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STATE PLANNING OFFICE EXECUTIVE DEPARTMENT

*The State Planning Office provides the information, analyses,
and guidance decision-makers need to make informed decisions
about Maine's economy, resources, and governance.*

STRATEGIC PLAN

February 1, 1997



STATE OF MAINE
EXECUTIVE DEPARTMENT
STATE PLANNING OFFICE
38 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0038

ANGUS S. KING, JR.
GOVERNOR

EVAN D. RICHERT, AICP
DIRECTOR

February 1, 1997

Hon. Senator Sharon Anglin Treat
Hon. Representative G. Stephen Rowe
Chairs, Joint Standing Committee on Natural Resources
c/o Office of Policy & Legal Analysis
State House Station #13
Augusta, ME 04333

Dear Hon. Members, Joint Standing Committee on Natural Resources,

I am pleased to provide you with copies of the State Planning Office's strategic plan and pilot performance budget in accordance with P.L. 1996, chapter 705.

As our strategic planning process moves into its next phase, it will truly become a tool to manage our performance. Over the next 12 months, we will collect data to determine baselines for our measurable objectives; we will track outcome measures to assess progress towards meeting our measurable objectives, and, if necessary, we will refine our measurable objectives and strategies to deliver the highest possible performance with the resources available.

We are also excited about the advantages which the pilot performance budget offer. Performance budgeting allows us to link the results we expect to achieve with the cost to achieve them. In this way, we can determine whether the dollars spent are having the impact on Maine's citizens in the manner intended by the Legislature.

We look forward to an ongoing dialogue with the committee about how well we are achieving our measurable objectives. We welcome any comments you might have and are available to meet with the committee at your convenience.

Sincerely,

Evan D. Richert, AICP
Director



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**STATE PLANNING OFFICE STRATEGIC PLAN
FEBRUARY 1997**

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I. INTRODUCTION

This is the State Planning Office's strategic plan developed under the direction of P.L. 1996, chapter 705. The plan identifies the strategic issues that face the office over the next decade and how the office will respond to the challenges,

opportunities, and uncertainties. The ultimate goal of the strategic plan is to focus on the results -- the outcomes -- and the benefits of the State Planning Office's services to Maine citizens.

If you don't much care where you want to get to...then it doesn't matter which way you go
---The Cheshire Cat to Alice in Alice's Adventures in Wonderland by Lewis Carroll

Chapter 705 required each agency to submit a final plan on February 1, 1997. Although we know that no strategic plan is ever final -- it's being constantly revised, constantly updated to respond to a changing environment -- this February 1997 plan will direct the efforts of the State Planning Office in the 1998-99 biennium. It also provides the basis for the Office's performance budget pilot in its 1998-99 biennial budget proposal.

STAKEHOLDER PROCESS

This draft plan is the product of a year long effort within the State Planning Office and among its stakeholders. The office engaged its stakeholders in several ways, including:

External Advisory Committee

A 9-person committee was formed that was representative of the office's external stakeholders. The committee met three times to review and offer input on the mission statement, goals, objectives, and strategies. They provided valuable insight regarding the mission and direction of the State Planning Office.

Legislative Policy Committee

The office worked closely with the Joint Standing Committee on State & Local Government of the 117th Legislature in developing its draft plan. The full committee met on two occasions to offer input on mission, goals, objectives, and strategies. In addition, the committee formed a 4-person subcommittee to provide an in-depth review of the plan. The subcommittee also met twice and offered advice on planning office priorities. The subcommittee included: Senator Jane Amero, Senator Susan Longely, Representative Beverly Daggett, and Representative Priscilla Lane. In January 1997, the State Planning Office met with the new Joint Standing Committees of the 118th Legislature having jurisdiction over

State Planning Office Strategic Planning Advisory Committee

Senator Jane Amero
Rep Beverly Daggett
Tim Glidden, Natural Resources Council of ME
Senator Philip Harriman
Darrell Quimby, Central Maine Power Co.
Alan Stearns, Maine Chamber and Business Alliance
Tom Stevens, City Manger, City of Presque Isle
James Upham, Wells Town Planner
Paula Valente, Maine Municipal Association

state and local government matters and over natural resource matters to solicit their input. State Planning Office continues to welcome feedback from the Legislature as we move towards full implementation of the State Planning Office's performance budget in 2000.

Employees

As the implementers of our strategic plan, State Planning Office employees are an important stakeholder. Employees were extensively involved in the plan, beginning with team brainstorming sessions on important issues and culminating with the development of strategies and action plans. The office's TQM Council revised the mission statement. Full staff meetings were held on three occasions to develop, review, and revise goals, objectives, and strategies.

Other Stakeholders

Governor King and his staff

The Governor's Office is one of the State Planning Office's primary customers. The Governor and his staff offered considerable feedback on priorities for the office and input on developing the goals, objectives, and strategies. The office met with the Governor's Office on three occasions to review the plan elements.

Regional planning councils

A major customer of the State Planning Office's land use and growth management programs, the 11 regional planning councils met for a half-day session to review and offer input on the draft goals and objectives relative to land use planning.

State strategic planning coordinators

Over 100 state agency employees were trained and form a cadre of trainers/coordinators for the state's strategic planning/performance budgeting initiative. Through face-to-face meetings, these coordinators offered input on the office's performance budgeting strategies.

EXECUTIVE SUMMARY

February, 1997

The State Planning Office provides the information, analyses, and guidance decision-makers need to make informed decisions about Maine's economy, resources, and governance.

Title 5 MRSA § 3305 Statutory Basis for State Planning Office

- offer policies that balance the development and conservation of Maine's natural resources
- prepare ongoing economic analyses
- give technical assistance to Governor and the legislature
- give technical assistance to local and regional planning groups

Integrating Economy and Environment

Goal A: Maine's decision-makers will have the analyses and policy options necessary to integrate the development of the state's economy with the conservation of its environment.

- **A-1.** By 1998, the Governor and at least 75% of legislators and commissioners will agree that they have the analyses and recommended policy options they need to integrate the conservation and economic development of Maine's great ponds, wetlands, floodplains, conservation lands, and shorelands (p.21).

Increasing Community Capacity

Goal C: All of Maine's municipal leaders will have the tools and assistance they need to make fiscally and environmentally-sound decisions that support local and state land use and infrastructure policy.

- **C-1.** By 2003, a) reduce the per unit costs of population growth in Maine by 25%, as indicated by costs relating to new school construction, new public roads, and emergency services, and b) reduce from "high" to "medium" the Maine Environmental Priority Project's ranking of risks to terrestrial ecosystem (p.25).
- **C-2.** By 2003, a majority of local appointed officials responsible for administering land use and building codes will indicate they have the information and tools to carry out their duties (p.26).
- **C-3.** By 2000, 60% of Maine citizens will involve themselves in at least one civic project per year that benefits the state's environment, public safety, or other aspect of the health and welfare of their community (p.27).
- **C-4.** By 1998, at least 60% of Maine's municipalities will recycle their municipal solid waste at an annual rate of 35% or more (p.27).

Increasing Governmental Effectiveness

Goal B: Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizen's needs.

- **B-1.** By 2000, the Governor and at least 75% of legislators will indicate that performance budgeting allows them to tie state spending to measurable results (p.23).
- **B-2.** By 1998, greater than 90% of State Planning Office clients will rate the services they received as very good or excellent (p.23).

Directing Maine's Economy

Goal D: Maine decision-makers will have the analyses and policy options they need to embrace emerging economic opportunities and to bring the state successfully through periods of economic change.

- **D-1.** By 1998, the Governor and at least 75% of legislators and commissioners will agree that they have the analysis and recommended policy options they need to understand the implications and opportunities created by changing economic conditions (p.29).
- **D-2.** Maintain current level of accuracy of revenue forecasts for succeeding biennia, such that they are within 1% of actual revenues in the first year and within 2% in the second year (p.29).
- **D-3.** By 2005, reduce the energy cost differential for Maine vs. the U.S. from 2.2 to 1.7 and the cost of in-state, long-distance calls to within 10% of the national median (p.30).

II. STATE OF MAINE VISION

VISION OF MAINE STATE GOVERNMENT

(from State Quality Management Council)

We believe that Maine should be the best place in the nation to live, work, and pursue individual, family, and community aspirations.

Our vision is of a Maine State Government that provides the leadership and service necessary to make Maine an even better State for future generations, where we in public service:

- recognize that state government exists to serve the people, our customers;
- respond to the needs of the people;
- provide services of the highest quality;
- increase opportunities for all Maine people;
- merit public confidence and respect;
- work together to ensure a more secure work environment of mutual respect, support, and trust;
- promote leadership, teamwork, innovation, partnership, and initiative; and
- foster stewardship of our human and natural resources.

ADMINISTRATION MISSION

(from Governor King's Cabinet)

We are committed to achieving an unparalleled quality of life for the citizens of our state by building prosperity, fostering opportunity, and unleashing the "can do" spirit of Maine.

STATEWIDE GOALS

[Insert statewide goal(s) applicable to SPO]

III. STATE PLANNING OFFICE PURPOSE

The State Planning Office's purpose is clearly spelled out in Maine law. Building on the duties expressed in statute, the Office developed its mission statement --its statement of purpose. The mission defines what we do, why we do it, and for whom.

STATE PLANNING OFFICE MISSION

The State Planning Office provides the information, analyses, and guidance decision-makers need to make informed decisions about Maine's economy, resources, and governance.

STATUTORY BASIS

The four core duties assigned to the State Planning Office by statute include:

- Coordinate the preparation of ...policies to guide...the wise development of the State's **economy** and **energy resources** and the conservation of its **natural resources**....They shall be developed in such areas as: land use, natural resource development and conservation, public investment and taxation, and state regulatory policy.
- Identify immediate and long-range needs and provide **technical assistance** to the Governor and Legislature by undertaking special studies and plans and preparing policy alternatives.
- Conduct...continuing **economic analysis**, including economic forecasting...(and) at the request of the Governor and Legislature study problems peculiar to the industry and economy of this State....
- Provide **technical assistance to local and regional planning groups**.

(5 MRSA § 3305)

IV. BACKGROUND ANALYSIS: THE FORCES SHAPING THE STATE PLANNING OFFICE

This assessment examines the changing responsibilities of planning and the major barriers and opportunities, both external and internal, that limit or promote the State Planning Office's ability to carry out its mission.

THE RESPONSIBILITIES OF PLANNING: CIVIC AND STRATEGIC PLANNING

The responsibilities of planning are changing. For many years, the duties of planning were strictly in the realm of *civic planning*, which is concerned with how we use the land and its resources and how we finance and build public facilities to meet public needs. During the last ten years, a new branch of planning has been introduced: *strategic planning*, which is concerned with identifying the priorities of government and how governing can be carried out efficiently and effectively.

Civic Planning

The planning profession was established in America just over 100 years ago. The industrialization of America's cities had triggered enormous urban growth. It also triggered enormous problems. City streets and waterways were open sewers. Workers were warehoused in tenements in the shadows of factories, often without sunlight or ventilation. Infectious disease ruled the day. By the late 19th century, civic leaders were demanding decent housing, basic sanitation systems, healthy water supplies, safe ways to move people and goods, and public parks and open space.

It was into this civic realm that American planning was born. It fell to planners--along with the closely aligned professions of civil engineering and architecture--to plan and create systems that would allow towns and cities to function and grow with due regard to the public's health, safety, and well-being. Some of the tools of planning--comprehensive or master plans, zoning, and capital investment programs--evolved during the first half of the 20th century and remain prominent today.

During the second half of this century, other forces added to the dimensions of civic planning:

- ▶ concern about the environment and demands for the protection of land, air, and water;
- ▶ the explosion of the automobile and, with it, the leapfrogging of urban and suburban development into rural lands--a phenomenon often referred to as "sprawl";
- ▶ the decline of urban centers and of affordable housing;

- ▶the decline of traditional industries and the rise of a global economy, and the need for economic redevelopment based on these new realities; and
- ▶the rise of new electronic technologies, which are reshaping how we communicate, where we live, how we obtain energy, and how we earn livings.

The Maine State Planning Office was created in 1968 in the midst of these growing concerns. The focus for its first 20-25 years was almost exclusively in the realm of civic planning. And many of the demands upon the State Planning Office today--restructuring of the electrical industry, for example, or investing in coastal communities, or building local capacity to manage growth--remain in the realm of civic planning.

Strategic Planning

A severe economic and statewide budget crisis at the beginning of the 1990s--the most severe since the Great Depression--forced government to think "strategically." By this is meant:

- ▶identifying the most important roles and priorities of government;
- ▶setting measurable, achievable objectives so that taxpayers can see the results of their spending;
- ▶encouraging the creative decision-making and involvement of all workers in setting and meeting the objectives; and
- ▶bringing sound information and fiscal judgment to the decisions of government.

Whereas *civic planning* is outward looking--how to plan for and influence the forces that shape the state's growth--*strategic planning* is inward looking--how to organize state government itself to carry out its mission as effectively as possible. Strategic planning is a duty of all agencies of government. But the State Planning Office has primary responsibility for several overarching aspects, including the state's economic forecasting and revenue forecasting commissions; the Commission on Performance Budgeting, which is guiding the conversion to performance-based budgeting; and providing technical assistance to agencies as they prepare their individual strategic plans.

Special Commission on Governmental Restructuring

In 1991 the Special Commission on the restructuring of state government thrust state government toward strategic planning with a series of initiatives, including (among others):

- ▶total quality management
- ▶a credible method of projecting state revenues as the basis for the state's budget
- ▶performance-based budgeting

EXTERNAL ENVIRONMENT

Five principal external trends help to shape the issues that face the State Planning Office and its ability to address them. These trends are:

- ♦ A slow economy and slow growth in state revenues;
- ♦ Continued pressure on the state's natural resources, but uncertain attitude toward planning;
- ♦ Increasing demands for accountability and efficiency in government;
- ♦ Continuing revolution in telecommunications and utilities; and
- ♦ Increasing turnover in the state legislature as term limits affect legislators.

A Slow Economy and Slow Growth in State Revenues

Trend: Although Maine now has recovered the number of jobs lost during the deep recession of the early 1990s, structural changes in the economy likely will mean slow growth during the next five years. The State Planning Office projects annual job growth of 1-2% and annual growth in gross state product of 2-3%. In turn, slow growth in the economy will limit growth in income and retail sales. Because the income and sales taxes account for two-thirds of the state's tax revenues, local and state decision-makers will face an extended period of austerity.

Implications for State Planning Office:

- Elevation of the economy, including jobs and economic security, to the number one concern among the state's residents
- Heightened importance to understand the structural changes in the economy and to accurately explain these changes to the state's decision-makers
- Heightened importance to accurately project the revenues that are the basis for the state's budget
- Pressure to reduce the agency's staff and, perhaps, some of its functions, and to increase productivity in the face of budgetary pressures

Continued Pressure on Natural Resources, but Uncertain Attitude Toward Planning

Trend: During the 1980s rapid growth in the state created widespread concern that citizens had lost control over taxes, the character of their towns, the quality of the environment, and the quality of life. In response, the legislature and many towns enacted measures to manage growth. During and following the recession a few years later, the state's commitment to manage growth was severely cut back. At the same time, though overall population growth slowed, a sprawling pattern of development continued apace, with impacts on budgets, environment, and the livability of towns. Thus, although the core land use planning issue--a spreading out pattern of development--persists; and although the public continues to put high value on the quality of Maine's environment, an overall slow rate of growth seems to make traditional land use planning expendable.

Implications for State Planning Office:

- Continued pressure on the state's sensitive natural resources, including great ponds, wetlands, shorelines, wildlife habitat, and recreational lands
- Need to use greatly reduced community planning and investment dollars as productively as possible in support of the state's municipalities, where most land use decisions are made
- Need to heighten awareness of the long-term land use and environmental trends unfolding in Maine
- Need to apply the skills of planning to the creation of sustainable, natural resource-based jobs

Increasing Demands for Accountability and Efficiency in Government

Trend: According to a 1995 poll by the Maine Economic Growth Council, only 32% of Maine citizens think they are getting good value for their tax dollars. In Maine and across the nation, governments are trying to become more productive and to more clearly link their spending to tangible results. They are beginning to employ the tools of business, including strategic planning and performance budgeting. In Maine, the Legislature and Governor have set deadlines for the state's agencies to adopt these tools.

Implications for State Planning Office:

- The Governor, Legislature, and state agencies are using the State Planning Office to

help develop and oversee implementation of the state's strategic planning and performance budgeting

- The State Planning Office itself must more clearly demonstrate that its work is leading to tangible results

Continuing Revolution in Telecommunications and Utilities

Trend: Technology and law are revolutionizing the telecommunications and utilities sectors. Digital switches, cellular technology and "broadband" fiber lines have increased the capacity for telecommunications and opened the door to competition among industries that until now have been limited to separate audio, video, and data services. The federal Telecommunications Act of 1996 orders a swift transition from monopoly to competition in the telecommunications sector. Similarly, technology and market forces are breaking down the walls of monopoly in the energy utilities, including electricity and natural gas. It is likely that within the next five years, the retailing of electricity will be fully open to competition.

Implications for State Planning Office:

- As the state agency responsible for coordinating energy and telecommunications policy, SPO will face increased demands in these areas to assure that the costs and benefits of change are equitably shared among the state's businesses and citizens
- Need to be aware of economic opportunities that may open up as a result of advances in telecommunications and utility facilities

Increasing Turnover in the State Legislature as Term Limits Affect Legislators

Trend: Term limits, enacted by referendum, are causing a high rate of turnover in the State Legislature, starting with the 118th Legislature.

Implications for State Planning Office:

- Because the State Planning Office's mission is to keep decision-makers well informed about the state's economy and resources, the Office has a special responsibility to provide support to the large number of legislators who will come into office biennially
- Need to improve the visibility of the Office and to continuously communicate its mission and objectives to the Legislature

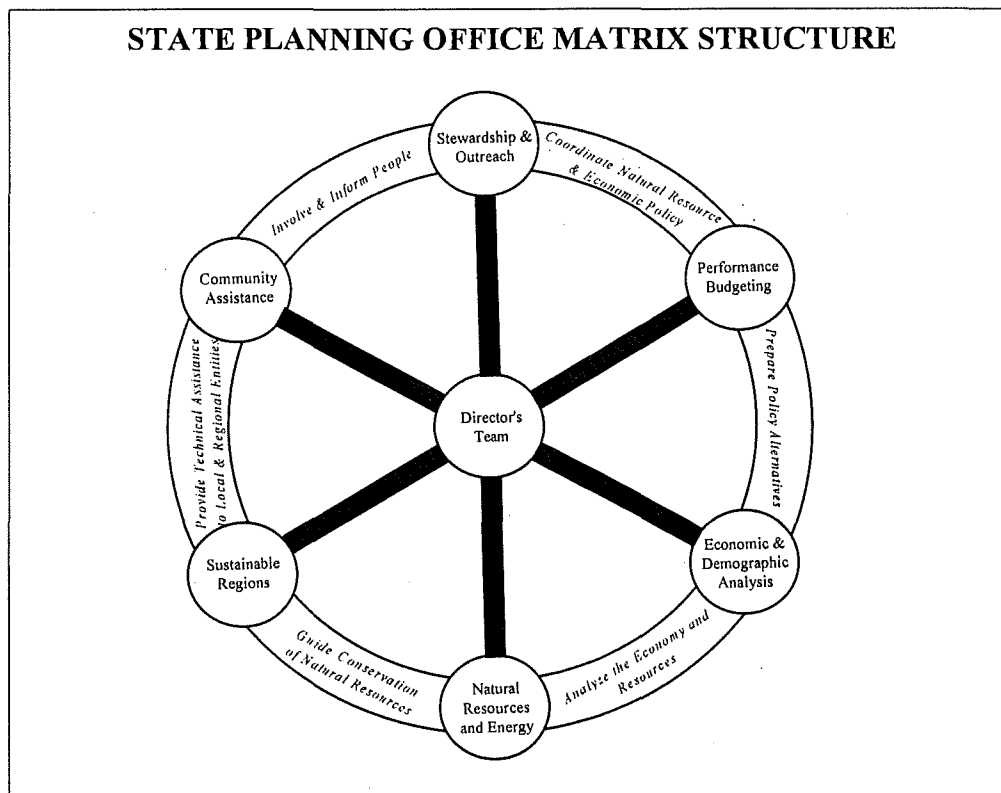
INTERNAL FORCES

The State Planning Office was established in 1968 (5 MRSA § 3305) within the Executive Department. It reports to the Governor but routinely is called upon to assist the Legislature as well. As of July 1, 1996, it had a total of 57 positions, including 51 professional staff and 6 support staff.

FUNDING SOURCE	# of SPO POSITIONS	PERCENTAGE OF TOTAL
GENERAL FUNDS	19	33%
FEDERAL FUNDS (Coastal Zone Management Program, Corporation for National Service, EPA)	30	53%
SPECIAL REVENUE (for waste management, nuclear safety, and work in biomass)	8	14%
TOTAL	57	100%

The Office is organized into self-directed teams: the Director's team, a management team, and six teams aimed at different aspects of the office's mission, as shown in the diagram below.

The Office is also part of an administrative cluster, in which the Department of Administrative and Financial Services handles human resources administrative matters.



Four principal internal trends help to shape the State Planning Office's ability to carry out its mission. These trends are:

- ♦ Expanding responsibilities with fewer resources;
- ♦ Persistent loss of positions;
- ♦ Greater flexibility to assign staff to priority projects; and
- ♦ Advancements in technology

Expanding Responsibilities with Fewer Resources

Trend: Energy management has been a State Planning Office responsibility since the mid-1970s. Yet, today, only one half-time position is appropriated to carry out these duties. In 1995, the Legislature abolished the Maine Waste Management Agency, reduced state funding for waste management by 95% and cut 10 of its 16 positions. The remaining six staff were transferred to the State Planning Office along with the majority of the responsibilities of the former agency, including achieving a 50% statewide recycling rate by 1998. At the same time, economic development became the primary focus of the Department of Economic & Community Development and it made sense to move the land use and growth management and local technical assistance programs to SPO, albeit with fewer staff and financial resources than the program had had since its inception in 1988.

Implications for State Planning Office:

- Reduced state effectiveness in areas of energy and waste management and local community planning assistance
- Mixed signals to staff as to the importance of certain programs
- Need to be realistic as to what can be achieved and to communicate these limits to the Governor and Legislature

Persistent Loss of Positions

Trend: The State Planning Office has seen a continual downsizing of its positions since 1990. In 1996, SPO lost four positions through the Productivity Realization Task Force review. Over the past 6 years, the Legislature has reduced the number of general fund positions allocated to SPO by almost 45%.

Over the past four years, the State Planning Office has seen a steady decline in positions for all of its programs.

Trends in Staff Positions by Program

Year	Growth Management	Waste Management	All Other SPO
1992	34	16	40
1996	17	6	34

In addition to productivity and other position cuts, limitations imposed on dedicated funds affect staffing levels. The work of federally-funded positions or those supported by special revenues are restricted. The Office is limited in its ability to assign projects to those staff outside the scope of responsibility which the dedicated funds support. Also, a phase-out of some recycling fees reduces the solid waste fund by nearly 30% from FY96 to FY97. This directly impacts the Office's allocation for waste management. Since these fees are heavily dependent on the economy, revenues are particularly sensitive to downturns. There is also pressure in some corners to divert the solid waste fees that fund State Planning Office positions and programs to other purposes.

Implications for State Planning Office:

- Critical need to set clear priorities and target resources to achieving those priorities
- Pressure to reduce the scope of the agency's responsibilities
- Pressure to find state dollars to replace lost federal funds
- Heightened need to coordinate efforts with state and nonstate groups who share common goals

Increasing Flexibility to Respond to Priority Projects

Trend: The State Planning Office recently reorganized into seven teams. The teams represent a flexible, integrated organization that moves SPO from a traditional hierarchy into a matrix organization. Managers are field experts who spend much less of their time on administration than in traditional organizations. Project work and decisions are made by teams and more frequently at the staff level. Matrix organizations are considered to be the most effective of organizational structures, but they require commitment, clear understanding of roles and responsibilities, and vigilance in pushing decision-making down to the lowest, most appropriate level. SPO also has consolidated its office space from scattered locations to promote a team approach and increase staff collaboration.

Implications for State Planning Office:

- Increased synergy and integration of agency activities
- Need to invest the time to make a matrix organization work
- Reduced layers of supervision
- Increased ability to direct appropriate staff to priority projects (although this is limited by an over reliance on federal and special revenue funds)
- Improved decision-making capacity

Advancements in Technology

Trend: The State Planning Office is continually upgrading its office equipment to maximize the potential of its staff. A local area network joins the entire office and this network is connected to the state wide area network. All staff can communicate with voice mail and electronic mail and are connected to the World Wide Web for research purposes. The office also supports and has access to the state's geographic information system and administrative data bases.

Implications for State Planning Office:

- Enhanced communications and research capabilities
- Increased staff productivity and improved support-to-professional staff ratios
- Improved coordination with sister agencies
- Need to provide for the training and self-development necessary to allow staff to fully take advantage of capabilities

V. ISSUES AND GOALS

Goals lay out the future direction for the State Planning Office. Although they may never be fully achievable, they provide a beacon and future state towards which we will always strive.

The State Planning Office will be guided by the following four goals:

Goal A: Maine's decision-makers will have the analyses and policy options necessary to integrate the development of the state's economy with the conservation of its environment.

Goal B: Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizens' needs.

Goal C: All of Maine's municipal leaders will have the tools and assistance they need to make fiscally- and environmentally-sound decisions that support local and state land use and infrastructure policy.

Goal D: Maine decision-makers will have the analyses and policy options they need to embrace emerging economic opportunities and to bring the state successfully through periods of economic change.

INTEGRATING MAINE'S ECONOMY AND ENVIRONMENT

Maine needs more stable, well paying jobs. Yet creating new jobs often requires infrastructure and development that use or affect the quality of our land, water, wildlife, and air. These natural resources are vital to many industries (e.g. tourism, fisheries) and our quality of life. Our challenge is to develop state policies that stimulate and absorb economic growth without losing the environment that is one of Maine's chief attractions.

Even in a period of relatively slow growth and development (compared with the pace of the 1980s), upwards of 4,000 new housing units and hundreds of thousands of square feet of commercial and industrial space are being added annually in Maine. Other development, too--of energy plants, for example, and of expanded transportation facilities--are necessary parts of today's economy. Moreover, this new development is often attracted to places of special and sometimes unique character--the small towns along Maine's coast; the suburban and rural fringes of metropolitan areas; and the inland lakes and mountains.

The state's economy and resources--its land, water, and energy--cross all boundaries. Policies regarding them also cross boundaries and may not be the domain of any single agency or interest. At times, the interests conflict; at times the interests of one agency or group are not fully known to or appreciated by another. A few current examples in Maine include:

- the debate over the restructuring of the electrical industry, with its implications for economic development, consumer prices, air quality, indigenous sources of energy, and survival of Maine-based utilities;
- the overhaul of the Site Location of Development Act, with the need to streamline regulation without compromising water quality, traffic safety, and wildlife habitat;
- Maine's Great Ponds, and the need to resolve conflicts over the use of waters, access to their shores, and development of their watersheds; and
- the relicensing of Maine's dams for hydropower, which sets the need for indigenous renewable energy against demand for multiple use of our rivers.

In these and similar instances, there is a need to bring together the parties of interest, to synthesize different points of view, and to provide thoughtful analysis of the consequences of proposed policies. Through its role as coordinator and as a member and chair of the Land & Water Resources Council, the State Planning Office is directed by the Legislature to develop state policies that reach this balance. Therefore, consistent with our statutory core duties, the State Planning Office adopts the following goal:

Goal A: Maine's decision-makers will have the analyses and policy options necessary to integrate the development of the state's economy with the conservation of its environment.

INCREASING GOVERNMENTAL EFFECTIVENESS

The public is demanding that government be more accountable. Citizens expect more service from government for less taxes. And taxpayers want to be able to link spending to results to know that they are getting a return on their investment. In a recent survey, only 32% of Maine citizens believed the value of state services they received for the tax dollars they contributed were good or excellent.

In 1995, recognizing the close connection between state budget decisions and strategic planning, the Maine legislature and Governor King directed state agencies to move from the traditional line-item budget to a performance-based budgeting approach over the next four years. Performance budgeting is different from zero-based and line-item budgeting because it links spending to results. Additionally, many issues facing the state cannot be addressed by one agency, so performance budgets are built around common state goals rather than individual programs, departments, or bureaus. The State Planning Office, using its coordinating skills, staffs

the Commission on Performance Budgeting. Therefore, consistent with our statutory core duties, the State Planning Office adopts the following goal:

Goal B: Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizens' needs.

INCREASING COMMUNITY CAPACITY

Maine's 495 organized municipalities historically were vested with primary responsibility for making land use decisions. During the 1970s, the state and federal governments recaptured some of this authority in the form of environmental legislation. But over the last five years, there has been a sense that the administration of these laws is not as effective as it could be. Along with this comes a desire to move decision-making back to the level closest to the impact of the decision, to streamline regulation, and to reduce the size and cost of the federal and state governments. As municipalities are asked to resume a greater role in managing land use--and to answer increasingly sophisticated land use questions--the state has a responsibility for ensuring they have the tools and expertise to assume the role successfully.

Managing Growth

In the late 1960s, two phenomena emerged that altered Maine's land use patterns: a sudden influx of population--mostly to rural areas and small towns in coastal and central Maine; and a flight of population from cities to surrounding communities. In the 1980s, these trends moved into a new phase as business parks, shopping malls and development along major routes followed residential population into the suburbs. This growth put pressure on municipal budgets to pay for new and better schools and social services while also meeting state and federal mandates for improved drinking water, wastewater and solid waste management. These growth patterns have implications for the cost of Maine state government. The state invests in local infrastructure, such as roads and schools. Preliminary research shows, for example, that perhaps half of the demand for dollars for new elementary school construction is not the result of growth, but rather the result of population shifting to fringe communities. Increasing pressure to raise the capacity of roads that connect job centers with outlying communities has increased state transportation costs. In addition to fiscal costs, a spreading out pattern of development has environmental costs and changes the character of communities.

Community Stewardship

Community service is increasingly necessary as reduced dollars limit government activities, including those that affect the environment (such as recycling waste and testing water quality) and communities (such as historic preservation and neighborhood revitalization). Participation in projects that benefit one's community is also an excellent indicator of community and economic vitality. According to a 1995 survey, 41% of Maine citizens currently make time each year to get involved in a project that benefits their community. These activities need to be promoted in order to improve services and preserve our sense of community.

Solid Waste Management

The cost of managing municipal solid waste rose dramatically in the 1980s. The amount of waste generated and the cost of waste management combined to make waste management the second largest expenditure behind public education in municipal budgets. The state adopted a program in 1989 to improve the way we manage our municipal solid waste. Ambitious statewide recycling goals were set and Maine exceeded the 25% interim goal by recycling 29% in 1991. The state fell short of its 50% goal for 1994, however, recycling only 33%. Yet through these efforts, some form of recycling became available in 415 Maine municipalities, which serve 95 percent of the state's population, and hundreds of businesses began recycling as well.

In 1995, the Legislature reduced the state's role in municipal solid waste management. Programs to reduce waste generation at the source and to promote business recycling were eliminated, but technical assistance to municipalities remains in place. If the state combines its efforts to assist local recycling programs with those of private business (which now accounts for nearly 75% of the recycling taking place in Maine today) and if recycling markets remain active, Maine can still achieve a 50% statewide recycling rate by 1998. These continual improvements in our waste management will enhance our ability to accommodate economic growth.

Municipalities have traditionally been on the front line in managing growth and resources. In performing this function, municipalities turn to the state for assistance with conserving land and water resources as they accommodate new residential, commercial, industrial development. Guiding development to decrease public costs without unfairly limiting private opportunity will take creative ideas and new cooperation among state and local governments. Therefore, consistent with our statutory core duties, the State Planning Office adopts the following goal:

Goal C: All of Maine's municipal leaders will have the tools and assistance they need to make fiscally- and environmentally-sound decisions that support local and state land use and infrastructure policy.

DIRECTING MAINE'S ECONOMY

Slow Growth and Structural Change

Maine, like the whole of New England, has entered a period of slow economic growth. It is expected that the Maine economy will produce only a 1% increase in jobs and a 2% growth in income per year over the next decade. At the same time, Maine's economy is undergoing structural change. Its economic base is shifting from traditional manufacturing to services and technology. Manufacturing payroll has decreased from 23.1% of the total payroll in 1985 to 16.9% in 1995. We have also experienced an unprecedented wave of corporate and government layoffs and an increasing dependence on part-time labor. In 1994, 23.5% of Maine workers were part-time and 12% of the jobs created in 1994 were temporary services. Industries face stiff competition from abroad, requiring new skills to maintain and increase our opportunities in the global market.

It is not just Maine's economy that is changing. So is the make-up of its people. We are in the midst of a groundswell of demographic change. The huge baby boom generation (now between 32 and 49 years old) is fully approaching middle age. Their parents expand the 70+ year-old cohort at a record pace; and their children populate the ranks of the school-aged. Demographic change of these proportions reverberates through society.

Retirement Industry

Maine has identified the retirement industry as a potential growth industry in its Economic Agenda. The State Planning Office is assigned the task of pursuing this sector. Between 1985 and 1990, 9700 families with retirement income moved to Maine. The "baby boomer" generation will start retiring as early as 2001 and in large numbers beginning 2010. The biggest factors influencing where retirees choose to live are scenic beauty, climate and recreational opportunities. These facts signal the potential for increasing retirement in Maine and state policies need to be developed to promote this industry.

Utilities Costs

The cost of utilities has a major influence on the competitiveness of Maine businesses and the quality of life for citizens. Reducing the cost of telecommunications is fundamental to maintaining and growing our global market share.

In spite of gains made in energy efficiency, total energy consumption is still increasing due to growth in population and economic activity. This increased demand will be compounded by the scheduled closing of the Maine Yankee nuclear power plant in 2008 that will create a gap in our power supply. Maine is also heavily reliant upon oil for fuel. In 1992, oil-based fuels provided 52.6% of the total energy consumed in residential, commercial, industrial, and transportation uses in Maine.

New opportunities for power have been emerging to fill our energy needs. Hydropower and biomass electricity generation now account for about 50% of the state's electricity supply. Gains in these power sources made through the 1980s are now losing ground, however, due to competitive cost pressures. Proposed new supplies of natural gas and windpower could become important elements of the state's energy mix.

The implications of all of these changes for both the Maine's citizens and its government are vast and not yet fully understood. It is understood, however, that survival and growth in this economic atmosphere will require sound economic information in the form of historical trends, forecasts, and market analyses. Of critical importance is the need to track the changes; to identify the best opportunities for economic growth; to objectively forecast the economy; to be vigilant in the projections of state tax revenues, and to support policies which accommodate systems of competition in the electric and telecommunications industries, which are tied closely to the health of Maine's economy. With this information, state government can support economic

development in the most promising sectors. Therefore, consistent with our statutory core duties, the State Planning Office adopts the following goal:

Goal D: Maine's decision-makers will have the analyses and policy options they need to embrace emerging economic opportunities and to bring the state successfully through periods of economic change.

VI. MEASURABLE OBJECTIVES, OUTCOME MEASURES, CRITICAL CONNECTIONS & STRATEGIES

This section provides the specific, measurable roadmap for achieving our goals. It lays out a series of measurable objectives that express the outcomes that the State Planning Office expects to achieve and the strategies the office will employ to reach them. The key is the outcomes. The measurable objectives define the actual impact --**the results**-- of our actions rather than our level of effort and allows us to track whether progress is being made.

Objectives are the measures by which the State Planning Office will evaluate the success of its efforts. In many cases, we do not have total control over whether success is achieved. The rule-of-thumb used by the Office in developing its measurable objectives was that the outcome must be influenced in a very significant way by our activities. Where the State Planning Office does not control the outcome, those critical connections with others are identified.

Several of the Office's measurable objectives lack a baseline. A baseline allows the Office to determine what level of outcome it is currently achieving so that it can assess the level of progress it wants to achieve in the future. SPO's objectives that lack a baseline tend primarily to be those that assess satisfaction or understanding. SPO will be conducting surveys in 1997 to establish its baselines. For now, the numerical target to be achieved are estimates and may need to be revised once our baseline levels of performance are known.

Support Services

A note on support services --support services such as accounting, personnel, computer management, etc. are built into every strategy. These services are the foundation for State Planning Office's delivery of services and administration of programs.

The strategies are the programs and activities that the Office will use to meet the objectives. Every Office employee is involved in implementing one or more of the strategies.

Integrating Economy and Environment

GOAL A: Maine's decision-makers will have the analyses and policy options necessary to integrate the development of the state's economy with the conservation of its environment.

A.1 -- By June 30, 1998, the Governor and at least 75% of legislators and commissioners will agree that they have the analyses and recommended policy options they need to integrate the conservation and economic development of Maine's great ponds, wetlands, floodplains, conservation lands, and shorelands.

About this Measure: The State Planning Office is charged by the legislature with coordinating the policies and programs of multiple agencies that affect the state's natural resources. This coordinating role is especially critical where conservation and development coexist. This objective is a measure of how effectively the State Planning Office coordinates policy and provides the information and analyses the Governor, legislators, and commissioners need to make decisions about regulation, investment, conservation, and growth in and around these resources. This objective will be measured by surveying these decision-makers.

Outcome Measure: % of legislators and commissioners who agree that they have the analyses and recommended policy options they need to integrate the conservation and development of Maine's great ponds, wetlands, floodplains, conservation lands, and shorelands

Critical Connections: To achieve this objective State Planning Office will work closely at the state level with the Cabinet-level agencies that comprise the Land and Water Resources Council, which is chaired and staffed by the State Planning Office. LWRC membership is comprised of the Departments of Agriculture, Conservation, Economic & Community Development, Environmental Protection, Human Services, Inland Fisheries & Wildlife, Marine Resources, Transportation, and the State Planning Office.

Strategies:

001 - Implement the Legislature's directives resulting from the Great Ponds Task Force, Wetlands Conservation plan, Site Location of Development law amendments, and Forest Compact Ecological Reserves.

Sample Actions for the Coming Year: Staff and chair the Land and Water Resources Council (a statutory, cabinet level entity of nine state agencies that have shared natural resource responsibilities); provide materials for legislative action.

002 - Put Maine's statutory coastal policies into practice through collaboration with the state's natural resource and development agencies.

Sample Actions for the Coming Year: Set state priorities and advocate for funding for dredging major harbors and channels; leverage state & local funds to improve or build marine infrastructure that supports commercial & recreational fishing industries; work with municipalities to increase shore access for clam digging, fishing, hiking, and swimming; ensure coastal development meets environmental laws and building standards to minimize property loss from coastal storms; build an informed constituency on coastal issues through education and outreach.

003 - Increase the acreage of state lands conserved for public use.

Sample Actions for the Coming Year: Identify state land acquisition priorities; leverage \$1.5 million of federal and private funds; purchase/ conserve 25,000 acres of land over the next three years for public use; work with government and other organizations to manage acquired land; staff the Land for Maine's Future Board and the Land Acquisition Priorities Advisory Committee.

004 - Use regional and international partnerships to further understand and protect coastal resources.

Sample Actions for the Coming Year:

Collaborate with states and Canadian provinces in the Gulf of Maine region to conserve habitats and educate people about the gulf ecosystem; implement the Casco Bay Estuary Plan; assist Damariscotta River alliance remove pollution sources and protect key habitat areas; replicate Casco Bay and Damariscotta River planning processes in other estuaries along Maine's coast.

005 - Coordinate a natural resource-based economic development pilot in Washington County that can be replicated elsewhere.

Sample Actions for the Coming Year:

Cooperate in implementing the state's "2000+8" plan to increase cranberry production; increase restaurant and lodging sales by 5%; increase job opportunities in aquaculture, marine support industries, and biotechnology; double tons of cargo shipped/year from Eastport.

Increasing Governmental Effectiveness

GOAL B: Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizen's needs.

B.1 -- By June 30, 2000, the Governor and at least 75% of legislators will indicate that performance budgeting allows them to tie state spending to measurable results.

About this Measure: The Maine Economic Growth Council recommends adopting performance budgeting to link the state budget to measurable outcomes and to clarify expected results for dollars spent. The State Planning Office is given a lead role by the Governor in the performance budgeting initiative and, as chair of the Commission on Performance Budgeting, helps to implement this new system of budgeting. This objective will be measured by surveying the Governor and legislators.

Outcome Measure: % of legislators and Governor indicate that performance budgeting allows them to tie state spending to measurable results.

Critical Connections: To achieve this objective State Planning Office will work closely with the Department of Administration and Financial Services, Bureau of the Budget, Commission on Performance Budgeting, and 60+ state agencies.

B.2 -- By June 30, 1999, greater than 90% of State Planning Office clients will rate the services they received as very good or excellent.

About this Measure: The State Planning Office routinely is called upon by the Governor, legislators, and other state agencies for a range of information and analyses (from providing simple pieces of information to modeling economic impacts to staffing task forces) on a wide range of subjects. As this work is entirely devoted to providing information and analyses to others, the key outcome is the degree to which the information and analyses have satisfied their needs. This objective will be measured by surveying SPO clients.

Strategies:

006 - Facilitate the full conversion to performance budgeting for the 2000-2001 biennium.

Sample Actions for the Coming Year:

Coordinate strategic planning efforts of 60+ state agencies across 10 policy areas, double the number of state agency objectives that are measurable and express outcomes, chair and staff the Commission on Performance Budgeting (a statutory entity that oversees the implementation of performance budgeting), increase agency staff trained in strategic planning/performance budgeting from 100 to 200, produce biweekly newsletter and annual State of the State report on agency performance, and keep the public and legislators informed.

Strategies:

007 - Provide technical assistance to the Governor, Legislature, and commissioners through task forces, special projects, and modeling and statistical analysis. SPO provides this assistance as called for.

Examples of Recent Actions: Staffed Governor's Advisory Council on International Trade (for DECD) that resulted in Maine International Trade Center; analyzed economic impacts of the ban clearcutting referendum (for Governor); staffed Commission on Commercial Landfills (for Legislature) that resulted in retaining Maine's ban on commercial landfills; prepared Governor's bond package worth \$110 million (for Governor).

Increasing Governmental Effectiveness

Outcome Measure: % of SPO clients surveyed that rate services they received as very good or excellent.

Critical Connections: State Planning Office staff are primary connection with our clients.

Increasing Community Capacity

GOAL C: All of Maine's municipal leaders will have the tools and assistance they need to make fiscally and environmentally-sound decisions that support local and state land use and infrastructure policy.

C.1 -- By June 30, 2003, a) reduce the per unit costs of population growth in Maine by 25%, as indicated by costs relating to new school construction, new public roads, and emergency services, and b) reduce from "high" to "medium" the Maine Environmental Priority Project's ranking of risks to terrestrial ecosystem.

About this Measure: By state law (30-A MRSA §4312(s)) one of the primary duties of the Community Planning and Investment Program is to promote growth that can be efficiently serviced and that does not erode community vitality or the quality of the environment. Measure (a) addresses the cost of public services using school construction, roads, and public safety as indicators. Preliminary research indicates that substantial dollars are being spent, not to accommodate overall growth in the state, but to accommodate merely the shifting of population. For example, upwards of half of the demand for dollars for new elementary school construction is not the result of growth or of updating aged facilities, but rather the result of population shifting to fringe communities. From 1987 to 1994, local and state governments have been building or accepting public roads at the rate of 107 miles per year. The majority of the mileage is in outlying communities with just 19 homes per mile of road, compared with 45 homes per mile in more traditional service center communities. As growth spreads to rural areas, costs of emergency and police services also increase. Measure (b) addresses impacts on the environment. In 1995, the Maine Environmental Priorities Project identified six areas of high environmental risk. Four of the areas (aquatic ecosystems, terrestrial ecosystems, surface waters, and outdoor air quality) are tied to nonpoint sources of pollution induced in part by a sprawling pattern of development. Of these, SPO has targeted terrestrial ecosystems.

Strategies:

008 - Work with towns to implement the Community Planning and Investment Program, focusing on its statutory goals of building capacity for growth, preventing development sprawl, and protecting environmentally-sensitive areas.

Sample Actions for the Coming Year: Provide financial assistance to 22 municipalities and respond to over 3000 technical assistance inquiries from local officials. Over the biennium, increase the number of towns with consistent adopted comprehensive plans from 113 to 145, increase the number of towns with consistent adopted land use ordinances from 12 to 75, and increase the number of towns with certified community planning programs from 0 to 75. Implement reviews under the Certificate of Consistency rule.

009 - Overhaul state policies and programs to help revitalize Maine's cities, villages, and small town centers.

Sample Actions for the Coming Year: Provide funds for infrastructure planning and seed a Municipal Infrastructure Trust Fund that will redevelop urban places, cities, villages, and small town centers; work with state agencies such as Education and Transportation to amend policies that subsidize and promote development sprawl; target state financial and technical assistance programs to encourage development in the State's 85 service centers.

010 - Reduce cost of delivering governmental services by fostering intergovernmental cooperation.

Sample Actions for the Coming Year: Examine and promote fiscal tools, such as revenue sharing, that will stimulate intergovernmental cooperation; provide incentives to communities to work together to plan for infrastructure needs and to deliver joint services; staff and chair the Governor's Task Force on Maine's intergovernmental structure.

Outcome Measures: a) state dollars spent per 1,000 elementary school children on new school construction (1994 base to be calculated); and net new population per mile of new roads accepted into public ownership; and annual average rate of the cost of emergency services and police protection (1994 base to be calculated) b) ranking of environmental risk of terrestrial ecosystems (as ranked by the Maine Environmental Priorities Project).

Critical Connections: To achieve this objective State Planning Office will work closely with the Departments of Agriculture, Conservation, Economic & Community Development, Education, Environmental Protection, Inland Fisheries & Wildlife, Marine Resources, and Transportation, and the Maine Municipal Association, Maine Association of Counties, and Maine Association of Regional Councils.

C.2 -- By June 30, 2003, a majority of local appointed officials responsible for administering land use and building codes will indicate they have the information and tools to carry out their duties.

About this Measure: A core statutory duty of SPO is to provide technical assistance to local officials in the areas of land use and growth management. Critical to managing growth is having the ability to administer local and state land use laws. As local land use patterns directly affect state fiscal and natural resources, the state has a critical role in helping municipalities to make the very best decisions they can. The outcome of SPO's technical assistance efforts in these areas can be measured by whether local officials have the information and tools they need to carry out their duties. This objective will be measured by surveying local code enforcement officers, town managers, and planning board chairs.

Outcome Measure: Number of local code enforcement officers, town managers, and planning board chairs that indicate they have the information and tools to carry out their duties in administering land use and building codes.

Strategies:

011 - Assist municipalities with implementing the local land use elements of the 1996 Site Law reform, with a focus on regional management.

Sample Actions for the Coming Year: Increase the number of municipalities from 32 to 50 that have the capacity to review development projects.

012 - Provide training and technical assistance for local officials on land use planning, code enforcement, flood plain management, and community development.

Sample Actions for the Coming Year: Increase the number of certified code officers from 447 to 472, increase municipal participation in the National Flood Insurance Program, increase local ordinances consistent with NFIP standards, increase municipal participation in Community Rating System from 16 to 18 communities in 1999.

Increasing Community Capacity

Critical Connections: To achieve this objective State Planning Office will work closely with the Dept of Environmental Protection, Maine Municipal Association, Maine Building Officials and Inspectors Association, Maine Association of Regional Councils, and other appropriate groups.

C.3 -- By June 30, 2000, 60% of Maine citizens will involve themselves in at least one civic project per year that benefits the state's environment, public safety, or other aspect of the health and welfare of their community.

About this Measure: According to the Maine Economic Growth Council's 1995 survey, 41% of Maine citizens currently make time each year to get involved in a project that benefits their community. Participating in projects that benefit one's community is an excellent indicator of community and economic vitality. Community service is increasingly necessary as budgets force government to limit their activity in a variety of areas, including those that affect the environment (such as testing water quality) and our communities (such as historic preservation and neighborhood revitalization). This objective will be measured through a citizen survey conducted by the Maine Economic Growth Council.

Outcome Measure: % of Maine citizens that involve themselves in at least one civic project per year.

Critical Connections: To achieve this objective State Planning Office will work closely with the Departments of Education, Environmental Protection, Labor, and Marine Resources, the University of Maine and Maine communities.

C.4 -- By Dec. 31, 1998, at least 60% of Maine's municipalities will recycle their municipal solid waste at an annual rate of 35% or more.

About this Measure: In 1993, Maine was recycling 33% of its municipal solid waste. Maine law calls for the state to recycle 50% of its municipal solid waste by January 1, 1998. This goal will be reached through the efforts of local recycling programs and businesses, including beverage containers recycled under Maine's bottle deposit system. In 1995, cuts in state

Strategies:

013 - Coordinate 7500 volunteers statewide that help meet critical environmental, public safety, and human needs in state and local government.

Sample Actions for the Coming Year:

Coordinate 4,000 Coastweek volunteers through SPO's annual Coastal Cleanup Program to clean 300 miles of shoreland and remove 20,000 pounds of marine debris; coordinate 3500 volunteers statewide through the Maine Commission on Community Service to do pollution remediation in Maine's watersheds, rehabilitate housing, create community services for juvenile offenders and elders, etc.; create a volunteer opportunities clearinghouse in state government; build a commitment to community service and stewardship through education and outreach.

Strategies:

014 - Plan for changes in waste management trends that: ensure sufficient and economically-viable disposal and recycling capacity; improve and support SPO's municipal technical assistance programs; and provide analyses and policy recommendations to the Legislature.

Increasing Community Capacity

funding reduced the state's role in waste management. Programs to reduce waste generation at the source and recycling technical assistance to businesses were eliminated. Without programs to assist commercial recycling, SPO's ability to affect the statewide recycling goal is limited to impacting municipal recycling efforts. SPO's ability to improve local recycling rates is also impacted by markets. Markets are cyclical and are the overriding incentive that drives all recycling. Local recycling rates have increased dramatically: 93 municipalities reached a threshold 35% annual recycling rate in 1993, rising to 204 in 1995. Continued efforts to assist municipalities with increasing participation in local programs and with increasing the type and amounts of materials captured for recycling is SPO's priority for waste management. This objective will be measured by collecting annual recycling data from towns.

Outcome Measure: Tons of municipal solid waste recycled by Maine's municipalities.

Critical Connections: To achieve this objective State Planning Office will work closely with the regional planning councils, the Maine Resource Recovery Association, and local recycling programs.

Sample Actions for the Coming Year: Collect and analyze data on waste management activities, update the 1993 state waste management plan as required by law, measure Maine's performance in achieving its statewide 50% recycling goal, respond to over 1000 calls annually from the public for information and data on waste disposal and recycling.

015 - Increase municipal recycling.

Sample Actions for the Coming Year: Save local taxpayers an estimated \$3 million each year in reduced municipal disposal costs through recycling and composting. Provide technical assistance to 300 municipal officials through workshops and field visits, respond to 3000 requests for technical assistance, provide demonstration grants, establish 4 regional waste management operator forums, increase number of towns with pay-by-the-bag programs from 60 to 80.

016 - Increase municipal composting.

Sample Actions for the Coming Year: Expand food waste composting from 1300 tons/year to 4800 tons over the bienium, respond to 750 requests for technical assistance, increase the number of towns that ban or collect yard and leaf waste for composting from 250 to 300; increase the number of towns with backyard composting programs from 80 to 100.

Directing Maine's Economy

GOAL D: Maine decision-makers will have the analyses and policy options they need to embrace emerging economic opportunities and to bring the state successfully through periods of economic change.

D.1 -- By June 30, 1998, the Governor and at least 75% of legislators and commissioners will agree that they have the analysis and recommended policy options they need to understand the implications and opportunities created by changing economic conditions.

About this Measure: One of State Planning Office's principal obligations is to inform decision-makers of the trends driving Maine's economy, their implications, and possible ways of addressing them. An important measure of our success in fulfilling this duty is the degree to which decision-makers express confidence that they are indeed aware of the trends and their implications -- including (for example) such recent trends as the replacement of higher paying jobs with lower paying ones and its implications for both the income gap and for slower growth in income tax revenues. This objective will be measured by surveying the Governor, legislature and commissioners.

Outcome Measure: % of legislators and commissioners that indicate they understand the implications and opportunities created by changing economic conditions

Critical Connections: To achieve this objective State Planning Office will work closely with the Departments of Administration and Finance and Economic and Community Development.

D.2 -- Maintain current level of accuracy of revenue forecasts for succeeding biennia, such that they are within 1% of actual revenues in the first year and within 2% in the second year.

About this Measure: Prior to the 1990-1991 recession, with its devastating effect on the state's budget, there was no formal system for forecasting the state's revenues upon which the budget depends. Following the 1991 recommendation of the Special Commission on Governmental Restructuring, commissions on economic and revenue forecasting were established. They provide a formal process by which

Strategies:

017 - Track, interpret and disseminate information about key economic indicators.

Sample Actions for the Coming Year: Produce MaineGraph, monthly economic overviews, and quarterly retail sales reports; respond to over 3000 calls from the public for information and data on the economy and related subjects.

018 - Analyze social and economic implications of current and expected economic trends and inform decision makers.

Sample Actions for the Coming Year: Produce *The Maine Economy: Year-end Review and Outlook*; produce *The Maine Economy: Facing the Challenge*.

019 - Prepare overviews of current and emerging industries and develop responsive policy options.

Sample Actions for the Coming Year: Complete retirement industry plan.

Strategies:

020 - Analyze state revenues and develop forecasts.

Sample Actions for the Coming Year: Monitor key economic indicators and prepare economic forecasts with a concentration on maintaining accuracy. Chair and/or staff Commissions on Economic and Revenue Forecasting.

experts reach consensus on forecasts. The measurable objective reflects the track record of the Revenue Forecasting Committee over the last two years and strives to maintain it.

Outcome Measure: Actual state revenues in dollars.

Critical Connections: To achieve this objective State Planning Office will work closely with the Department of Administration and Financial Services.

D.3 -- By June 30, 2005, reduce the energy cost differential for Maine vs. the U.S. from 2.2 to 1.7 and the cost of in-state, long-distance calls to within 10% of the national median.

About this Measure: According to analysis by the Maine Economic Growth Council, energy in Maine cost 2.2 times as much as for the U.S. as a whole in 1992, up from 1.72 times as much in 1980. This was driven in part by electricity costs that are 32% higher per KWH than nationally and that are a much bigger part of the state's energy mix than nationally. Nuclear power, particularly health and safety aspects, are closely related to energy costs as well. The cost of in-state, long-distance telephone service in Maine (\$1.86 for a 5-minute, 50-mile daytime call [source: AT&T, Jan. 29, 1996]) is 62% higher than the median for all states. The State Planning Office is the lead agency in the Executive Branch for helping to shape policy on competition in the electrical and telecommunications industries. This objective will be measured through cost data collected by the Maine Economic Growth Council.

Outcome Measure: Energy and telecommunications costs in Maine.

Critical Connections: To achieve this objective State Planning Office will work closely with the Department of Economic and Community Development, the Office of the Public Advocate, and the Public Utilities Commission.

Strategies:

021 - Assist in restructuring efforts of the electric utility industry.

Sample Actions for the Coming Year: Work with stakeholders to implement an electric utilities plan that reduces cost differentials and addresses regulatory and taxation policies.

022 - Monitor developments in the telecommunications industry and develop policy options.

Sample Actions for the Coming Year: Work with stakeholders to implement a telecommunications plan that reduces cost differentials and addresses regulatory and taxation policies, serve as liaison with the Legislature's Energy and Utilities Committees

023 - Assist in creating conditions that make alternatives to oil viable.

Sample Actions for the Coming Year: Develop policies that will allow the introduction, development and retention of alternative fuels and will allow economic choice to dictate each fuel's market share, promote the public health and safety of nuclear power and offer policy advice to the Governor and Legislature.

Program Selection Submission

Agency: State Planning Office

Date: February 1, 1997

1. Provide the corresponding goal and measurable objective in your strategic plan to which this program relates.

Statewide Goal: not available

Agency Goal: B. Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizen's needs.

Measurable Objective(s): B-1. By June 30, 2000, the Governor and at least 75% of legislators will indicate that performance budgeting allows them to tie state spending to measurable results.

B-2. By June 30, 1999, greater than 90% of State Planning Office clients will rate the services they receive as very good or excellent.

2. Describe why the agency selected the program.

These two objectives make up one full goal from SPO's strategic plan. They encompass SPO's strategic planning and performance budgeting efforts and its technical assistance efforts to the Governor, Legislature and other agencies which are a significant part of SPO's statutory mandate. As such, these objectives are a high priority for the office. They are also very visible activities and ones for which SPO is well-known.

3. Please indicate which of the following options, that were outlined in the June 5, 1996 Q and A memorandum, that the selected program falls under.

- ☐ a. Multiple programs which address a complete objective
- ☐ b. One program which addresses multiple objectives
- ☐ c. Both option a. and b.
- ☒ d. A portion of one program which addresses one objective

Agency Contact: Tony VanDenBossche

Contact Telephone: 287-1474

PERFORMANCE BUDGETING PILOT BUDGET - CURRENT SERVICES

DEPARTMENT/AGENCY State Planning Office

STATEWIDE GOAL ☐ ☐ N/A

AGENCY GOAL ☒ Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizen's needs.

OBJECTIVE ☒ By June 30, 2000, the Governor and at least 75% of legislators will indicate that performance budgeting allows them to tie state spending to measurable results.

BENCHMARKS FY98 The Governor and at least 35% of legislators will indicate that the pilot performance budgets allow them to tie state spending to measurable results.

BENCHMARKS FY99 The Governor and at least 50% of legislators will indicate that the pilot performance budgets allow them to tie state spending to measurable results.

STRATEGY # ☒ 006 Faciliate the full conversion to performance budgeting for the 2000-2001 biennium.

☐
☐
☐

	General Fund	Highway Fund	Federal Fund	O.S.R. Fund	FED BLOCK GRANTS	OTHER FUNDS	TOTAL YEAR
1998							
PERSONAL SERV	13,323		2,974	59,027			75324
ALL OTHER	8,718						8718
CAPITAL							
TOTAL 1998	22,041		2,974	59,027			84042
1999							
PERSONAL SERV	13,323		2,974	59,027			75324
ALL OTHER	8,718						8718
CAPITAL							
TOTAL 1999	22,041		2,974	59,027			84042
BIENNIUM	44,082		5,948	118,054			168084

ADMINISTRATIVE COSTS INCLUDED?

(CHECK BOX)

YES

☐

NO

X

☒

PERFORMANCE BUDGETING PILOT PROJECT - PART II

DEPARTMENT/AGENCY State Planning Office

STATEWIDE GOAL ☐ ☐ n/a

AGENCY GOAL ☐ **B** Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizen's needs.

OBJECTIVE ☐ **B-1** By June 30, 2000, the Governor and at least 75% of legislators will indicate that performance budgeting allows them to tie state spending to measurable results.

BENCHMARKS FY98 The Governor and at least 35% of legislators will indicate that the pilot performance budgets allow them to tie state spending to measurable results.

BENCHMARKS FY99 The Governor and at least 50% of legislators will indicate that the pilot performance budgets allow them to tie state spending to measurable results.

STRATEGY # ☐ **006** Facilitate the full conversion to performance budgeting for the 2000-2001 biennium.

☐
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	General Fund	Highway Fund	Federal Fund	O.S.R. Fund	FED BLOCK GRANTS	OTHER FUNDS	TOTAL YEAR
1998							
PERSONAL SERV	57031			-57031			
ALL OTHER							
CAPITAL							
TOTAL 1998	57031			-57031			
1999							
PERSONAL SERV	57031			-57031			
ALL OTHER							
CAPITAL							
TOTAL 1999	57031			-57031			
BIENNIUM	114062			-114062			

ADMINISTRATIVE COSTS INCLUDED?

(CHECK BOX)

YES

☐

NO

X

☐

PERFORMANCE BUDGETING

PILOT PROJECT - CURRENT SERVICES

DEPARTMENT/AGENCY State Planning Office

STATEWIDE GOAL ☐ ☐ N/A

AGENCY GOAL ☐ **B** Maine's state agencies will have the information and analyses to make government more effective and responsive to our citizen's needs.

OBJECTIVE ☐ **B-2.** By June 30, 1999, greater than 90% of State Planning Office clients will rate services they receive as very good or excellent.

BENCHMARKS FY98 By June 30, 1998, greater than 80% of State Planning Office clients will rate services they receive as very good or excellent.

BENCHMARKS FY99 By June 30, 1999, greater than 90% of State Planning Office clients will rate services they receive as very good or excellent.

STRATEGY # ☐ **007** Provide technical assistance to the Governor, Legislature, and commissioners through task forces, special projects and modeling and statistical analyses as called for.

	General Fund	Highway Fund	Federal Fund	O.S.R. Fund	FED BLOCK GRANTS	OTHER FUNDS	TOTAL YEAR
1998							
PERSONAL SERV	169,062		24,742	6,552			200356
ALL OTHER	69,914						69914
CAPITAL							
TOTAL 1998	238,976		24,742	6,552			270270
1999							
PERSONAL SERV	169,062		24,742	6,552			200356
ALL OTHER	69,914						69914
CAPITAL							
TOTAL 1999	238,976		24,742	6,552			270270
BIENNIUM	477,952		49,484	13,104			540540

ADMINISTRATIVE COSTS INCLUDED?

(CHECK BOX)

YES

☐

NO

X

☒

PERFORMANCE BUDGETING

PILOT PROJECT - CURRENT SERVICES - 1998

STATE-WIDE GOAL <input type="text"/>	AGY GOAL <input type="text"/>	LINE CAT	PROGRAM NAME/AC#	PROGRAM NAME/AC#	PROGRAM NAME/AC#	PROGRAM NAME/AC#	TOTAL
	<input type="text" value="B"/>		State Planning				
OBJECTIVE # <input type="text" value="B-1"/>		P.S. A.O. CAP	75324 8718				75324 8718
SUBTOTAL			84042				84042
OBJECTIVE # <input type="text" value="B-2"/>		P.S. A.O. CAP	200356 69914				200356 69914
SUBTOTAL			270270				270270
OBJECTIVE # <input type="text"/>		P.S. A.O. CAP					
SUBTOTAL							
OBJECTIVE # <input type="text"/>		P.S. A.O. CAP					
SUBTOTAL							
OBJECTIVE # <input type="text"/>		P.S. A.O. CAP					
SUBTOTAL							
TOTAL			354312				354312

INSTRUCTIONS:

Please complete this form with the total amount of all funds for each program and line category. This matrix should indicate which option was selected as a pilot program. The options are a) multiple programs addressing objective, b) one program addressing multiple objectives, c) option a and b combined, and d) a portion of one program addressing one objective.

PERFORMANCE BUDGETING

PILOT PROJECT - CURRENT SERVICES - 1999

STATE- WIDE GOAL <input type="text"/>	AGY GOAL <input type="text"/>	LINE CAT	PROGRAM NAME/AC# State Planning	PROGRAM NAME/AC#	PROGRAM NAME/AC#	PROGRAM NAME/AC#	TOTAL
OBJECTIVE # <input type="text"/>	P.S. A.O. CAP	75324 8718					75324 8718
SUBTOTAL		84042					84042
OBJECTIVE # <input type="text"/>	P.S. A.O. CAP	200356 69914					200356 69914
SUBTOTAL		270270					270270
OBJECTIVE # <input type="text"/>	P.S. A.O. CAP						
SUBTOTAL							
OBJECTIVE # <input type="text"/>	P.S. A.O. CAP						
SUBTOTAL							
OBJECTIVE # <input type="text"/>	P.S. A.O. CAP						
SUBTOTAL							
TOTAL		354312					354312

INSTRUCTIONS:

Please complete this form with the total amount of all funds for each program and line category. This matrix should indicate which option was selected as a pilot program. The options are a) multiple programs addressing objective, b) one program addressing multiple objectives, c) option a and b combined, and d) a portion of one program addressing one objective.