

MAINE STATE LEGISLATURE

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BUDGET IN BRIEF



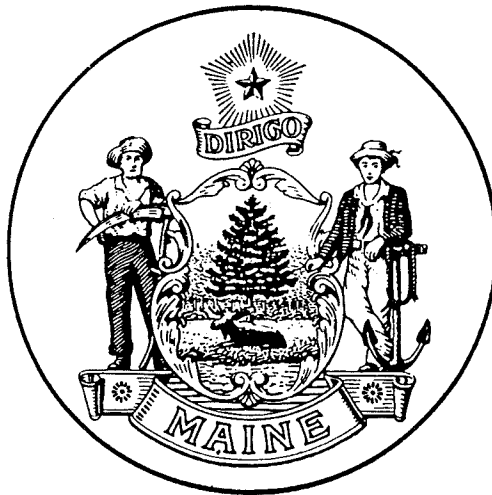
Summary of the Program and Budget Proposals for the Fiscal Years 1994-95

**Submitted by the
Bureau of the Budget**

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**BUDGET
IN
BRIEF**

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**Summary of the Program and Budget Proposals
for the Fiscal Years 1994-95**

**Submitted by the
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JUL 16 1993

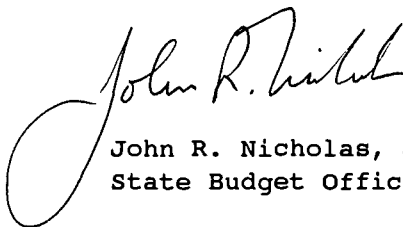
MAINE STATE BUDGET IN BRIEF

**A Summary of the Program and Budget Proposals
for the Fiscal Year 1994-95**

MESSAGE FROM THE STATE BUDGET OFFICER

This publication is intended as a summary of the State Biennial Budget Document for 1994-1995 and as a guide to the very important material contained within them. What follows is a description - policy area by policy area - of the key recommendations and initiatives proposed by the Honorable John R. McKernan, Jr., Governor, to the First Regular Session of the 116th Legislature. If this publication serves its purpose, it will make the 1994-1995 budget more accessible to more Maine people and will lead to a better understanding of the priorities and recommendations contained within Volumes 1-A, 1-B, and 2 of the State Biennial Budget Document.

Sincerely,

A handwritten signature in dark ink, reading "John R. Nicholas, Jr.", with a large, stylized initial "J" that loops around the first part of the name.

John R. Nicholas, Jr.
State Budget Officer

CLOSING THE BUDGET GAP

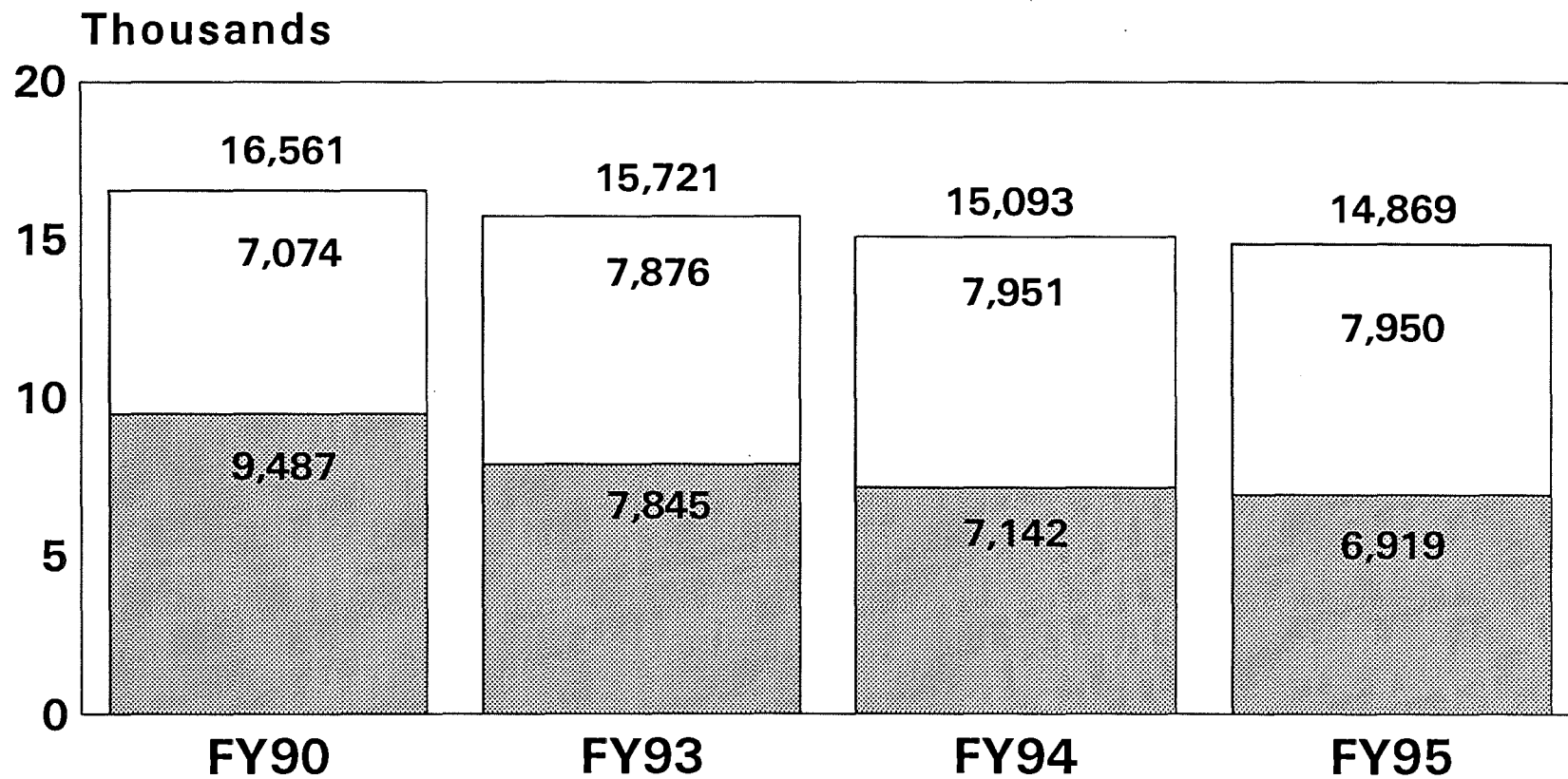
FY 94-95 BIENNIUM VS. FY 93

EXPENDITURE AREA*	1 FY93 APPROP	2 2 YEARS (Col. 1 x two)	3 REQUESTED INCREASES	4 PROPOSED	5 PCT CHG FRM FY93 (Col. 4 ÷ Col. 2)
GPA	\$514.6	\$1,029.2	\$241.6	(\$55.2)	-5.36%
HIGHER EDUCATION	\$164.4	\$328.8	\$66.2	(\$2.7)	-0.82%
TEACHER RETIREMENT	\$139.3	\$278.6	\$125.0	(\$36.0)	-12.92%
HUMAN SERVICES	\$294.7	\$589.4	\$175.3	(\$56.7)	-9.62%
MENTAL HEALTH/RET	\$123.2	\$246.4	\$69.8	\$14.2	5.76%
CORRECTIONS	\$58.7	\$117.4	\$43.3	\$13.0	11.07%
DEBT SERVICE	\$30.0	\$60.0	\$88.0	\$85.1	141.83%
OTHER	\$236.3	\$472.6	\$153.8	(\$128.3)	-27.15%
CAPITAL CONSTRUCT/REPAIRS	\$1.8	3.6	\$263.8	\$5.0	138.89%
TOTALS	\$1,563.0	\$3,126.0	\$1,226.8	(\$161.6)	-5.17%
REVENUES (increase) decrease	\$1,556.3	\$3,112.6	\$153.4	\$146.6	-4.71%
TOTAL BUDGET GAP			<u>\$1,380.2</u>		

* Expenditures in Millions of Dollars

EMPLOYMENT COMPARISONS

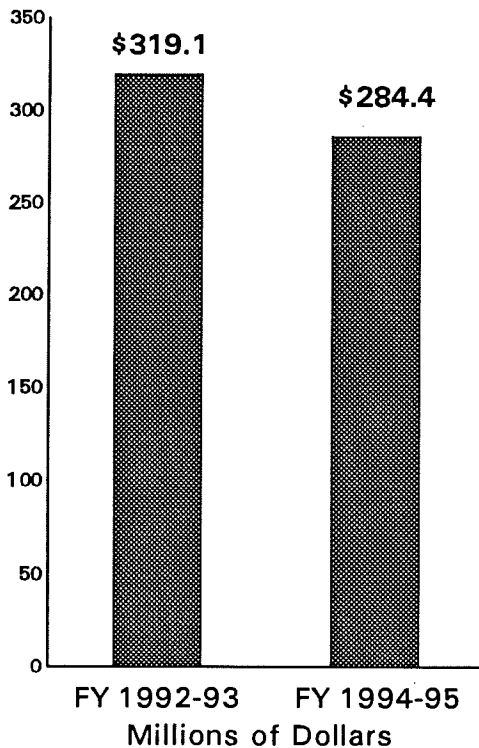
FY90, FY93, FY94, FY95



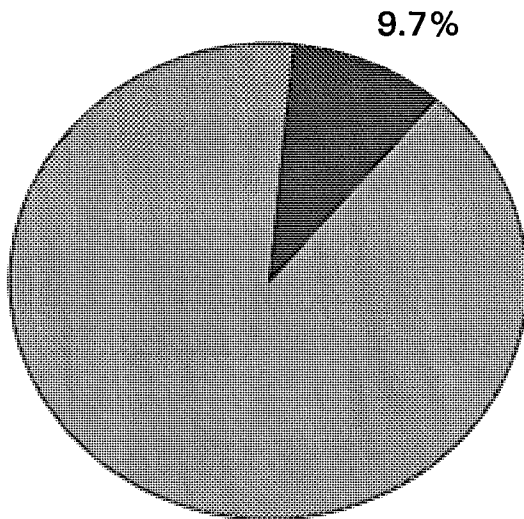
■ General Fund □ Other Funds

**PROPOSED POSITION REDUCTIONS
FY94 – FY95**

DEPARTMENT/AGENCY	TYPE	GENERAL FUND		NON-GENERAL FUND		ALL FUNDS	
		FY94	FY95	FY94	FY95	FY94	FY95
ADMINISTRATIVE AND FINANCIAL SVCS	0060	-152.0	-152.0	-55.5	-58.0	-207.5	-210.0
ADMINISTRATIVE AND FINANCIAL SVCS	0070			118.0	118.0	118.0	118.0
AGRICULTURE	0060	-6.0	-6.0			-6.0	-6.0
AGRICULTURE	0070	1.0	1.0	2.0	2.0	3.0	3.0
ARTS COMMISSION, MAINE	0060	-2.0	-2.0			-2.0	-2.0
ARTS COMMISSION, MAINE	0070			1.0	1.0	1.0	1.0
ATTORNEY GENERAL	0060	-14.0	-14.0			-14.0	-14.0
ATTORNEY GENERAL	0070			3.0	3.0	3.0	3.0
AUDIT	0060	-2.0	-2.0			-2.0	-2.0
CONSERVATION	0060	-37.0	-38.0			-37.0	-38.0
CONSERVATION	0070	-42.5	-44.0	2.5	2.5	-40.0	-41.5
CORRECTIONS	0060	-110.0	-98.0			-110.0	-98.0
DEFENSE AND VETERANS' SERVICES	0060	-9.0	-9.0			-9.0	-9.0
EDUCATION	0060	-13.0	-13.0			-13.0	-13.0
EDUCATION	0070	-6.0	-6.0			-6.0	-6.0
ENVIRONMENTAL PROTECTION	0060	-22.5	-22.5			-22.5	-22.5
ENVIRONMENTAL PROTECTION	0070	-3.0	-3.0	2.5	2.5	-0.5	-0.5
EXECUTIVE DEPARTMENT	0060	-13.0	-13.0			-13.0	-13.0
HISTORIC PRESERVATION COMMISSION, MAINE	0060	-1.0	-1.0			-1.0	-1.0
HUMAN RIGHTS COMMISSION, MAINE	0060	-1.5	-1.5			-1.5	-1.5
HUMAN SERVICES	0060	-28.0	-26.5	-10.0	-10.0	-38.0	-36.5
HUMAN SERVICES	0070	0.0	0.0	-2.0	-0.5	-2.0	-0.5
INLAND FISHERIES AND WILDLIFE	0060	-50.0	-51.0			-50.0	-51.0
INLAND FISHERIES AND WILDLIFE	0070	-4.5	-4.5			-4.5	-4.5
LABOR	0060	-3.0	-3.0			-3.0	-3.0
LABOR	0070			3.0	3.0	3.0	3.0
LIBRARY, MAINE STATE	0060	-7.0	-7.0			-7.0	-7.0
LIBRARY, MAINE STATE	0070			4.0	4.0	4.0	4.0
MENTAL HEALTH AND MENTAL RETARDATION	0060	-154.5	-387.0			-154.5	-387.0
MENTAL HEALTH AND MENTAL RETARDATION	0070			-1.0	-1.0	-1.0	-1.0
MUSEUM, MAINE STATE	0060	-4.0	-4.0			-4.0	-4.0
PROFESSIONAL AND FINANCIAL REGULATION	0060	-10.0	-10.0			-10.0	-10.0
PROFESSIONAL AND FINANCIAL REGULATION	0070			10.0	10.0	10.0	10.0
PUBLIC SAFETY	0060	-5.0	-5.0			-5.0	-5.0
TRANSPORTATION	0060	-2.0	-2.0			-2.0	-2.0
TRANSPORTATION	0070			-4.0	-4.0	-4.0	-4.0
TREASURER OF STATE	0060	-2.0	-2.0	2.0	2.0	0.0	0.0
TOTALS		-703.5	-926.0	75.5	74.5	-628.0	-851.5



Percent of 1994-95 General Fund Budget



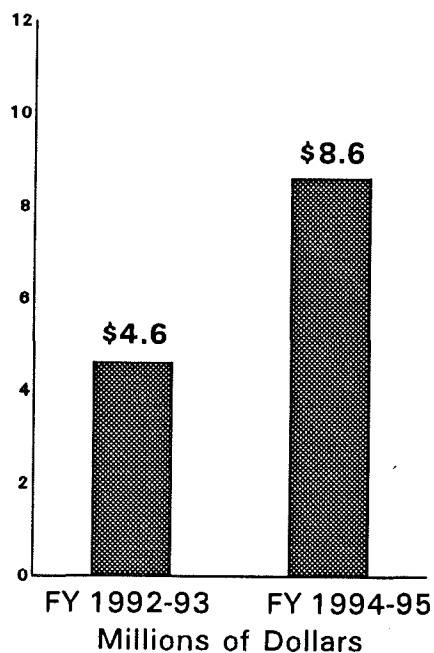
Highlights of 1994-95 Program Proposals

- * Moves the Office of Public Advocate into the Attorney General's Office.
- * Reduces the Legislature and Constitutional Offices to 6% below FY 93 levels.
- * Continues the privatization of liquor stores and lottery.
- * Increases the debt service due to refunding of general obligation debt in 1991 and to make payments on the Jobs Bonds.
- * Revises the circuit breaker program to those with incomes less than \$15,000 and whose property taxes exceed 10% of income.
- * Eliminates furlough and shutdown days while maintaining current salaries.
- * Reduces from 100% to 90% the state share of employee health insurance and from 60% to 50% for dependent coverage.
- * Changes in State Employee Retirement (See Education: Teacher Retirement).

Departments covered in this category

Executive
Legislative
Judicial
Treasury
Attorney General
Secretary of State
Audit
Administrative & Financial Services

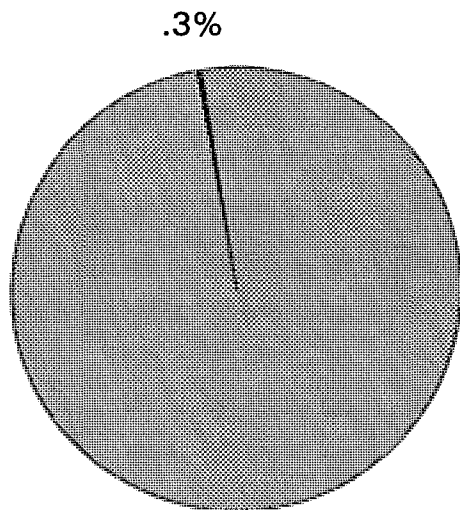
Capital Construction/Repairs

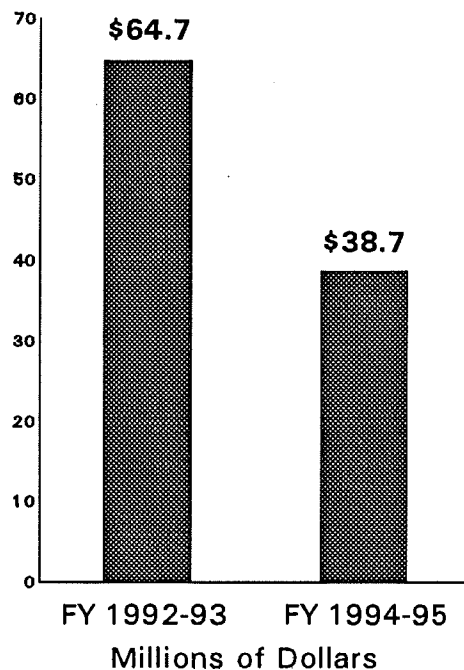


Highlights of 1994-95 Program Proposals

- * Funds statewide capital construction, improvements and repairs.
- * Pays principle and interest on Certificates of Participation for the Mckown Point Marine Research Facility and the Medical Examiner Morgue Facility.

Percent of 1994-95 General Fund Budget

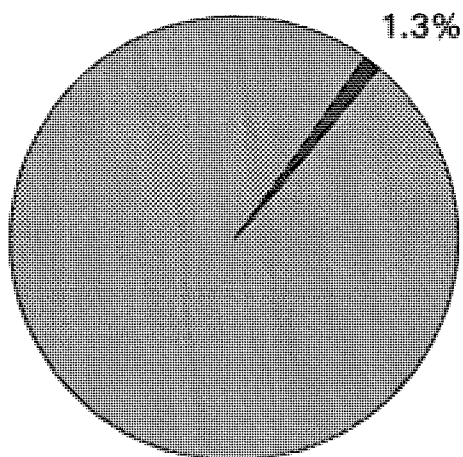




Highlights of 1994-95 Program Proposals

- * Moves the Maine Science & Technology Commission into the Department of Economic & Community Development.
- * Requires that the Departments of Agriculture, Environmental Protection and Marine Resources contract for all of their administrative services through the new Department of Inland Fisheries, Forestry & Wildlife.

Percent of 1994-95 General Fund Budget

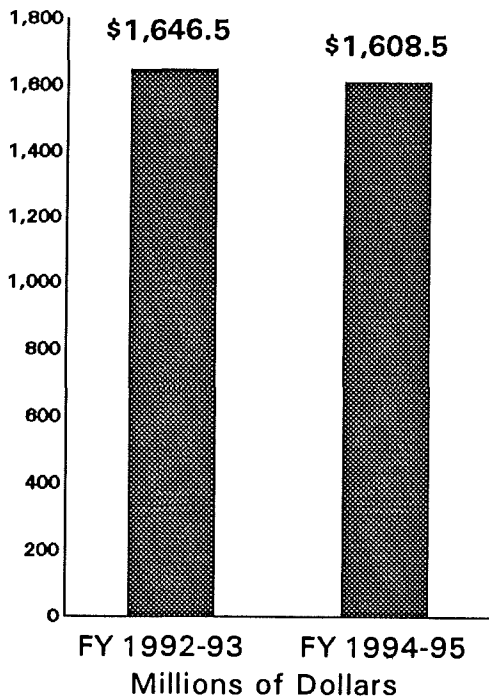


Departments covered in this category

Economic and Community Development

Agriculture, Food, and Rural Resources

Marine Resources



Highlights of 1994-95 Program Proposals

General Purpose Aid

- * Reduces General Purpose Aid to Education to 1991 levels.
- * Caps administrative reimbursement at 8% of total spending.
- * Caps teacher salaries for reimbursement at teacher to student ratios of 21 to 1 for elementary and 16 to 1 for secondary.

Teacher Retirement

- * Increases the employee contribution rate to 7.65%.
- * No longer permits the payment of accrued sick leave or vacation time to be used as earnable compensation for retirement.
- * Caps 3-yr compensation growth at 5% for retirement purposes.
- * For non-vested members, sets the retirement age equal to that of social security.
- * Reamortizes the System's unfunded liability over a 40 year period.

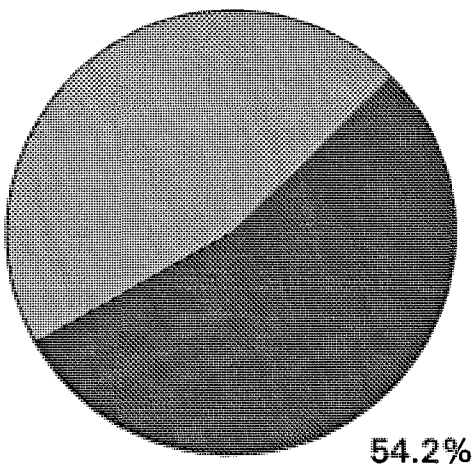
Higher Education

- * Maintains FY 93 funding levels for the Maine Public Broadcasting Network.
- * Reduces funding for the University of Maine System, the Technical Colleges, and Maine Maritime Academy by 5% from FY 93 levels.

The Arts and Cultural Services

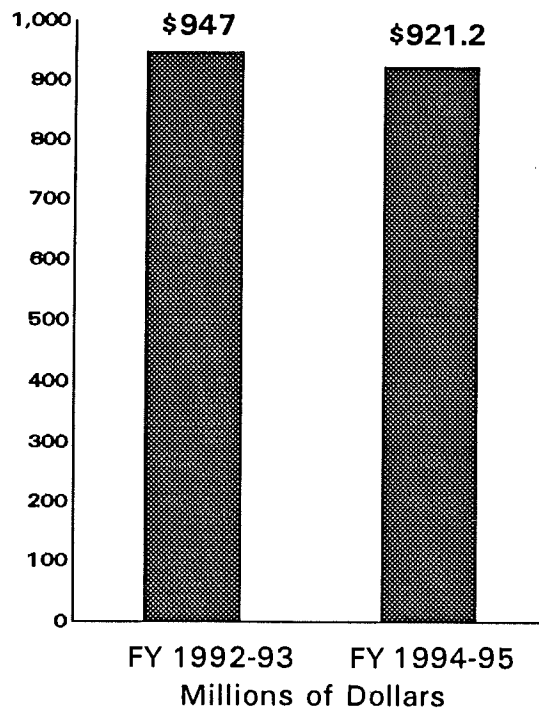
- * Reduces funding 10% below FY 93 levels.
- * Combines the administrative functions of the four cultural bureaus.

Percent of 1994-95 General Fund Budget

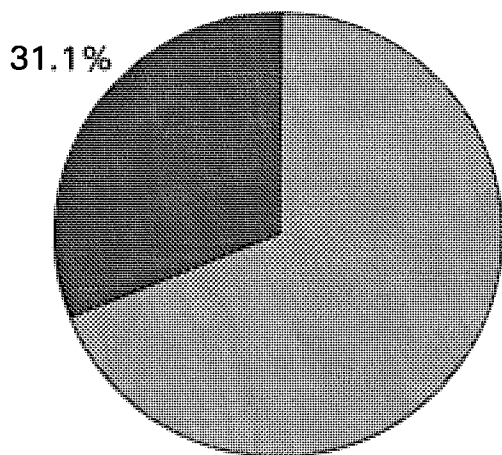


Departments covered in this category

Education
The University of Maine System
The Maine Technical College System
Maine Maritime Academy
Cultural Agencies



Percent of 1994-95 General Fund Budget



Departments covered in this category

- * Health and Family Services
- Corrections

* NEWLY PROPOSED DEPARTMENT

Highlights of 1994-95 Program Proposals

- * Combines the Department of Human Services and Mental Health and Mental Retardation into a single Department of Health and Family Services.

Human Services

- * Eliminates the Maine Health Program, Municipal General Assistance, Medical Eye Care Program, and funding for hospital bad debt and charity care initiated in 1991.
- * Reduces certain specific AFDC payments by eliminating the special needs payment, reducing payment rates and instituting a ratably reduced system of payment.
- * Reduces the eligibility standard for pregnant women and children from 185% to 133% of the poverty level.
- * Freezes payments to hospitals and nursing homes.
- * Shifts the financial burden of elderly care to financially able adult children.
- * Restricts eligibility in the Community Medically Needy and in nursing facilities to less than 300% of SSI.
- * Allows DHS to make claims for services rendered against the estates of "medically needy" Medicaid recipients.

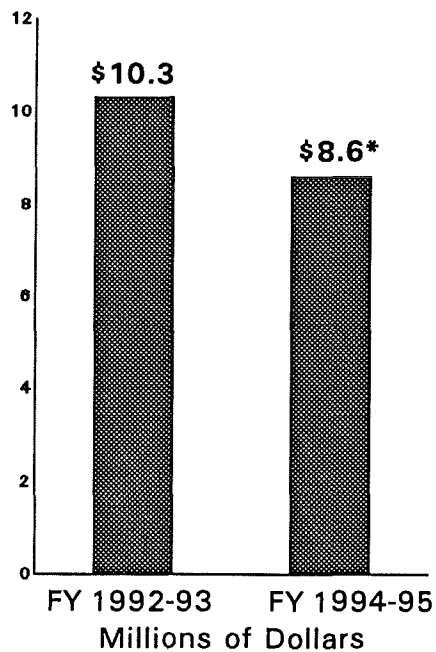
Mental Health/Retardation

- * Reduces crisis stabilization services.
- * Closes one nursing ward at AMHI and BMHI.
- * Downsizes Pineland.
- * Continues compliance with the AMHI and Pineland consent decrees. (Cont.)

Highlights of 1994-95 Program Proposals (cont.)

Corrections

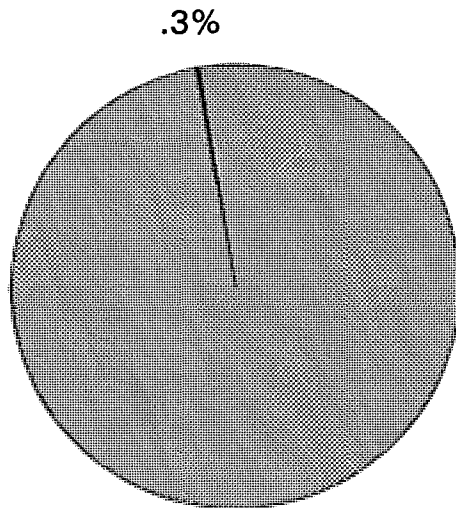
- * Eliminates the Intensive Supervision Program
- * Closes the Bangor and Southern Maine Pre-Release Centers, and two cottages at the Maine Youth Center.
- * Provides for the operation of the new maximum security facility at Warren.
- * Reduces capital spending, staff training, and some inmate services throughout the system.



Highlights of 1994-95 Program Proposals

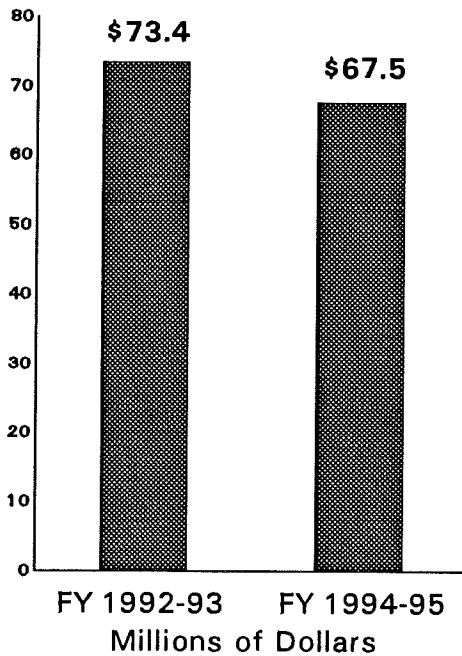
- * Transfers the AFDC program and the Bureau of Vocational Rehabilitation from the Department of Human Services into the Department of Labor.
- * Reduces funding for the Department of Labor to 10% below FY 93 levels.

Percent of 1994-95 General Fund Budget



* Additional Labor funding comes from Federal and Special Revenue sources.

Departments covered in this category
Labor

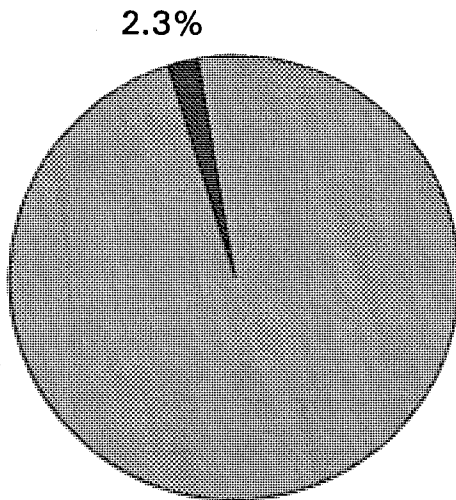


Highlights of 1994-95 Program Proposals

* Combine the Departments of Conservation and Inland Fisheries, and Wildlife into a new Department of Inland Fisheries, Forestry and Wildlife.

* Requires the Departments of Agriculture, Environmental Protection and Marine Resources to contract for all of their administrative services through the new Department of Inland Fisheries, Forestry and Wildlife.

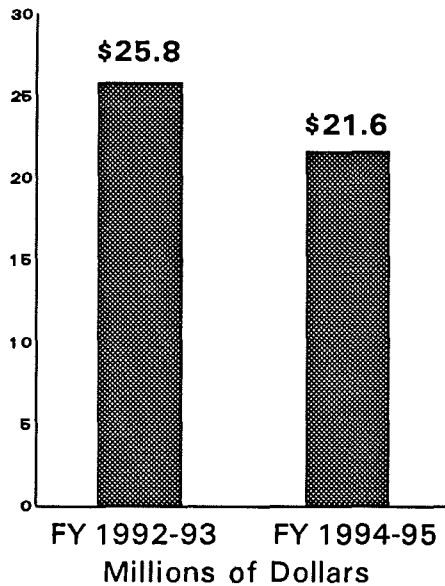
Percent of 1994-95 General Fund Budget



Departments covered in this category

*Inland Fisheries, Forestry and Wildlife
Environmental Protection

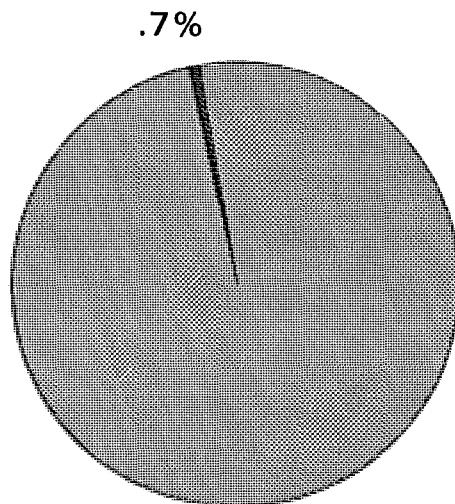
* Newly Proposed Department



**Highlights of 1994-95
Program Proposals**

- * Eliminates the Maine Emergency Management Agency disaster assistance grants.
- * Reduces the Maine Drug Enforcement Agency funds to 10% below FY 93 levels.
- * Maintains the State Police General Fund and Highway Fund matching ratio at the same level as FY 93.

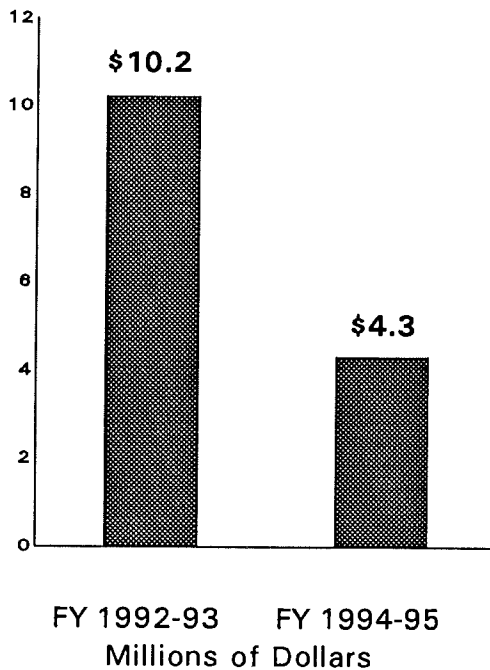
Percent of 1994-95 General Fund Budget



Departments covered in this category

Public Safety
Defense and Veterans Services

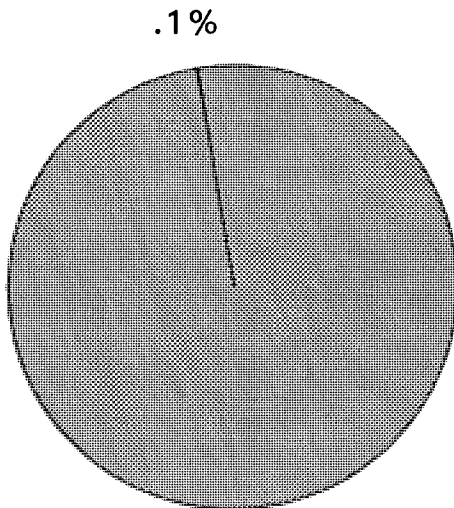
Transportation



Highlights of 1994-95 Program Proposals

- * Transfers the Division of Motor Vehicles within the Secretary of State's Office to the Department of Transportation.
- * Reduces the funding level for the Department of Transportation to 10% below FY 93 levels.
- * Reduces the subsidy to the Island Ferry Fund.

Percent of 1994-95 General Fund Budget



Departments covered in this category
Transportation

Appendix

Budget Summary

1994/95 GENERAL FUND REVENUES *

Millions of Dollars

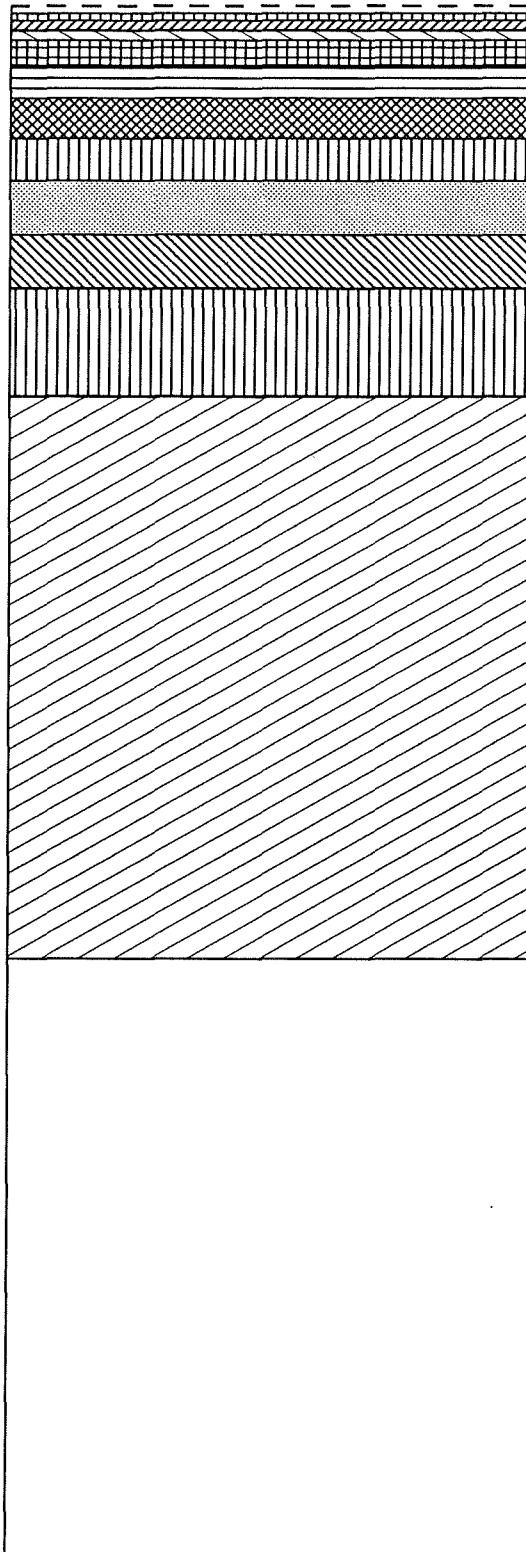
\$2,966.0M

3000

2000

1000

0



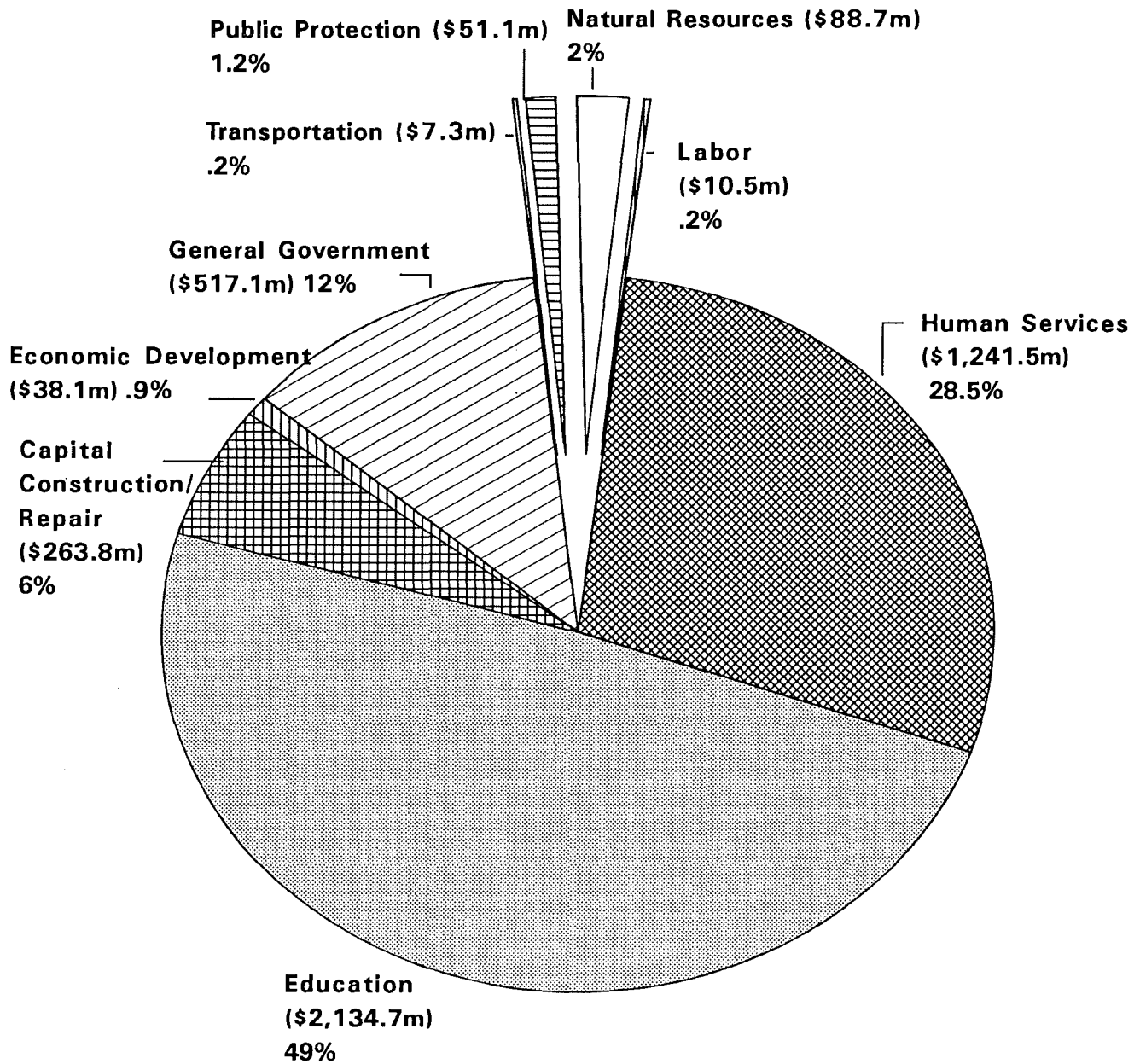
Investment Income (-\$8m) -.27%
 Parimutuels (\$2m) .07%
 Unorg. Terr. Prop Tax (\$19m) .64%
 Inheritance & Estate Tax (\$19m) .64%
 Public Utilities Co. Tax (\$49m) 1.65%
 Alcoholic Beverage (\$63m) 2.12%
 Lottery (\$78m) 2.63%
 Insurance Co. Tax (\$82m) 2.76%
 Cigarette Tax (\$105m) 3.54%
 Corporate Income Tax (\$105m) 3.54%
 Other Revenues (\$208m) 7.02%

Sales & Use Tax (\$1,092m)
 36.82%

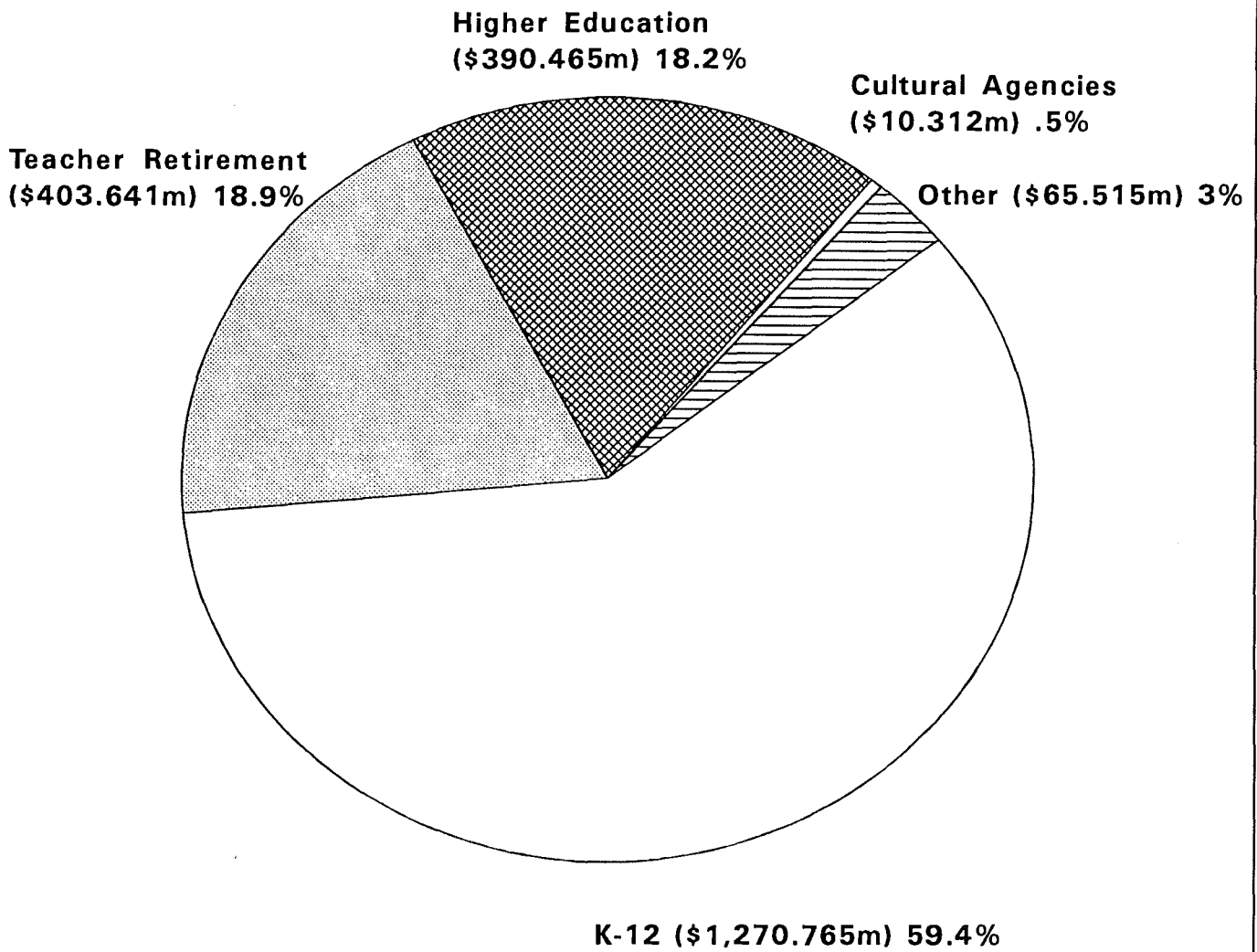
Individual Income Tax (\$1,152m)
 38.84%

* January 1993 Projections

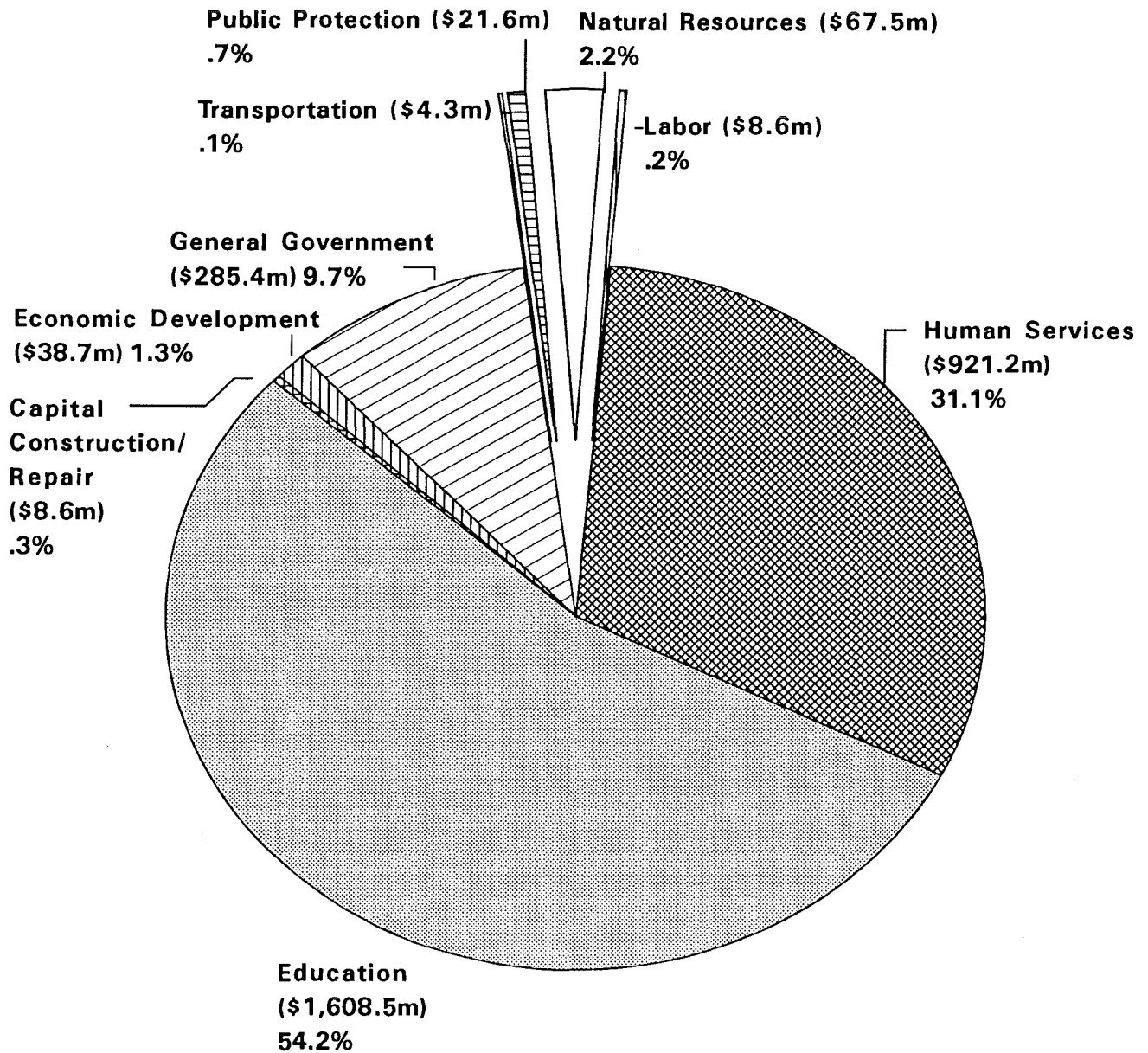
**1994/95 GENERAL FUND APPROPRIATIONS
(BY POLICY AREA)
DEPARTMENTAL REQUESTS
\$4,352.8M**



**1994/95 GENERAL FUND APPROPRIATIONS
EDUCATION - DEPARTMENTAL REQUESTS**



**1994/95 GENERAL FUND APPROPRIATIONS
(BY POLICY AREA)
GOVERNOR'S PROPOSAL
\$2,964.4M**



**1994/95 GENERAL FUND APPROPRIATIONS
EDUCATION - GOVERNOR'S PROPOSAL**

