

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1278

H.P. 875

House of Representatives, March 15, 2005

An Act Requiring Long-range Budget Planning

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WOODBURY of Yarmouth.
Cosponsored by Senator MARTIN of Aroostook and
Representatives: BOWLES of Sanford, CUMMINGS of Portland, DUDLEY of Portland,
MILLETT of Waterford, TARDY of Newport, Senators: BRENNAN of Cumberland, DAVIS
of Piscataquis, WESTON of Waldo.

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

4 **Sec. 1. 5 MRSA §1665, sub-§7**, as repealed and replaced by PL
1999, c. 127, Pt. A, §6 and affected by §7, is amended to read:

6 **7. General Fund and Highway Fund revenue and expenditure**
7 **forecasts.** By September 30th of each even-numbered year, the
8 State Budget Officer shall prepare and deliver a report to the
9 Governor, the Legislature and the joint standing committee of the
10 Legislature having jurisdiction over appropriations and financial
11 affairs containing a forecast of revenue and expenditures for the
12 following ~~biennium~~ 3 biennia. The forecast must assume the
13 continuation of current laws and include reasonable and
14 predictable estimates of growth in revenues and expenditures
15 based on national and local trends and program operations.
16 General Fund and Highway Fund revenue must be forecasted by
17 income source as provided in chapter 151-B. Expenditure
18 forecasts for the General Fund and the Highway Fund must be
19 forecasted on the basis of current law and assumed inflation
20 variables related to program operations. The forecast for the
21 General Fund and the Highway Fund must be presented in a budget
22 fund flow statement and a comparative statement showing each
23 income source for revenue projections and expenditure estimates
24 for each major program category.

26 **Sec. 2. 5 MRSA §1666-B** is enacted to read:

28 **§1666-B. Long-range budget plan**

30 The Governor or the Governor-elect, with the assistance of
31 the State Budget Officer and based upon the forecast of revenue
32 and expenditures prepared pursuant to section 1665, subsection 7,
33 shall prepare a long-range budget plan that encompasses the
34 following 3 biennia. The plan must be submitted to the
35 Legislature at the same time as the biennial budget required by
36 section 1666.

38 **SUMMARY**

40 Current law requires the State Budget Officer to prepare a
41 forecast of revenues and expenditures for the biennium
42 immediately following the biennium in which the forecast is
43 prepared. This bill extends the forecast to encompass the 6
44 years following the current biennium and requires the Governor to
45 use the forecast to develop a long-range budget plan for the
46 following 3 biennia. The plan is submitted by the Governor to
47 the Legislature along with the regular biennial budget.