

# MAINE STATE LEGISLATURE

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Date: 06-20-07

(Filing No. S- 368)

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STATE OF MAINE  
SENATE  
123RD LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 90,  
L.D. 253, Bill, "An Act To Implement the Recommendations of the Joint Select  
Committee on Research, Economic Development and the Innovation Economy"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 5 MRSA §1664, sub-§3-A is enacted to read:

3-A. Funding for research and development. Beginning in fiscal year 2008-09, the Governor, when submitting the budget document to the Legislature pursuant to section 1666, shall submit a funding level recommendation for research and development. The recommendation must be transmitted to the Legislature within the time schedules set forth in section 1666. It is the intent of the Legislature that beginning in fiscal year 2009-10 the biennial budget submitted by the Governor must set forth appropriations for research and development that are the equivalent of not less than 1% of total actual General Fund revenue of the previous fiscal year. For each successive year for the next 10 fiscal years, the funding level must increase by at least 2/10 of 1% until funding for research and development is the equivalent to not less than 3% of total actual General Fund revenue of the previous fiscal year. If the Governor's budget sets forth recommendations for research and development that differ from the levels described in this subsection, the Governor shall explain the funding difference in the biennial budget document.'

Amend the amendment by striking out all of section 10 and inserting the following:

'Sec. 10. Appropriations and allocations. The following appropriations and allocations are made.

**DEVELOPMENT FOUNDATION, MAINE**  
**Development Foundation 0198**

Initiative: Provides ongoing funds to the Maine Development Foundation for the additional staff and materials cost associated with the Maine Economic Growth Council's

**SENATE AMENDMENT**

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 90, L.D. 253

1 developing specific annual budget recommendations for research and development and  
2 preparing an annual accountability update.

3	<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
4	All Other	\$5,000	\$5,000
5			
6	<b>GENERAL FUND TOTAL</b>	<u>\$5,000</u>	<u>\$5,000</u>

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**SUMMARY**

9       This amendment removes the percentage requirements for research and development  
10 appropriations in the Governor's budget submissions and instead provides legislative  
11 intent that those requirements be included beginning in fiscal year 2009-10.

12       The amendment also reduces the General Fund appropriation in each fiscal year.

13 **SPONSORED BY:** 

14       (Senator ROTUNDO)

15       **COUNTY: Androscoggin**

**FISCAL NOTE REQUIRED**  
(See attached)



# 123rd MAINE LEGISLATURE

LD 253

LR 732(05)

## An Act To Implement the Recommendations of the Joint Select Committee on Research, Economic Development and the Innovation Economy

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Rotundo of Androscoggin

Fiscal Note Required: Yes

### Fiscal Note

Undetermined future biennium cost increase - General Fund

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
<b>Net Cost (Savings)</b>				
General Fund	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)
<b>Appropriations/Allocations</b>				
General Fund	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)

#### Fiscal Detail and Notes

This amendment reduces the General Fund cost of the bill by \$2,500 per year beginning in fiscal year 2007-08.

As amended, this bill includes ongoing General Fund appropriations of \$5,000 per year beginning in fiscal year 2007-08. This amendment provides that, beginning July 1, 2009, it is the intent of the Legislature that the Governor, when submitting the budget document for the 2010-2011 biennium, include a funding level for applied research and development that is the equivalent of not less than 1% of total actual General Fund revenue of the previous fiscal year and to increase that amount by not less than .02% for each successive year until the appropriation for research and development equal 3% of total actual General Fund revenue of the previous fiscal year.

Based on the Revenue Forecasting Committee's March 2007 General Fund revenue projection for fiscal year 2008-09, 1% of total actual General Fund revenue is approximately \$31.4 million dollars and 1.2% of the total General Fund revenue projected for fiscal year 2009-10 is approximately \$32.5 million. Total General Fund appropriations for research and development for fiscal year 2008-09 included in Public Law 2007, c. 240, the 2008-2009 biennial budget is \$27.1 million. Assuming that the General Fund appropriations for research and development included in Public Law 2007, c. 240 are for applied research and development and that there are no significant changes to the General Fund revenue projections for fiscal year 2008-09 and fiscal year 2009-10, an additional \$3.7 million General Fund appropriation will be required for research and development for fiscal year 2009-10 and an additional \$5.4 million will be required for fiscal year 2010-2011.

As amended, the additional costs associated with determining minimum expenditure levels for research and development for the Governor's budget proposal to the Legislature can be absorbed by the Executive Department utilizing existing budgeted resources.

As amended, additional costs to the Department of Economic and Community Development associated with staffing the Maine Innovation Economy Advisory Board and submitting the required progress report can be absorbed within existing budgeted resources.