,820,454 in fiscal year 2005-06 and \$2,824,797,009 in fiscal year 2006-07. Based on the estimated year-end balances, this amendment maintains a balanced budget for the 2006-2007 biennium.

This amendment authorizes \$676,943,471 in General Fund allotment for the first quarter of fiscal year 2005-06 and \$82,510,295 in Highway Fund allotment for the first quarter of fiscal year 2005-06. These amounts represent one quarter of the budgeted revenue for each of these two funds. It also provides a mechanism for limited allotment for other state government funds in the first quarter of fiscal year 2005-06.