

# MAINE STATE LEGISLATURE

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L.D. 2128

DATE: 4-3-02

(Filing No. H-1080)

**REPORT A**  
**APPROPRIATIONS AND FINANCIAL AFFAIRS**

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**STATE OF MAINE**  
**HOUSE OF REPRESENTATIVES**  
**120TH LEGISLATURE**  
**SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1628, L.D. 2128, Bill, "An Act to Authorize a General Fund Bond Issue in the Amount of \$15,000,000 to Capitalize the School Revolving Renovation Fund for Repairs and Improvements in Public School Facilities to Address Health, Safety and Compliance Deficiencies; General Renovation Needs; and Learning Space Upgrades"

Amend the bill by striking out the title and substituting the following:

**'An Act to Authorize a General Fund Bond Issue in the Amount of \$47,000,000 to Capitalize the School Revolving Renovation Fund, to Build a New Correctional Facility in Machias, to Make Improvements to the Maine Correctional Center in South Windham and to Provide Grants to Public Educational Institutions to Install Sprinkler Systems in Dormitories'**

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

**'Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds to further capitalize the School Revolving Renovation Fund for repair and improvements to school facilities to address serious health, safety and compliance deficiencies and to provide assistance for general renovations and learning space upgrades in Maine's public school facilities, to build a new correctional facility in

**COMMITTEE AMENDMENT**

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Machias, to make improvements to the Maine Correctional Center in South Windham and to provide grants to public educational institutions to install sprinkler systems in dormitories.

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

PART A

Sec. A-1. 25 MRSA §2463-A is enacted to read:

§2463-A. Installation of sprinkler systems in dormitories

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

A. "Automatic sprinkler system" means an automatic sprinkler system that at a minimum satisfies the requirements of Pamphlet 13 or 13R of the National Fire Protection Association or other requirements established by the State Fire Marshal.

B. "Department" means the Department of Public Safety.

C. "Dormitory" means a building or space in a building owned by a public educational institution in which:

(1) At least 5 rooms are provided as sleeping accommodations for students of the public educational institution; or

(2) Sleeping accommodations are provided for 15 or more students of the public educational institution.

D. "Public educational institutional" means the University of Maine System, the Maine Technical College System, the Maine Maritime Academy or the Maine School of Science and Mathematics.

2. Approved automatic sprinkler system. A dormitory of a public educational institution must be equipped with an automatic sprinkler system in accordance with this subsection.

A. A dormitory constructed by a public educational institution or a building converted into a dormitory by a public educational institution after the effective date of this paragraph must be equipped with a complete automatic sprinkler system before the department approves the dormitory for occupancy.

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B. Dormitories of a public educational institution that exist on and are used as dormitories after January 1, 2001 must be equipped as follows:

(1) By January 1, 2007, at least 1/3 of the total square footage of those dormitories must be equipped with an automatic sprinkler system;

(2) By January 1, 2010, at least 2/3 of the total square footage of those dormitories must be equipped with an automatic sprinkler system; and

(3) By January 1, 2013, all of those dormitories must be equipped with a complete automatic sprinkler system.

3. Report. Beginning in 2003 and every 2 years thereafter, the State Fire Marshal shall report to the joint standing committee of the Legislature having jurisdiction over criminal justice matters concerning compliance with subsection 2. The report must be submitted by February 15th of the year the report is due.

**Sec. A-2. Effective date.** This Part takes effect upon approval of the referendum in Part B of this Act.

**PART B**

**Sec. B-1. Authorization of bonds to make capital repairs and improvements in public facilities.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$47,000,000 to raise funds to capitalize the School Revolving Renovation Fund for repairs and improvements to school facilities to address serious health, safety and compliance deficiencies, including those related to indoor air quality, roof system integrity, asbestos and accessibility; support other repairs and improvements related to structural integrity, heating systems, doors and windows; and provide for other learning space upgrades such as improvements to science labs, vocational space and increased classroom flexibility; to build a new correctional facility in Machias and to make improvements to the Maine Correctional Center in South Windham; and to provide grants to public educational institutions to install sprinkler systems in dormitories as authorized by section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the

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Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

**Sec. B-2. Records of bonds issued to be kept by Treasurer of State.**

The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. B-3. Sale; how negotiated; proceeds appropriated.**

The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in section 6 of this Part lapse to the debt service account established for the retirement of these bonds.

**Sec. B-4. Interest and debt retirement.**

The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

**Sec. B-5. Disbursement of bond proceeds.**

The proceeds of the bonds must be expended as set out in section 6 of this Part under the direction and supervision of the Maine Municipal Bond Bank as designated by the Commissioner of Education in accordance with the provisions of the Maine Revised Statutes, Title 30-A, section 6006-F, governing the School Revolving Renovation Fund; the Commissioner of Corrections; and the Finance Authority of Maine.

**Sec. B-6. Allocations from General Fund bond issue; capital construction, repairs and improvements in public schools and correctional facilities; grants for installation of sprinklers in dormitories of public educational institutions.** The proceeds of the sale of the bonds must be expended as designated in the following schedule.

**EDUCATION, DEPARTMENT OF**

Provides funds for renovation of	\$15,000,000
and capital repairs and improvements	
to public school facilities to address	
health, safety and compliance	
deficiencies; general renovation	
needs; and learning space upgrades.	

**CORRECTIONS, DEPARTMENT OF**

2 Provides funds to construct a new \$13,900,000  
 4 correctional facility in Machias to  
 6 replace the existing Downeast  
 8 Correctional Facility in Bucks Harbor  
 10 in order to meet the need for minimum  
 12 custody prison beds, achieve  
 14 operational efficiencies and compliance  
 with state and national environmental  
 and building standards and to support  
 enhanced transition programs for  
 prisoners reentering the community.

**CORRECTIONS, DEPARTMENT OF**

16 Provides funds to construct an \$11,100,000  
 18 infirmary and extended care unit for  
 20 special needs prisoners, to modernize  
 22 existing buildings and to enhance  
 24 security at the Maine Correctional  
 Center in South Windham in order to  
 meet current and future medical  
 needs of the prisoner population:  
 support treatment programs for health  
 care, substance abuse and sex offenders;  
 and improve intake and reception.

**FINANCE AUTHORITY OF MAINE**

30 Provides funding for public educational 7,000,000  
 32 institutions for the purchase and  
 34 installation of automatic sprinkler  
 systems in dormitories.

**36 TOTAL ALLOCATIONS** \$47,000,000

38 **Sec. B-7. Contingent upon ratification of bond issue.** Sections 1  
 40 to 6 of this Part do not become effective unless the people of  
 42 the State have ratified the issuance of the bonds as set forth in  
 this Part.

44 **Sec. B-8. Appropriation balances at year-end.** At the end of each  
 46 fiscal year, all unencumbered appropriation balances representing  
 48 state money carry forward. Bond proceeds that have not been  
 expended within 10 years after the date of the sale of the bonds  
 lapse to General Fund debt service.

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2           **Sec. B-9. Bonds authorized but not issued.** Any bonds authorized  
3 but not issued, or for which bond anticipation notes are not  
4 issued within 5 years of ratification of this Part, are  
5 deauthorized and may not be issued; except that the Legislature  
6 may, within 2 years after the expiration of that 5-year period,  
7 extend the period for issuing any remaining unissued bonds or  
8 bond anticipation notes for an additional amount of time not to  
9 exceed 5 years.

10           **Sec. B-10. Referendum for ratification; submission at general**  
11 **election; form of question; effective date.** This Part must be submitted  
12 to the legal voters of the State of Maine at the next general  
13 election in the month of November following passage of this Act.  
14 The municipal officers of this State shall notify the inhabitants  
15 of their respective cities, towns and plantations to meet, in the  
16 manner prescribed by law for holding a general election, to vote  
17 on the acceptance or rejection of this Part by voting on the  
18 following question:

19           "Do you favor a \$47,000,000 bond issue to capitalize the  
20 State's School Revolving Renovation Fund for repairs and  
21 improvements in public school facilities to address health,  
22 safety and compliance deficiencies, general renovation needs  
23 and learning space upgrades; to build a new correctional  
24 facility in Machias and to make improvements to the Maine  
25 Correctional Center in South Windham; and to provide grants  
26 to public educational institutions to install sprinkler  
27 systems in dormitories?"  
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29           The legal voters of each city, town and plantation shall  
30 vote by ballot on this question and designate their choice by a  
31 cross or check mark placed within a corresponding square below  
32 the word "Yes" or "No." The ballots must be received, sorted,  
33 counted and declared in open ward, town and plantation meetings  
34 and returns made to the Secretary of State in the same manner as  
35 votes for members of the Legislature. The Governor shall review  
36 the returns and, if a majority of the legal votes are cast in  
37 favor of this Part, the Governor shall proclaim the result  
38 without delay, and this Part becomes effective 30 days after the  
39 date of the proclamation.  
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41           The Secretary of State shall prepare and furnish to each  
42 city, town and plantation all ballots, returns and copies of this  
43 Part necessary to carry out the purpose of this referendum.'

44           Further amend the bill by inserting at the end before the  
45 summary the following:  
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**FISCAL NOTE**

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The estimated cost of sending this General Fund bond issue out to referendum will vary according to the total number of referenda enacted during the Second Regular Session of the 120th Legislature to be submitted to the voters in November. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$121,392. Each additional referendum above the 6-question threshold costs an additional \$8,000. The length of the question for this issue may reduce the number of questions before the threshold is reached.

If approved by the voters, the total cost of this bond issue is estimated to be \$58,839,300 with principal payments of \$47,000,000 and interest payments of approximately \$11,839,300.

The additional costs associated with administering the funds associated with the bond proceeds can be absorbed by the Department of Education, the Department of Corrections and the Finance Authority of Maine utilizing existing budgeted resources.'

**SUMMARY**

Part A of the amendment requires public educational institutions to install automatic sprinkler systems in their dormitories, but only if the bond issue in Part B is approved by the voters.

Part B provides for a bond issue in the amount of \$47,000,000, to be used for the following purposes:

1. The sum of \$15,000,000 to capitalize the **School** Revolving Renovation Fund for repairs and improvements in public school facilities to address health, safety and compliance deficiencies; general renovation needs; and learning space upgrades;
2. The sum of \$13,900,000 to construct a new correctional facility in Machias to replace the existing Downeast Correctional Facility in Bucks Harbor in order to meet the need for minimum custody prison beds, achieve operational efficiencies and compliance with state and national environmental and building standards and to support enhanced transition programs for prisoners reentering the community;
3. The sum of \$11,100,000 to construct an infirmary and extended care unit for special needs prisoners, to modernize existing buildings and to enhance security at the Maine Correctional Center in South Windham in order to meet current and future medical needs of the prisoner population; support



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COMMITTEE AMENDMENT "A" to H.P. 1628, L.D. 2128

2 treatment program for health care, substance abuse and sex  
offenders; and improve intake reception; and

4 4. The sum of \$7,000,000 to provide grants to be  
administered by the Finance Authority of Maine to public  
6 educational institutions for the purchase and installation of  
automatic sprinkler systems in dormitories.

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This amendment also adds a fiscal note to the bill.