Richard A. Bennett
Senator, District 18

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Joint Standing Committee on Appropriations and Financial Affairs on LD 1636, Resolve, to Study Changing the Start of the State Fiscal Year to October 1st
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Senator Rotundo, Representative Gattine, and esteemed members of the Joint Standing Committee on Appropriations and Financial Affairs: I am Senator Rick Bennett of Oxford; and I have the honor of serving 14 communities in Western Maine in the State Senate. I am here to present LD 1636, "Resolve, to Study Changing the Start of the State Fiscal Year to October 1st."

As you may recall, I served as a member of this committee during the 131st Legislature. During my previous stint in the Maine State Legislature at the turn of the century, I also served on this committee. I can tell you with certainty that times have changed.

I brought this bill forward because I believe our current budget process is broken. Some of the current problems in our budget process could be solved by changing the start of the fiscal year from July 1 to October 1. Instituting such a change would be effective for a number of reasons.

First, moving the start of the fiscal year to October 1 would make our fiscal year match the federal fiscal year. By aligning the fiscal year with that of the federal government, Maine could more effectively coordinate budgeting processes with federal grant cycles, simplifying the tracking and management of federal funds.

Second, and more importantly, October 1 would provide three more months for thoughtful deliberation and work on the state budget. The last several biennial budgets have been passed by only a majority of legislators, not the 2/3 required for an emergency measure. This means that in order to get a biennial budget that will go into effect by July 1 (the current start of the fiscal year), the first regular session of the legislature must pass a budget by the end of March and then immediately adjourn. Farcically, the legislature immediately reconvenes because, obviously, there is still lots of work to be done after adjournment. This is absurd and not how the process is supposed to work. It also does not provide enough time for lawmakers to really do their jobs.

I think one of the biggest problems with the current budget-making process is that everything is so rushed. Legislators have no time to review how current services are working for the people of the state. Instead, we use the numbers provided by the different executive departments as a baseline and just have to take their word for it. If we are truly to serve the people of Maine, we must hear how these services are working from the people who actually

use them. If the baseline budget must pass by March 31, there is no time for a public hearing. There is no time for a full legislative review.

Starting the fiscal year in October would provide three more months for the baseline budget. Particularly in tough budget times, it is critical to ask the questions: are we spending money well? Are the programs delivering value to Maine people commensurate the cost?

The party in the majority has the responsibility of governing and must pass a budget. And the minority, regardless of what is in the budget, wants the optionality to vote against it. This is a sad political reality that we must recognize and deal with.

I am not naïve. I understand that such a change could create headaches for different parts of our state, most notably school departments and municipalities. Therefore, I do not think we should rush into any such change without first examining it in detail and finding solutions to potential problems.

This bill proposes to create a working group to study this matter. Should Maine change our fiscal year? What benefits would it provide? What drawbacks? And if we should change the fiscal year, is it actually feasible? There is no way to know without really looking into this.

Thank you for your time today. I would be happy to answer any questions you may have.