

# MAINE STATE LEGISLATURE

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DATE: June 20, 1995

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STATE OF MAINE  
SENATE  
117TH LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 516, L.D. 706, Bill, "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, 1996 and June 30, 1997"

Amend the amendment in Part G in section 1 in subsection 7 in the first paragraph in the 2nd line (page 236, line 35 in amendment) by striking out the following: "~~100%~~ 80%" and inserting in its place the following: '100%'

Further amend the amendment in Part G in section 1 in subsection 7 in the first paragraph in the last line (page 236, line 41 in amendment) by inserting at the end a new sentence to read: 'After July 1, 1995, for all state employees, any increase in the cost of this health plan above the state share of this health plan in fiscal year 1994-95 is the employee's share, except that in no circumstance may the employee's share for that employee's own coverage exceed 20%.'

Further amend the amendment in Part H in section 2 under the caption "**LEGISLATURE**" in that part relating to "**Departmentwide**" in the 2nd line (page 244, line 17 in amendment) by striking out the following: "All Other" and inserting in its place the following: 'Personal Services' and in the 3rd line (page 244, line 18 in amendment) by striking out the following: "Personal Services" and inserting in its place the following: 'All Other'

Further amend the amendment by striking out all of Part W and inserting in its place the following:

**PART W**

**Sec. W-1. Legislative intent; Maine Health Care Finance**

**Commission; legislation required.** It is the intent of the Legislature that on July 1, 1995 the regulatory functions of the Maine Health Care Finance Commission cease, that the positions associated with the regulatory function be eliminated, that the commission's functions associated with clinical and financial data collection and health care planning continue to be performed through June 30, 1996 only and that on July 1, 1995 the Department of Human Services become the successor to the commission in all aspects affecting the Medicaid program, including the calculation of gross patient service revenue limits and the apportionment and settlement of Medicaid obligations, including those pending or unresolved by the Maine Health Care Finance Commission on June 30, 1995.

The Executive Director of the Maine Health Care Finance Commission and the Commissioner of Human Services shall jointly submit an interim report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs concerning the process they have undertaken to ensure an orderly transition to implement the requirements of this Part.

The Executive Director of the Maine Health Care Finance Commission and the Commissioner of Human Services shall jointly submit a final report, including proposed legislation, to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the Legislature by December 1, 1995 detailing the statutory and budgetary changes necessary to fully implement the requirements of this Part.'

Further amend the amendment in Part Y under the caption "**EDUCATION, DEPARTMENT OF**" in that part relating to "**BASIC EDUCATION ALLOCATIONS**" under the heading "**Operating Costs Total**" in the blocked paragraph by adding at the end the following:

'less amount shifted to Transportation  
Operating, pursuant to the Maine  
Revised Statutes, Title 20-A, section  
15602, subsection 10. (1,500,000)'

Further amend the amendment in Part Y in section 2 under the caption "**EDUCATION, DEPARTMENT OF**" in that part relating to "**BASIC EDUCATION ALLOCATIONS**" by striking out all of the part relating to "**Adjusted Operating Costs**" (page 274, line 17 in amendment) and inserting in its place the following:

'**Adjusted Operating Costs** 656,462,611'

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SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 516,  
L.D. 706

2 Further amend the amendment in Part Y in section 2 under the  
caption "EDUCATION, DEPARTMENT OF" in that part relating  
4 to "BASIC EDUCATION ALLOCATIONS" under the heading  
"Program Costs Total" in the blocked paragraph by adding at the  
6 end the following:

8 'plus amount shifted to Transportation  
Operating, pursuant to the Maine  
10 Revised Statutes, Title 20-A, section  
15602, subsection 10. (1,500,000)'

12 Further amend the amendment in Part Y in section 2 under the  
caption "EDUCATION, DEPARTMENT OF" in that part relating  
14 to "BASIC EDUCATION ALLOCATIONS" by striking out all of  
16 the part relating to "Adjusted Program Costs Total" (page 274,  
lines 37 and 38 in amendment) and inserting in its place the  
18 following:

20 'Adjusted Program Costs  
Total 164,138,906'

22 Further amend the amendment in Part Y in section 3 in the  
24 2nd line (page 275, line 17 in amendment) by striking out the  
following: "4.90" and inserting in its place the following: '4.93'

26 Further amend the amendment by striking out all of Part Z  
28 and inserting in its place the following:

30 'PART Z

32 Sec. Z-1. 20-A MRSA §15602, sub-§10 is enacted to read:

34 10. Transportation operating adjustment in fiscal year  
36 1995-96. In fiscal year 1995-96, the operating cost mill rate  
38 must be raised to 4.93 mills in order to recover \$1,500,000.  
These recovered funds must be used to lower the reduction  
percentage for the transportation operating allocation from  
19.30% to 16.50%.'

40 Further amend the amendment by striking out all of Part KK.

42 Further amend the amendment by striking out all of Part OO,  
44 Part PP and Part QQ and inserting in their place the following:

46 'PART OO

48 Sec. OO-1. Appropriation. The following funds are  
50 appropriated from the General Fund to carry out the purposes of  
this Part.

**SENATE AMENDMENT**

1995-96

1996-97

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**ADMINISTRATIVE AND FINANCIAL  
SERVICES, DEPARTMENT OF**

**Job Training Consolidation - Statewide**

All Other (\$2,250,000) (\$2,250,000)

Provides for the deappropriation of funds related to the various General Fund job training programs in State Government. The Commissioner of Education, the Commissioner of Human Services, the Commissioner of Labor, the Commissioner of Economic and Community Development and the President of the Maine Technical College System, or their designees, are directed to study the effectiveness of the current job training programs. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the State Budget Officer is authorized to distribute these deappropriations among the various General Fund job training programs in State Government upon the recommendation of the above-named study group. The commissioners and the president shall report on the results of their study to the joint standing committees of the Legislature having jurisdiction over appropriations and financial affairs, business and economic development and labor matters no later than January 5, 1996.

2 DEPARTMENT OF ADMINISTRATIVE  
AND FINANCIAL SERVICES  
3 TOTAL

(2,250,000) (2,250,000)

4  
6 TOTAL APPROPRIATIONS  
SECTION OO-1

(\$2,250,000) (\$2,250,000)

8 PART PP

10 Sec. PP-1. Appropriation. The following funds are  
12 appropriated from the General Fund to carry out the purposes of  
this Part.

14 1996-97

16 ADMINISTRATIVE AND FINANCIAL  
SERVICES, DEPARTMENT OF

18 Personal Property Tax Reform

20 All Other (\$5,000,000)

22 Provides for the deappropriation of funds to  
24 reverse an amount appropriated in Part AA.

26 PART QQ

28 Sec. QQ-1. Appropriation. The following funds are  
30 appropriated from the General Fund to carry out the purposes of  
this Part.

32 1995-96 1996-97

34 MENTAL HEALTH AND MENTAL  
RETARDATION, DEPARTMENT OF

36 Contingency Account - Mental  
38 Health and Mental Retardation

40 All Other \$2,109,790 \$3,132,618

42 Provides for the  
44 appropriation of funds to  
meet the projected net  
46 General Fund cost of various  
proposals concerning the  
consent decrees.'

48 Further amend the amendment in part RR by striking out all  
50 of section 3 and inserting in its place the following:

2       **Sec. RR-3. Waiver request for rural and financially distressed**  
3       **hospitals.** The Department of Human Services shall apply to the  
4       Federal Government for any waiver authorized by 42 Code of  
5       Federal Regulations, Chapter IV that minimizes the variance  
6       between an individual hospital's assessment and its  
7       disproportionate share hospital payment. The waiver application  
8       must include, but is not limited to, provisions for rural  
9       hospitals, for financially distressed hospitals and for border  
10      hospitals that are financially distressed due to lack of  
11      competitiveness and must target those facilities that are the  
12      most severely impacted in a manner that does not result in an  
13      individual hospital receiving a disproportionate share hospital  
14      payment that exceeds the hospital's assessment liability. The  
15      Commissioner of Human Services shall report to the joint standing  
16      committee of the Legislature having jurisdiction over  
17      appropriations and financial affairs by the 15th of each month  
18      until the status of the waiver or waivers is determined. The  
19      reports must detail the specific steps taken thus far in the  
20      application process and must provide a summary report of future  
21      actions under consideration by the department to secure approval  
22      in compliance with this Part.

24      **Sec. RR-4. Uniform reduction of hospital assessment.**  
25      Notwithstanding the Maine Revised Statutes, Title 36, section  
26      2801-A, if the waivers specified in this Part are not approved by  
27      January 1, 1996, then the State Tax Assessor shall, upon  
28      recommendation of the Commissioner of Human Services, uniformly  
29      reduce the assessment on hospitals within the limits of the  
30      funding identified in Part SS of this Act, in a manner consistent  
31      with federal law, rules and regulations.'

32                   Further amend the amendment by striking out all of Part VV  
33      and inserting in its place the following:

36   **PART VV**

38                   **Sec. VV-1. 36 MRSA c. 915 is enacted to read:**

40   **CHAPTER 915**

42   **TAX REDUCTION PROGRAMS**

44                   **§6701. Tax Reduction Fund**

46                   **1. Definitions.** As used in this section, unless the  
47      context otherwise indicates, the following terms have the  
48      following meanings.

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SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 516,  
L.D. 706

2 A. "Target revenue" means \$662,550,000 in sales and use tax  
revenue and \$676,230,000 in individual income tax revenue.

4 B. "Tax revenue" means undedicated General Fund revenue  
generated from individual income, sales and use taxes.

6  
8 2. Calculation. Annually, by September 15th, the State Tax  
Assessor shall determine for the current tax year whether tax  
revenue for the fiscal year ending the prior June 30th exceeded  
10 the target revenue. If target revenue was exceeded, the State  
12 Tax Assessor shall certify to the State Controller the amount by  
which the target revenue was exceeded and the State Controller  
14 shall deposit that amount into the Tax Reduction Fund.  
Notwithstanding any other provision of law, the State Controller  
16 shall transfer the amount calculated in this subsection before  
any other transfer of funds is made.

18 3. Tax Reduction Fund. The Tax Reduction Fund is  
established in order to reduce or eliminate taxes. Money  
20 deposited in the fund during one fiscal year does not lapse, but  
carries forward to the subsequent fiscal year or years. Money in  
22 the fund may be transferred only to offset loss of General Fund  
revenue as set out in subsection 4.

24  
26 4. Use of fund. Beginning January 1, 1997, the joint  
standing committee of the Legislature having jurisdiction over  
28 taxation matters shall determine biennially which tax or taxes  
may be reduced or eliminated to arrive at the amount of money  
30 available in the Tax Reduction Fund and shall prepare legislation  
to:

32 A. Accomplish the reduction or elimination; and

34 B. Require the State Controller to transfer from the Tax  
Reduction Fund to the General Fund on a monthly basis an  
36 amount of money sufficient to offset the loss of General  
Fund revenue attributable to the reduction or elimination.

38 **Sec. VV-2. Effective date.** This Part takes effect July 1,  
40 1996.'

42 Further amend the amendment in Part WW in section 1 in the  
44 4th line (page 403, line 32 in amendment) by inserting after the  
following: "concerning" the following: 'up to'

46 Further amend the amendment in Part WW in section 2 under  
48 the caption "ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF" in that part relating to "Departments and  
50 Agencies - Statewide" by striking out all of the 3rd line (page  
404, line 2 in amendment) and inserting in its place the  
following:

# SENATE AMENDMENT



2 'Personal Services (\$1,988,800) (\$4,275,000)'

4 Further amend the amendment in Part WW in section 2 under  
the caption "ADMINISTRATIVE AND FINANCIAL SERVICES,  
6 DEPARTMENT OF" in that part relating to "Departments and  
Agencies - Statewide" in the block paragraph in the 4th line (page  
8 404, line 7 in amendment) by inserting after the following: "pay"  
the following: 'up to'

10

12 Further amend the amendment in Part WW in section 3 under  
the caption "ADMINISTRATIVE AND FINANCIAL SERVICES,  
14 DEPARTMENT OF" in that part relating to "Departments and  
Agencies - Statewide" by striking out all of the 3rd line (page  
404, line 24 in amendment) and inserting in its place the  
16 following:

18 'Personal Services (\$1,244,123) (\$1,985,000)'

20 Further amend the amendment in Part WW in section 3 under  
the caption "ADMINISTRATIVE AND FINANCIAL SERVICES,  
22 DEPARTMENT OF" in that part relating to "Departments and  
Agencies - Statewide" in the block paragraph in the 4th line (page  
24 404, line 29 in amendment) by inserting after the following:  
"pay" the following: 'up to'

26

28 Further amend the amendment in Part YY in section 1 under  
the caption "HUMAN SERVICES, DEPARTMENT OF" in that part  
relating to "Purchased Social Services" in the block paragraph in  
30 the 1st line (page 405, line 47 in amendment) by striking out the  
following: "funds" and inserting in its place the following:  
32 '\$250,000 annually'

34 Further amend the amendment in Part YY in section 1 under  
the caption "HUMAN SERVICES, DEPARTMENT OF" in that part  
36 relating to "Purchased Social Services" in the block paragraph by  
inserting at the end the following: 'Also provides \$250,000  
38 annually for additional rape crisis services.'

40 Further amend the amendment by striking out all of Part ZZ  
and inserting in its place the following:

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#### PART ZZ

46 **Sec. ZZ-1. Appropriation.** The following funds are  
appropriated from the General Fund to carry out the purposes of  
48 this Part.

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1995-96

1996-97

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SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 516,  
L.D. 706

**TRANSPORTATION, DEPARTMENT OF**

2

**Highway and Bridge  
Improvement**

4

6

Capital Expenditures \$1,600,000 \$1,600,000

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Provides funds from the  
General Fund to augment the  
Highway Resurfacing Capital  
program.'

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Further amend the amendment by relettering or renumbering  
any nonconsecutive Part letter or section number to read  
consecutively.

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**FISCAL NOTE**

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This amendment will increase the cost of the bill by  
\$5,428,725 in fiscal year 1995-96 and will decrease the cost of  
the bill by \$6,544,435 in fiscal year 1996-97. The overall  
biennial costs of the bill will therefore decrease by  
\$1,115,710. A balanced budget is maintained for fiscal year  
1995-96 and fiscal year 1996-97.

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This amendment establishes target revenue as the amount of  
budgeted General Fund Revenue in fiscal year 1996-97 from  
individual income and sales and use taxes. If actual revenue  
exceeds this amount during the fiscal year it must be set aside  
into the Tax Reduction Fund. The amount of funds that will be  
set aside in fiscal year 1996-97 and future years can not be  
determined at this time.

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The use of the funds set aside in the Tax Reduction Fund and  
the specific taxes that will be reduced or eliminated will depend  
on future legislation prepared by the Joint Standing Committee on  
Taxation.

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SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 516,  
L.D. 706

**STATEMENT OF FACT**

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4 This amendment makes a number of adjustments to  
appropriations and allocations as well as technical changes to  
Committee Amendment "B".

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SPONSORED BY: *Tana Hanley*  
(Senator HANLEY)

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COUNTY: Oxford

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