

MAINE STATE LEGISLATURE

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REPORT B

APPROPRIATIONS AND FINANCIAL AFFAIRS

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

COMMITTEE AMENDMENT "B" 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 \$28,000,000 to Capitalize the School Revolving Renovation Fund, to Provide Grants to Public Educational Institutions to Install Sprinkler Systems in Dormitories; to Renovate the Harlow Office Building; and to Provide Grants to Public Educational Institutions to Conform to the federal Americans with Disabilities Act of 1990'

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 provide grants to public educational institutions to install sprinkler systems in dormitories, to

renovate the Harlow Office Building and to provide grants to public educational institutions to conform to the federal Americans with Disabilities Act of 1990.

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.

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

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

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

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

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

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

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28 **PART B**

29 **Sec. B-1. Authorization of bonds to make capital repairs and**
30 **improvements in public facilities.** The Treasurer of State is
31 authorized, under the direction of the Governor, to issue bonds
32 in the name and on behalf of the State in an amount not exceeding
33 \$28,000,000 to raise funds to capitalize the School Revolving
34 Renovation Fund for repairs and improvements to school facilities
35 to address serious health, safety and compliance deficiencies,
36 including those related to indoor air quality, roof system
37 integrity, asbestos and accessibility; support other repairs and
38 improvements related to structural integrity, heating systems,
39 doors and windows; and provide for other learning space upgrades
40 such as improvements to science labs, vocational space and
41 increased classroom flexibility; to provide grants to public
42 educational institutions to install sprinkler systems in
43 dormitories as authorized by section 6 of this Part; to renovate
44 the Harlow Office Building; and to provide grants to public
45 educational institutions to conform to the federal Americans with
46 Disabilities Act of 1990. The bonds are a pledge of the full
47 faith and credit of the State. The bonds may not run for a
48 period longer than 10 years from the date of the original issue
49 of the bonds. At the discretion of the Treasurer of State, with
50

2 the approval of the Governor, any issuance of bonds may contain a
call feature.

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

6 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
8 sold, the amount received for the bond, the date of sale and the
date when payable.

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

12 The Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no bond may be loaned, pledged or
14 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
16 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
18 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.

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

22 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.

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

26 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
28 designated by the Commissioner of Education in accordance with
the provisions of the Maine Revised Statutes, Title 30-A, section
30 6006-F, governing the School Revolving Renovation Fund, of the
Commissioner of Administrative and Financial Services and of the
32 Finance Authority of Maine.

34 **Sec. B-6. Allocations from General Fund bond issue; capital**

36 **construction, repairs and improvements in public schools and correctional**
38 **facilities; grants for installation of sprinklers in dormitories of public**
educational institutions; renovation of the Harlow Office Building; and
40 **grants to public educational institutions to conform to the Americans with**
Disabilities Act of 1990. The proceeds of the sale of the bonds must
be expended as designated in the following schedule.

42 **EDUCATION, DEPARTMENT OF**

44	Provides funds for renovation of	\$13,000,000
46	and capital repairs and improvements	
48	to public school facilities to address	
	health, safety and compliance	
	deficiencies; general renovation	

needs; and learning space upgrades.

FINANCE AUTHORITY OF MAINE

Provides funding for public educational institutions for the purchase and installation of automatic sprinkler systems in dormitories. 5,000,000

FINANCE AUTHORITY OF MAINE

Provides funding for public educational institutions for renovations to buildings to conform to the federal Americans with Disabilities Act of 1990. 2,000,000

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

To renovate the Augusta East Campus Harlow Building, including all electrical, water and mechanical systems, roof replacement and asbestos and mold abatement, and other necessary improvements and equipment related to the occupation of the building by employees. 8,000,000

TOTAL ALLOCATIONS \$28,000,000

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

Sec. B-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing 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.

Sec. B-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued; except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or

bond anticipation notes for an additional amount of time not to exceed 5 years.

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

"Do you favor a \$28,000,000 bond issue to capitalize the State's 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; to provide grants to public educational institutions to install sprinkler systems in dormitories; to renovate the Harlow Office Building; and provide grants to public educational institutions to conform to the federal American with Disabilities Act of 1990?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purpose of this referendum.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

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

2 are enacted is \$121,392. Each additional referendum above the
3 6-question threshold costs an additional \$8,000. The length of
4 the question for this issue may reduce the number of questions
before the threshold is reached.

6 If approved by the voters, the total cost of this bond issue
7 is estimated to be \$35,053,200 with principal payments of
8 \$28,000,000 and interest payments of approximately \$7,053,200.

10 The additional costs associated with administering the funds
11 associated with the bond proceeds can be absorbed by the
12 Department of Education, the Department of Administrative and
13 Financial Services and the Finance Authority of Maine utilizing
14 existing budgeted resources.'

16
17 **SUMMARY**

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

24 Part B provides for a bond issue in the amount of
25 \$28,000,000, to be used for the following purposes:

26 1. The sum of \$13,000,000 to capitalize the School
27 Revolving Renovation Fund for repairs and improvements in public
28 school facilities to address health, safety and compliance
29 deficiencies; general renovation needs; and learning space
30 upgrades;

32 2. The sum of \$5,000,000 to provide grants to be
33 administered by the Finance Authority of Maine to public
34 educational institutions for the purchase and installation of
35 automatic sprinkler systems in dormitories;

38 3. The sum of \$2,000,000 to provide grants to be
39 administered by the Finance Authority of Maine to public
40 educational institutions to provide for renovations to conform to
41 the federal American with Disabilities Act of 1990; and

42 4. The sum of \$8,000,000 to renovate the Augusta East
43 Campus Harlow Building, including all electrical, water and
44 mechanical systems, roof replacement and asbestos and mold
45 abatement.

48 5. This amendment adds a fiscal note to the bill.