

MAINE STATE LEGISLATURE

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(EMERGENCY)
(Governor's Bill)
SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1850

H. P. 1732

House of Representatives, January 23, 1980

Referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and 2,200 ordered printed.

EDWIN H. PERT, Clerk of the House

Presented by Mr. Pearson of Old Town.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

AN ACT Adjusting Appropriations and Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1980, and June 30, 1981.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

PART A

Sec. 1. Appropriations from General Fund. In order to provide for necessary

expenditures of State Government and other purposes for the fiscal years ending June 30, 1980, and June 30, 1981, the following sums, as designated in the following tabulations, are appropriated out of any moneys in the General Fund not otherwise appropriated.

Sec. 2. Allotments required. Upon receipt of allotments duly approved by the Governor based upon work programs submitted to the State Budget Officer, the State Controller shall authorize expenditures of these appropriations, together with expenditures for other purposes necessary to the conduct of State Government on the basis of such allotments and not otherwise. Allotments for personal services, capital expenditures and amounts for all other departmental expenses shall not exceed the amounts shown in the budget document or as they may be revised by the Joint Standing Committee on Appropriations and Financial Affairs, unless recommended by the State Budget Officer and approved by the Governor in accordance with established law.

Sec. 3. Personal Services appropriation. The figures in parentheses shown above each dollar amount provided for Personal Services in this Act, or as adjusted by legislative action, shall represent the total number of permanent positions at any one time. The appropriations made for Personal Services are made with the provision that the total number of permanent positions in any department shall not be increased during either year of the biennium over the total numbers shown in parentheses and used by the Legislature in computing the total dollars to be made available for Personal Services.

Savings accruing within appropriations made for permanent positions may be used for nonrecurring personal services or retirement costs when recommended by the department head and approved by the State Budget Officer.

The amounts appropriated for Personal Services include funds for the state's share of state employees retirement. The State Controller shall transfer the state's share to the Maine State Retirement System as soon as practicable after each payroll is paid.

Sec. 4. Personal services policy and review. The Bureau of the Budget, during this biennium, shall continually review with all departments the status of their manpower levels and staffing patterns for the purpose of determining whether funds and positions are being utilized and managed in the most economical and efficient manner to accomplish the intent of the Legislature. Permanent positions for which funds are appropriated or allocated shall be classified positions, unless specifically designated otherwise by the Legislature. It shall be the responsibility of the Commissioner of Personnel and the State Budget Officer to ensure that classified and unclassified positions are assigned to a proper pay grade within authorized funds.

Sec. 5. Personal services flexibility. Any classification or reclassification of a position and any allocation or reallocation of a position within the compensation plan made by the Commissioner of Personnel pursuant to the Personnel Law and

Rules shall become effective on the first day of the fiscal year approval by the State Budget Officer, and the appropriation of funds therefor, except that the State Budget Officer may, if he determines that sufficient funds exist, authorize an effective date prior to the first day of the ensuing fiscal year. Copies of all actions and certifications shall be furnished to the Legislative Finance Officer.

Sec. 6. Merit rating required. It is hereby declared to be the policy of the State that in those instances where annual merit increases are earned and warranted as evidenced by the performance appraisals, they shall be awarded. In those instances where such increases are not earned and warranted, they shall be denied.

In furtherance of this policy, the Commissioner of Personnel, utilizing a form or forms prescribed by the commissioner, is directed to require annual merit ratings on all employees, regardless of whether or not any such employee is eligible or recommended for a merit increase. The form or forms prescribed by the commissioner, in addition to a performance appraisal section, shall include a section wherein each probationary employee's supervisor shall indicate the extent to which such employee has been oriented to the duties and responsibilities of his position. Further, in every instance where an employee is not awarded a merit increase, a record of the reasons therefor and the actions recommended by the employee's supervisor to correct deficiencies, if any, shall be recorded in the performance appraisal.

The Commissioner of Personnel is also directed to develop and install a training program for supervisory personnel, including appropriate guides and manuals, which shall ensure that all evaluators charged with the responsibility of doing employee merit ratings shall do so fairly and equitably, one employee to the next and one organizational unit to another.

The Commissioner of Personnel shall supply to the State Personnel Board all data necessary to monitor and evaluate the performance appraisal system, including data regarding the percentage and distribution of merit increases. The board, pursuant to its powers under the Revised Statutes, Title 5, section 592, shall review the operation of the performance evaluation system and make such recommendations and render such advise to the Commissioner of Personnel as may be necessary to carry out the purposes of this Act.

The Commissioner of Personnel shall forward to the Joint Standing Committee on State Government of the Legislature the findings and recommendations of the State Personnel Board, annually, prior to the start of the legislative session.

Sec. 7. Number of necessary employees. The Governor and the State Budget Officer when next preparing budget proposals for the Legislature may at their discretion adjust the figures in parentheses, representing numbers of permanent positions, to reflect the number of positions which in their opinion are necessary to the proper operation of each department, institution or agency.

Sec. 8. New or expanded programs. No department may establish new

programs or expand existing programs beyond the scope of those programs already established, recognized and approved by the Legislature, until such program and the method of financing are submitted to the Bureau of the Budget for evaluation and recommendation to the Legislature and until funds are made available therefor by the Legislature.

Sec. 9. Federally-funded programs. It is the intent of the Legislature that in the event federal funds are not available as anticipated for programs in this Act, there is no obligation to provide state funds in excess of the appropriations listed in this Act. Positions entirely or partially funded by federal or other than state sources of funds shall be considered as limited period positions, notwithstanding the figures in parentheses representing numbers of employees, should such funds be withdrawn or reduced.

Sec. 10. Travel limitations. It is the intent of the Legislature that out-of-state travel be limited. Any state employee who travels out-of-state on state business, such as law enforcement, collecting, bidding, industrial development, loans, etc., may continue to do so. The Legislature directs that department heads hold down cost of all travel where it is not absolutely needed. Any state employee who travels instate shall not be reimbursed for noon meals, unless the meal is part of an organized meeting or program or overnight travel.

Sec. 11. Equipment to be reviewed. The Commissioner of Finance and Administration, through the State Purchasing Agent or such other agent as he may choose, shall conduct a thorough review of all types of equipment, owned, leased or otherwise available to the several departments and agencies of the State, regardless of the source of supporting funds, combining their use, providing centralized facilities or eliminating existing equipment and facilities, as he believes to be in the most economical, most efficient and best interests of the State. The Commissioner of Finance and Administration is empowered to develop and institute such review and control mechanisms as are necessary to insure that capital equipment purchases authorized by the Legislature are consistent with the intent for which funds were recommended and made available.

Sec. 12. Motor vehicle replacement policy. The State Purchasing Agent is directed to require that requisitions for replacement motor vehicles include the age and total mileage of the motor vehicle being replaced. For the purposes of this section, motor vehicles are defined as passenger cars, and panel and pickup trucks, excluding those vehicles authorized and assigned for pursuit purposes. Under no circumstances are any state vehicles to be used primarily for commuting purposes. It is the intent of the Legislature that motor vehicles shall have been in service for at least 5 years or 75,000 miles before they are replaced. This policy shall also be adopted by the State Budget Officer when next preparing a budget document. Exceptions to the established replacement policy shall require the prior approval of the Commissioner of Finance and Administration. The Commissioner of Finance and Administration shall also have the authority to set appropriate standards with regard to motor vehicle type, size and equipment

and direct that all motor vehicles be purchased in accordance with an established commodity calendar.

Sec. 13. Significant action recommended by the State Budget Officer. The Bureau of the Budget shall inform the Joint Standing Committee on Appropriations and Financial Affairs through the Legislative Finance Office of significant action recommended by it in the performance of the budget responsibilities assigned.

Sec. 14. State Cost Allocation Program. The State Cost Allocation Program shall annually identify the kind and cost of central services furnished to each state agency from General Fund appropriations. The non-General Fund portion of each agency shall be assessed for these services as determined by the State Cost Allocation Program procedures to the extent such payments are not expressly prohibited by state or federal law or by the terms of a gift or donation made to the State from private sources. These payments shall be credited to the General Fund as undedicated revenue. The State Budget Officer may adjust this assessment to any individual account.

Sec. 15. Year-end closing. The State Controller is authorized to close the books as soon as practicable after the close of the fiscal years ending June 30, 1980, and June 30, 1981. Any bills presented after those dates may be paid from appropriations for the ensuing year on recommendation of the State Controller, if within the amounts of approved allotments.

Sec. 16. Appropriation balances at year end. At the end of each fiscal year, all unencumbered appropriation balances representing state moneys, except those that carry forward as provided by law, shall lapse to Unappropriated Surplus as provided by the Revised Statutes, Title 5, section 1544. At the end of each fiscal year, all encumbered appropriation balances shall not be carried more than once, except in those accounts which carry forward from year to year by law.

Sec. 17. Other appropriation measures. It is intended that the language in the preceding sections of this Act shall apply to all other appropriation measures enacted by the Legislature.

PART B

**APPROPRIATIONS FROM
GENERAL FUND**

DEPARTMENT or AGENCY	1979-80	1980-81
AGRICULTURE, DEPARTMENT OF		
Office of the Commissioner		
Positions		(7)
Personal Services		\$ 114,160
All Other		7,980
Capital Expenditures		4,485

**APPROPRIATIONS FROM
GENERAL FUND**

DEPARTMENT or AGENCY**1979-80****1980-81**

Provides funding for positions necessary to increase the capability of the commissioner's office based on an analysis of the needs of the department.

Office of the Commissioner

488,486

Notwithstanding the Revised Statutes, Title 5, section 1585, funds appropriated under this section may be transferred to implement the following reorganization to be established by other legislation and, if such legislation should not be enacted this session, all funds provided to the department under this Part (Part B) shall lapse into the General Fund.

Bureau of Agricultural Production

Positions	(5)
Personal Services	77,919
All Other	12,310
Capital Expenditures	3,640

Provides funding for positions necessary to increase the capability of the department in agricultural production.

Bureau of Agricultural Marketing

Positions	(9)
Personal Services	133,524
All Other	39,700
Capital Expenditures	15,785

Provides funding for positions necessary to increase the capability of the department in agricultural marketing.

Bureau of Agricultural and Rural Resources

Positions	(7)
Personal Services	135,453
All Other	22,850
Capital Expenditures	5,610

Provides funding for positions necessary to increase the capability of

**APPROPRIATIONS FROM
GENERAL FUND
1979-80 1980-81**

DEPARTMENT or AGENCY

the department in agricultural and rural resources.

Bureau of Public Service

Positions	(2)
Personal Services	35,420
All Other	4,640
Capital Expenditures	1,635

Provides funding for positions necessary to increase the capability of the department in public service.

TOTAL DEPARTMENT OF AGRICULTURE

615,111

ATTORNEY GENERAL, DEPARTMENT OF

Attorney General - Operations

Positions	(1)
Personal Services	17,359
All Other	3,640
Capital Expenditures	650

Provides funds for one Assistant Attorney General for the Department of Public Safety.

**TOTAL DEPARTMENT OF ATTORNEY
GENERAL**

21,649

Audit - Departmental Division

Positions	(2)
Personal Services	35,650
All Other	4,500

Provides funds for 2 positions and related expenses to audit the Superior and District Courts.

TOTAL DEPARTMENT OF AUDIT

40,150

BUSINESS REGULATION, DEPARTMENT OF

Business Regulation - Commissioner's Office
All Other

1,400

**APPROPRIATIONS FROM
GENERAL FUND**

AUDIT, DEPARTMENT OF	1979-80	1980-81
Provides funding for regulatory responsibilities relating to auctioneers.		
Maine Athletic Commission		
All Other		2,000
Provides funding for increased operating expenses of the commission needed due to frequency and location of events.		

TOTAL DEPARTMENT OF BUSINESS REGULATION		3,400
CONSERVATION, DEPARTMENT OF		
Division of Forest Fire Control		
Personal Services	45,800	45,800
Provides funds for annual fee of \$100 to 458 Town forest fire wardens.		
Land Use Regulation Commission		
Personal Services	6,720	6,720
Provides funds for per diem payments to Land Use Regulation Commission members.		
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TOTAL DEPARTMENT OF CONSERVATION	52,520	52,520
DEFENSE AND VETERANS SERVICES, DEPARTMENT OF		
Central Administration		
Personal Services	458	752
Provides funds for reclassification approved by the Department of Personnel.		
Military Training and Operations		
Personal Services	407	642
Provides funds for reclassification approved by the Department of Personnel.		
Bureau of Civil Emergency Preparedness		
Personal Services	406	676

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
Provides funds for reclassification approved by the Department of Personnel.		
TOTAL DEPARTMENT OF DEFENSE AND VETERANS SERVICES	1,271	2,070
EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENT OF		
Education - General Purpose Aid for Local Schools		
All Other	(1,000,000)	(3,943,506)
Reflects adjustment of the subsidy index for basic education allocation in order to maintain state participation at approximately 53.5% of these costs.		
Pratt and Whitney Project		
Personal Services		224,745
All Other		20,000
Capital Expenditures		1,000
Provides funds for the continuation of the Pratt and Whitney training program.		
Eastern Maine Vocational-Technical Institute		
Personal Services	1,100	1,200
Provides funding for approved reclassification.		
Northern Maine Vocational-Technical Institute		
Personal Services	4,700	6,800
Provides funding for approved reclassification.		
Education - Higher Education Services		
Personal Services		800
Provides funding for approved range-change.		
Library - Administration		
Personal Services	4,900	5,800
Provides funding for approved reclassifications.		

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
Education - Teacher Retirement Personal Services	175,000	2,575,000
Provides funding to offset loss of Federal Revenue Sharing Funds previously allocated for this purpose.		
	<hr/>	<hr/>
TOTAL DEPARTMENT OF EDUCATIONAL AND CULTURAL SERVICES	(814,300)	(1,108,161)
EXECUTIVE DEPARTMENT		
State Planning Office All Other		6,250
Provides funds to distribute 1980 U.S. Census materials statewide.		
		<hr/>
TOTAL EXECUTIVE DEPARTMENT		6,250
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Fuel Reserve Fund All Other	1,200,000	
Provides reserve funding to cover the increased cost of fuel required by the departments. Transfers from this account shall be made when recommended by the State Budget Officer and approved by the Governor. Any balance remaining on June 30, 1980, shall not lapse but shall be carried forward to the 1980-81 Fiscal Year.		
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TOTAL DEPARTMENT OF FINANCE AND ADMINISTRATION	1,200,000	
HUMAN SERVICES, DEPARTMENT OF		
State Supplemental to Federal Supplemental Security Income All Other	114,000	

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
Provides funds for emergency fuel allowance for approximately 500 state clients who did not receive Supplemental Security Income fuel supplement.		
State Supplemental to Federal Supplemental Security Income		
All Other	300,000	
Provides funds to cover current operating deficit due to higher cost of mental retardation homes, cost of living and minimum wage increase.		
Resource Development - Child Welfare		
All Other	250,000	250,000
Provides funds to cover current operating deficit due to increased placement of state wards.		
Resource Development - Title XX - Contingent Account		
All Other		248,000
Provides funds for increased expenditures in Title XX programs due to increased cost in salary, travel and general operating expenses.		
Medical Care Administration		
Positions		(14)
Personal Services	400,000	207,115
All Other		155,885
Provides funds for increased computer (Medical Management Information System) cost and sufficient funds to cover the properly matched federal and state lines.		
Free Drugs to Maine's Elderly		
All Other	75,000	
Provides funds to cover current operating expenses due to the increased number in enrollments.		

**APPROPRIATIONS FROM
GENERAL FUND**

DEPARTMENT or AGENCY	1979-80	1980-81
Medical Care Administration		
Positions		(2)
Provides for 2 clerk positions for processing payment of prescription drug claims. Funds for this action will be transferred from All Other.		
Social Welfare - Aid to Families with Dependent Children		
All Other	(1,554,863)	
To reduce appropriation by the amount provided for Emergency Home Heating Assistance in Public Law, chapter 574, now funded by 100% federal funds.		
TOTAL DEPARTMENT OF HUMAN SERVICES	(415,863)	861,000
MAINE MARITIME ACADEMY		
Maine Maritime Academy - Operations		
All Other		75,000
Provides funding to cover additional operating costs.		
TOTAL MAINE MARITIME ACADEMY		75,000
MAINE RESOURCES, DEPARTMENT OF		
Bigelow Laboratory for Ocean Science		
All Other		150,000
Provides funds to continue the annual state grant to the Northern Research Foundation Inc. (Bigelow Laboratory for Ocean Sciences).		
TOTAL DEPARTMENT OF MARINE RESOURCES		150,000

**APPROPRIATIONS FROM
GENERAL FUND**

DEPARTMENT or AGENCY

1979-80

1980-81

**MENTAL HEALTH AND CORRECTIONS,
DEPARTMENT OF**

Correctional Improvement Program

All Other

438,000

Provides funds for housing of inmates in county jails and other facilities.

Bureau of Corrections

All Other

25,000

Provides funds for legislatively-madated training of correctional officers.

Central Maine Prerelease Center

Positions

(17)

Personal Services

224,718

All Other

111,000

Capital Expenditures

75,000

Provides continued funding for the Central Maine Prerelease Center. This amount includes funds for the repair of the roof at the Reed Auditorium.

Maine State Prison

All Other

79,500

Capital Expenditures

200,000

Provides funds for repairs, replacement of equipment in the kitchen and dining area, fire and safety renovations in the east wing, waterproofing, other roof repairs, plumbing and other repairs to the laundry building, bars, security renovations in the segregation areas, radio and television antenna system for administrative segregation, repairs to showers, repairs to roadways and paint and other materials for general maintenance.

Positions

(1½)

Personal Services

26,954

Provides one human service worker and one part-time psychologist position to provide social service and psychological service.

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
Positions		(1)
Personal Services		14,998
Provides a hearings officer to handle the increased volume of hearings caused by the consent decree.		
All Other		8,000
Provides pharmacy service to the prison.		
Capital Expenditures		2,000
Provides a radio for fire truck at minimum security unit.		
Capital Expenditures		7,500
Provides desk stand to complete the outfitting of prison cells.		
Positions		(1)
Personal Services		15,286
Provides a business manager for the prison industries program.		
All Other		40,000
Provides operating funds for the prison industries program.		
Maine Correctional Center		
Positions		(4)
Personal Services		52,152
Provides 4 correctional officers for the female cottage and for increased security.		
Positions		(1)
Personal Services		15,226
Provides a personnel technician.		
Positions		(1)
Personal Services		15,358
All Other		4,000
Provides a teacher to work with special needs offenders and supplies for this activity.		

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
All Other		12,000
Provides psychiatric consulting services for clients.		
All Other		12,500
Provides for renovation and repairs at the prerelease unit and the correctional center.		
Employee Reclassifications		
Personal Services	30,483	30,483
Provides funds for reclassifications already approved.		
Pineland Center		
Personal Services		358,134
All Other		66,000
Provides funds continuing 35 limited period positions to comply with consent decree standards and to continue a contract for housekeeping services.		
Bangor Mental Health Institute		
Positions		(27)
Personal Services		300,233
Provides additional staff positions for better coverage and increased treatment of patients.		
Community Mental Health Services		
All Other		41,500
Provides state share for 3 Housing and Urban Development demonstration projects for housing the chronic mentally ill.		
Capital Construction - Bangor Mental Health Institute		
Capital Expenditures		138,615
Provides for the renovation of Ward K-3 and for structural improvements in the main building.		

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
All correction funds may be used to match federal funds under the provisions of the Safe Streets Act, as amended.		
TOTAL DEPARTMENT OF MENTAL HEALTH AND CORRECTIONS	30,483	2,314,157
PUBLIC SAFETY, DEPARTMENT OF		
State Police		
All Other	237,393	1,762,607
Provides funds to increase the General Fund's share of costs for the operations of the State Police. This will provide 40% of the costs from the General Fund during fiscal year 1981.		
Bureau of Capitol Security		
Positions		(2)
Personal Services		21,464
All Other		8,536
Provides funds for 2 additional staff to cover security in the city of Augusta, formerly without security, plus expanded security for the Stevens School Complex.		
Maine Criminal Justice Academy		
All Other		25,000
Provides funds for the continuation of the training program established for municipal and county officers.		
TOTAL DEPARTMENT OF PUBLIC SAFETY	237,393	1,817,607
PUBLIC UTILITIES COMMISSION		
Administration Division		
Personal Services		11,523
Provides funds to adjust the salaries of chairman and commissioners; permit periodic salary increases for chairman and		

DEPARTMENT or AGENCY	APPROPRIATIONS FROM GENERAL FUND	
	1979-80	1980-81
commissioners; and raise the salary level of the secretary.		
TOTAL PUBLIC UTILITIES COMMISSION		11,523
TRANSPORTATION, DEPARTMENT OF		
Transportation - Waterways Administration		
All Other	78,775	140,000
Provides funds to continue funding 50% of the cost of operation of the Maine Ferry Services from the General Fund.		
TOTAL DEPARTMENT OF TRANSPORTATION	78,775	140,000
Treasurer - Debt Service		
All Other	(2,000,000)	(2,000,000)
This reduction in appropriation in conjunction with authority to transfer an additional \$3.2 million from the General Fund Bond Debt Service account set up for the retirement of bonds and notes authorized under Title 5, section 151-A will provide sufficient funds to cover the projected debt service requirement.		
TOTAL TREASURY DEPARTMENT	(2,000,000)	(2,000,000)
UNIVERSITY OF MAINE		
University of Maine - Educational and General Activities		
All Other		750,000
Provides funding to cover additional operating costs.		
TOTAL UNIVERSITY OF MAINE		750,000
GENERAL FUND TOTAL	(1,629,721)	3,752,276

PART C

Sec. 1. Basic elementary and secondary per pupil operating rate. The basic elementary per pupil operating rate for 1980-81 shall be \$1,083 and the basic secondary per pupil rate for 1980-81 shall be \$1,398.

Sec. 2. Basic education allocation. The basic allocation of state and local funds for 1980-81 for the purposes listed below shall be as follows:

1. Elementary and secondary operating costs	\$266,309,532
Alternate program costs	700,000
2. Special Education for programs operated by the Administrative Units	12,724,258
3. Special Education tuition and board, excluding medical costs	
a. for pupils placed by administrative units	3,870,248
b. Adjustments under Revised Statutes, Title 20, section 4749, subsection 6	300,000
4. Vocational education costs	8,456,825
5. Transportation costs	
a. Operating	20,594,055
b. Purchase of buses	4,000,000
6. Debt service costs	
a. Principal and interest	27,900,000
b. Insured value factor	327,829
c. Approved leases	600,000
	\$345,782,747
Subtotal	
Less Federal Public Law, chapter 875	2,400,000
	\$343,382,747

Sec. 3. Subsidy index. This Act establishes the mill rate at 9.35.

Sec. 4. Appropriations. The appropriations provided by Public Law 1979, chapters 164 and 542, (as adjusted by Part B of this Act) for General Purpose Aid for Local Schools for the fiscal year beginning July 1, 1980, and ending June 30, 1981, were calculated as follows:

1. State allocation	\$183,538,057
2. Maximum state share of local leeway	8,728,369
3. Unusual enrollment adjustments	600,000
4. Geographic isolation adjustments	300,000

5. Small administrative unit adjustments	100,000
6. Audit adjustments	100,000
7. Private school services	217,956
8. Costs for pupils placed directly by the State and institutional residents	1,500,000
Total	\$195,084,382

Sec. 5. Limit of state's obligation. In the event that the state's computed obligation for any individual program contained within sections 2 and 4 exceeds the level of funding provided for that program, any unexpended balances occurring in other programs may be applied to avoid proration of payments for any individual program. Any unexpended balance from sections 2 and 4 shall not lapse, but shall be carried forward to be used for the same purpose.

Sec. 6. 20 MRSA § 4751, sub-3, ¶ A, first sentence, as repealed and replaced by PL 1979, c. 568, § 5, is amended to read:

The legislative body of an administrative unit may, in addition to the unit's state-local allocation under sections 4748 and 4749, authorize an additional expenditure for either elementary or secondary pupils, or both, not to exceed a local appropriation for each municipality of 1.3 mills on the state valuation in effect on July 1st or \$125 per pupil whichever is less, for the ~~1979-80~~ **1980-81** year of distribution.

PART D

Sec. 1. 2 MRSA § 6, sub-§ 1, last ¶, as repealed and replaced by PL 1977, c. 697, § 1, is amended to read:

Commissioner of Personnel;

Chairman, Public Utilities Commission.

Sec. 2. 2 MRSA § 6, sub-§ 3, last ¶, as repealed and replaced by PL 1977, c. 697, § 1, is amended to read:

Director, State Planning Office;

Members, Public Utilities Commission.

Sec. 3. 2 MRSA § 6, sub-§ 5, last ¶, as repealed and replaced by PL 1977, c. 697, § 1, is amended to read:

Director of Finance of the Public Utilities Commission;

Secretary of the Public Utilities Commission.

Sec. 4. 2 MRSA § 6, sub-§ 7, 4th ¶, as repealed and replaced by PL 1977, c. 697, § 1, is repealed as follows:

~~Secretary of Public Utilities Commission;~~

Sec. 5. 2 MRSA § 6-A, as enacted by PL 1977, c. 697, § 2, is repealed.

PART E

Sec. 1. 5 MRSA § 1686, first ¶, as enacted by PL 1977, c. 583, § 4, is amended to read:

If federal funds for **new or existing programs** become available to the State for expenditure by the State ~~while the Legislature is not in session~~, and availability of such funds could not reasonably have been anticipated and included in the Federal Expenditure Budget approved by the Legislature for the fiscal year in question, the Treasurer of State may accept such funds on behalf of the State and the Governor may make expenditures of such funds as are authorized by federal and state law. Upon application for such funds, and upon receipt of such funds, the Governor shall submit, to ~~the Legislative Council~~ the Legislative Finance Officer, **who shall maintain a file for the Legislative Council** and the members of the Joint Standing Committee on Appropriations and Financial Affairs, a statement:

Sec. 2. 5 MRSA § 1686, as enacted by PL 1977, c. 583, § 4, is amended by adding at the end 2 new paragraphs to read:

The Governor may adjust the federal expenditure authorization to include the amounts brought forward from the previous fiscal year.

The Governor may transfer legislatively approved expenditure authorization between line categories within an appropriation account or between appropriation accounts. These transfers are subject to the limitations of section 1585.

PART F

P&SL 1979, c. 63, § 1, is amended to read:

Sec. 1. Allocations of Federal Revenue Sharing Fund. Income to the Federal Revenue Sharing Fund for the fiscal years ending June 30, 1980 and June 30, 1981 shall be segregated, apportioned and expended as designated in the following schedule:

	1979-80	1980-81
EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENTAL OF		
Education — Teachers' retirement		
All Other	\$15,750,000	\$15,750,000
	\$15,575,000	\$13,175,000

PART G

Sec. 1. 36 MRSA § 5143, as repealed and replaced by PL 1977, c. 477, § 18, is repealed.

Sec. 2. 36 MRSA § 5143-A is enacted to read:

§ 5143-A. Standard deduction; nonresident

The standard deduction of a nonresident individual or of a nonresident husband and wife who file a joint return or of a nonresident married person who files a separate return shall be the following, multiplied by a percentage arrived at by dividing the nonresident's adjusted gross income from sources within the State by his adjusted gross income he would be required to report if he were a resident:

1. Single persons. Single persons, the higher of a low-income allowance of \$1,700 or 16% of his federal adjusted gross income up to a maximum deduction of \$2,400;

2. Married persons; joint returns. Married persons filing joint returns or a surviving spouse, the higher of a low-income allowance of \$2,100 or 16% of federal adjusted gross income up to a maximum deduction of \$2,800; and

3. Married person; separate return. A married person filing a separate return, the higher of a low-income allowance of \$1,050 or 16% of federal adjusted gross income up to a maximum deduction of \$1,400, except that if either spouse uses the low-income allowance, both must use it.

Sec. 3. 36 MRSA § 5144, as enacted by P&SL c. 154, Section F, is repealed.

Sec. 4. 36 MRSA § 5144-A is enacted to read:

§ 5144-A. Itemized deductions

The itemized deductions of a nonresident individual shall be determined in accordance with the provisions for a resident individual as contained in section 5125 and multiplied by a percentage arrived at by dividing the nonresident's adjusted gross income from sources within this State by his adjusted gross income he would be required to report if he were a resident.

Sec. 5. 36 MRSA § 5145, as enacted by P&SL 1969, c. 154, Section F, is amended to read:

§ 5145. Personal exemptions

A nonresident individual shall be allowed the same personal exemptions allowed to resident individuals under section 5126, multiplied by a percentage arrived at by dividing the nonresident individual's adjusted gross income from sources within this State by his adjusted gross income he would be required to report if he were a resident.

Sec. 6. 36 MRSA § 5220, sub-§ 2, as enacted by P&SL 1969, c. 154, Section F, is repealed and the following enacted in its place:

2. Nonresident individuals. Every nonresident individual who has taxable income for the year from sources within this State.

Sec. 7. 36 MRSA § 5224, as enacted by P&SL 1969, c. 154, Section F, is repealed.

Sec. 8. 36 MRSA § 5224-A is enacted to read:

§ 5224-A. Change of status as resident or nonresident during year

If an individual changes his status as a resident individual or nonresident individual during his taxable year, he shall file a return as required by section 5220, subsection 2. His taxable income shall be determined in the following manner.

1. **Income.** Income exclusive of standard or itemized deductions and personal exemptions shall be the sum of the income determined as provided in section 5121 for residents and section 5140 for nonresidents as if the individual's taxable year for federal income tax purposes were limited to the period of his resident and nonresident status respectively.

2. **Adjustments.** Income as determined in subsection 1 shall be adjusted to reflect income, gain, loss or deductions accrued prior to the change of status even though not otherwise includable or allowable in respect of the period prior to such change, but the taxation or deduction of items accrued prior to the change of status shall not be affected by the change.

3. **Reduction.** The income computed under subsections 1 and 2 shall be reduced in accordance with the law applicable to a nonresident individual under the deduction and exemption provisions contained in sections 5143-A, 5144-A and 5145.

Sec. 9. 36 MRSA §§ 5225 and 5226, as enacted by P&SL 1969, c. 154, Section F, are repealed.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved, except Part G of this Act shall be effective for tax years beginning January 1, 1980.

STATEMENT OF FACT

Part A includes the standard preamble language with a change in Section 3 which will allow the transfer of positions between accounts within a department.

Part B adjusts General Fund appropriations to allow the Governor to implement his programs.

Part C establishes the per pupil rate, the basic education allocation, sets the mil rate for the subsidy index and itemizes the General Fund appropriation figure.

Part D removes the Chairman and Members of the Public Utilities Commission from Title 2, section 6-A, and places them in section 6. This changes these employees from a fixed salary to a salary adjusted by the Governor. It also

adjusts the range for the Secretary of the Public Utilities Commission to more closely reflect the duties and responsibilities of the position.

Part E revises the statutes pertaining to the Federal Expenditure Budget. Difficulties have arisen with the implementation of the statute. These changes would allow more flexibility and in most cases would more closely follow procedures now used in General Fund accounts.

Part F adjusts the Federal Revenue Sharing Fund allocation to reflect the revised revenue estimates.

Part G provides for the proration of nonresident standard deductions and personal exemptions under the Maine Income Tax Law. At present, the vast majority of states provide for prorating standard deductions and personal exemptions. Maine is one of the few states which allow full standard deductions and personal exemptions (the State, however, prorate itemized deductions). The rationale for prorating can be illustrated by considering the situation of an individual with income split between 2 or more states. His aggregate deductions and exemptions may well exceed what would be available to an individual with the same income in one state unless prorating is employed.

Part B adjusts General Fund appropriations. A \$1,629,721 decrease is reflected in fiscal year 1980 and a \$3,752,276 increase in fiscal year 1981.

Part F decreases the Federal Revenue Sharing Fund allocation \$175,000 in fiscal year 1980 and \$2,575,000 in fiscal year 1981.

Part G increases the General Fund Undedicated Revenue \$1,000,000 in fiscal year 1981.