

**INTERDEPARTMENTAL MEMORANDUM**

**SUBJECT:** Supporting Budget Instructions for Undedicated Revenues

**DATE:** July 29, 2016

**TO:** All Departments and Agencies

**FROM:** Melissa Gott,State Budget Officer

Bureau of the Budget

The Revenue Forecasting Committee (RFC) will be meeting in November. The RFC is required by 5 MRSA §1710-F to review and project General Fund, Highway Fund, Tobacco Settlement Fund and MaineCare dedicated revenues by December 1st of each year. Although the Committee’s primary focus is on projecting the major revenue lines, revenue projections comprising the Other Revenuelines are important components of the forecast.

The RFC has already approved base revenue levels for fiscal years 2016-17 through 2018-19. Your assistance is needed to review and adjust current projections and forecast future undedicated revenue for your agency.

Attached are two files, one for the General Fund and one for the Highway Fund, each containing the budgeted baseline revenues currently approved for fiscal years 2016-17 through 2018-19. These baseline amounts have been updated to include actions through the end of the Second Regular Session of the 127th Legislature.

Please update these spreadsheets for any proposed incremental revenue changes for fiscal years 2016-17 through 2018-19. The proposed changes should only include anticipated fluctuations for those revenues authorized in current law and must be accompanied by a revenue change explanation report that includes the basis for the proposed change by account for each revenue line affected. A template for this purpose is provided in the worksheet file. Remember that any proposed changes should be based on current law.

New proposed fines, fees or other revenue increases that require legislative action must be submitted as part of a separate new initiative.

The baseline revenue amounts need to be entered into the Budget and Financial Management System (BFMS) and must be included as part of the budget submission that is due to this office no later than **September 1, 2016.**

The completed worksheets and revenue change explanation reports should be e-mailed to **Melissa Gott, Mary Doughty** and **Chris Nolan** no later than **October 21, 2016.**

Attachments:

User Instructions

MG/ljw

cc: Richard Rosen, Commissioner, Department of Administrative and Financial Services

John McGough, Chief of Staff

Kathleen Newman, Deputy Chief of Staff

Budget and Position Control Analysts

Chris Nolan, Director, Office of Fiscal and Program Review

User Instructions – Undedicated Revenues

**Spreadsheet updates:**

* Review baseline amounts on the attached General Fund and Highway Fund revenue spreadsheets to ensure they agree with any revenue records maintained by the agency. Contact Mary Doughty in the Budget Office for help in resolving the difference. Do not change the baseline amounts in the spreadsheets as these figures have been reconciled to all actions approved through the Second Regular session of the 127th Legislature.
* Determine the revenue adjustments to be proposed to the November Revenue Forecasting Committee. Using the template supplied, prepare the supporting explanation for these changes. Remember that any proposed changes should be based on current law. Do not include any revenue changes that will be submitted as a separate legislative initiative.
* Enter adjustment amounts into the appropriate column of the appropriate spreadsheet.
* Project anticipated General Fund and Highway Fund revenue amounts for the **2020-2021** biennium and enter these amounts into the appropriate spreadsheet.

**All spreadsheet updates and supporting explanations must be completed and e-mailed to Melissa Gott, Mary Doughty and Chris Nolan by October 21, 2016.**

**BFMS updates**:

BFMS entries should be based on the information contained in the revenue spreadsheets and be reconciled to the spreadsheet amounts after entry.

**Budget Submissions for SFY 2016-17 and the 2018-2019 Biennium**

* **For state fiscal year 2016-17**
  + Use an **I/A** change package to enter any **new** proposed fines, fees or other revenue changes that require legislative action.
* **For the 2018-2019 Biennium**
  + After baseline revenue amounts have been reviewed, enter the **baseline** amounts from the spreadsheet into the biennial are of BFMS into the A-01 version using Change Package **B-A-9001. The amounts and revenue codes entered into BFMS must agree with the amounts and revenue codes on the spreadsheet.**
  + Use a **C/A** change package to enter any **new** proposed fines, fees or other revenue changes that require legislative action.
* ***These changes are due September 1, 2016.***

**November 2016 Revenue Forecast**

* If incremental changes for fiscal year 2016-17 are known during the developemnt of the biennial budget, the changes can be entered into the K-01 version of the budget system using Change Package **K-A-9600** prior to submission. These entries must agree with information recorded in the spreadsheet and the revenue change explanation report.
* If incremental changes for the 2018-2019 biennium are known during the development of the biennial budget, the changes can be entered into the A-01 version of the budget system using Change Package **B-A-9002**.
* Remember that amounts in the K-A-9600 change package pertaining to FY2017 will be extracted into a statewide financial order which will then need to be distributed monthly. This Financial Order will occur late in the fiscal year upon approval of the legislation.
* Subsequent revisions to any revenue changes entered during the budget submission process can be addressed by updating the worksheet and the revenue change explanation report that is due on October 21.
* All revenue changes submitted on the worksheet and revenue change report not previously entered into BFMS will be entered into the budget system by the Budget Office.

***Changes for the Revenue Forecast are due October 21, 2016.*** The completed worksheets and revenue change explanation reports should be e-mailed to **Melissa Gott, Mary Doughty** and **Chris Nolan.**