

STATE OF MAINE
JOINT STANDING COMMITTEE ON
APPROPRIATIONS AND FINANCIAL AFFAIRS
Report on the “The Initiative” to Streamline State Government

January 6, 2010

Between the First and Second Regular Sessions of the 124th Legislature, the Joint Standing Committee on Appropriations and Financial Affairs began an effort to achieve \$30 million in General Fund savings to offset a statewide deappropriation in the 2010-2011 biennium budget. The effort titled “*The Initiative*” to Streamline State Government (a.k.a. “The Initiative”) was a continuation of the effort to streamline State Government enacted by Public Law 2007, chapter 240, Part QQQ”.

The continuation of the “*The Initiative*” to Streamline State Government is contained, coincidentally, in part QQQ of Public Law 2009, chapter 213. The legislation directed the committee to:

... achieve a targeted spending reduction of a minimum of \$30,000,000 in the 2010-2011 biennium that will have ongoing structural savings in future biennia.

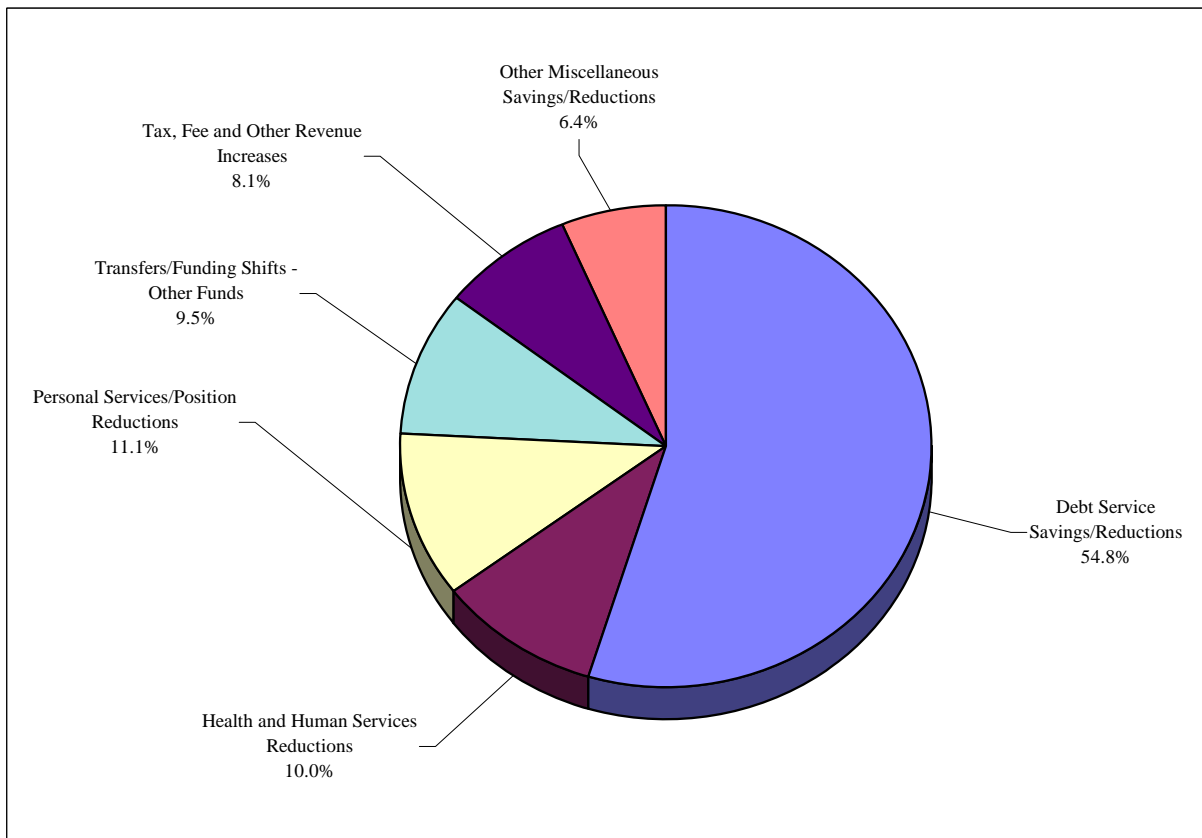
The legislation also required the committee to submit a report of its findings and recommendations to the Legislative Council. The full text of Part QQQ of Public Law 2007, chapter 240 can be found in Appendix A.

Legislation to implement Part QQQ is contained in LD 1668 which can be found in Appendix B. Public Hearings for this bill have been scheduled and advertised for Tuesday, January 5, 2010 and the work session is scheduled for Wednesday, January 6, 2010. A summary of the various savings initiatives can be found on the following page.

Initiative to Streamline State Government - 2009

Summary of General Fund "Savings"

	FY 10	FY 11	Biennium	% of Total
Debt Service Savings/Reductions	\$9.9	\$6.6	\$16.5	54.8%
Health and Human Services Reductions	\$1.4	\$1.6	\$3.0	10.0%
Personal Services/Position Reductions	\$0.7	\$2.6	\$3.3	11.1%
Transfers/Funding Shifts - Other Funds	\$2.1	\$0.7	\$2.8	9.5%
Tax, Fee and Other Revenue Increases	\$1.4	\$1.0	\$2.4	8.1%
Other Miscellaneous Savings/Reductions	\$0.6	\$1.3	\$1.9	6.4%
TOTAL ADJUSTMENTS INCREASING BALANCE	\$16.3	\$13.7	\$30.0	100.0%



Amounts may not add due to rounding

Appendix A

Implementing Legislation

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PUBLIC Law, Chapter 213

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2009, June 30, 2010 and June 30, 2011

PART QQQ

Sec. QQQ-1. Initiative continued. The Joint Standing Committee on Appropriations and Financial Affairs, referred to in this Part as "the committee," shall continue the effort to streamline State Government enacted by Public Law 2007, chapter 240, Part QQQ, referred to in this Part as "the initiative."

Sec. QQQ-2. Duties. The committee, as part of the initiative, shall conduct its research and prepare recommendations on streamlining state government programs and service delivery by reviewing, at a minimum, the following:

1. Current organizational structures and alignment of functions to ensure streamlined and integrated administration and services;
2. Boards, commissions, councils, advisory councils and any other entities established by state law to determine the continuing need for their existence or current configuration as measured against their operating costs;
3. Provision of financial management and human resource services, benefits and related functions to recommend improvements in organizational efficiency and cost-effectiveness;
4. The past 2 decades of studies and proposals that evaluated or sought to alter programs and service delivery of the executive, judicial and legislative branches and of other entities established by state law to prioritize and improve government services;
5. The portion, if any, of the employer's share of teacher retirement costs, including the normal cost component and the unfunded actuarial liability that is currently funded by the State, to be included as part of the total state and local cost of essential programs and services and the portion to be funded through the Teacher Retirement program within the Department of Education; and
6. The underlying causes of structural differences between available budgeted resources and state expenditures.

The initiative must achieve a targeted spending reduction of a minimum of \$30,000,000 in the 2010-2011 biennium that will have ongoing structural savings in future biennia. The committee may establish subcommittees and draw on experts inside and outside of State Government.

Sec. QQQ-3. Staff assistance. The Office of Fiscal and Program Review shall staff the committee. The committee may request additional staff assistance from the Legislative Council. The committee may request that the Legislative Council contract for additional staff to direct the initiative and hire expert staff as it determines necessary within its budgeted resources. The Department of Administrative and Financial Services; the Executive Department, State Planning Office; and the Office of Program Evaluation and Government Accountability may also provide assistance to the committee.

Sec. QQQ-4. Compensation. Members of the committee are entitled to receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, and reimbursement for travel and other necessary expenses related to their attendance at authorized meetings of the committee.

Sec. QQQ-5. Report. The committee shall submit a report of its findings and recommendations to the Legislative Council no later than January 6, 2010. The committee is authorized to submit legislation to the Second Regular Session of the 124th Legislature.

Sec. QQQ-6. Commissioner actions. If the committee fails to identify at least \$30,000,000 in savings through legislation submitted to and enacted by the Second Regular Session of the 124th Legislature, the Commissioner of Administrative and Financial Services shall distribute the undistributed savings through the process of curtailing allotments established in the Maine Revised Statutes, Title 5, section 1667. The State Budget Officer shall determine amounts in section 8 to be distributed by financial order upon approval of the Governor.

Sec. QQQ-7. Committee budget. The chairs of the committee, with assistance from the committee staff and the Executive Director of the Legislative Council, shall administer the committee's budget, which must be approved by the Legislative Council. The committee may not incur expenses that would result in the committee's exceeding its approved budget. Upon request from the committee, the Executive Director of the Legislative Council shall promptly provide the committee chairs and staff with a status report on the committee budget, expenditures incurred and paid and available funds.

Sec. QQQ-8. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and Agencies - Statewide 0016

Initiative: Deappropriates funds to reflect savings to be realized by the continuation of the initiative to streamline State Government of the Joint Standing Committee on Appropriations and Financial Affairs.

GENERAL FUND	2009-10	2010-11
Unallocated	\$0	(\$30,000,000)
GENERAL FUND TOTAL	\$0	(\$30,000,000)

Appendix B

LD 1668

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