



OFFICE OF
THE GOVERNOR

NO. 2016-004
DATE June 27, 2016

**AN ORDER REGARDING UNFUNDED LEGISLATIVE MANDATES AND
LEGISLATIVE MISALLOCATIONS**

WHEREAS, the Constitution of the State of Maine requires a balanced budget; and

WHEREAS, the Legislature typically complies with this balanced budget requirement by adopting and following budget procedures to prevent the enactment of unfunded mandates on State agencies and to prevent the misallocation of funds by ensuring funding is drawn from relevant accounts; and

WHEREAS, when the Legislature requires a State agency to undertake some work or enter into a contract, resources are inevitably expended; and

WHEREAS, from time to time, the Legislature ignores the principles of sound budgeting by removing fiscal notes and directing State agencies to “absorb costs within existing resources;” and

WHEREAS, from time to time, the Legislature also ignores the principles of sound budgeting by directing that new spending be offset via funds for wholly unrelated purposes, disrupting the operations of State government that rely on those accounts; and

WHEREAS, the Legislature enacted LD 1552, An Act to Reduce Morbidity and Mortality Related to Injected Drugs, legislation that requires \$75,000 annually to implement a needle exchange program for drug addicts without any funding, but merely the requirement that the Maine Center for Disease Control and Prevention “absorb” the costs of this mandate “within existing budgeted resources;” and

WHEREAS, the Legislature enacted LD 1465, Resolve, to Require the Department of Health and Human Services to Conduct a Study of Ambulance Services, legislation that requires the Department of Health and Human Services to contract with a third-party consultant at the cost of \$75,000 to \$100,000 without providing any funding to pay this contract; and

WHEREAS, the Legislature enacted LD 1645, An Act to Address Employee Recruitment and Retention Issues at State Mental Health Institutions, legislation that mandates pay raises for certain employees at State mental health facilities and offsets these costs by authorizing a transfer of funds from the General Fund Salary Plan; and

WHEREAS, a further reduction of funding for the General Fund Salary Plan would negatively impact the Executive Branch's ability to enter into future collective bargaining negotiations with State employees; and

WHEREAS, the Governor will not sign any future financial order authorizing the transfer of funds from the General Fund Salary Plan to offset the costs of pay raises at State mental health institutions; and

WHEREAS, the Legislature enacted LD 1614, Resolve, to Provide Funding for the County Jail Operations Fund, legislation de-appropriating over \$2.4 million from Payments to Medical Care Providers in order to fund operations at county and regional jails; and

WHEREAS, sound fiscal management requires Executive direction to mitigate the impacts of this legislation;

NOW, THEREFORE, I, Paul R. LePage, Governor of the State of Maine, do hereby direct the Department of Health and Human Services to undertake any of the following actions or a combination of the following actions to fund the implementation of the aforementioned legislation in a fiscally prudent manner:

1. Transfer any remaining balances within the Low-Cost Drugs to Maine's Elderly Program;
2. Transfer any funding that can be generated by a redistribution of a Fund for a Healthy Maine; and
3. Transfer any savings that can be created by actively managing personal services at State mental health institutions, which includes implementing a hiring freeze and other cost-saving measures Department-wide.

These actions, which are designed to mitigate the budget impacts of unfunded legislative mandates and legislative misallocations, shall remain in effect through the remainder of Fiscal Year 2016-17 or until the Legislature acts to provide appropriate funding for these initiatives.

The effective date of this Executive Order is June 30, 2016.


Paul R. LePage, Governor