

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1496

H.P. 1095

House of Representatives, April 4, 2019

An Act To Protect the Maine Budget Stabilization Fund

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative GATTINE of Westbrook.
Cosponsored by Senator BREEN of Cumberland and
Representatives: DUNPHY of Old Town, HUBBELL of Bar Harbor, JORGENSEN of
Portland, PIERCE of Falmouth.

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

2 **Sec. 1. PL 2017, c. 284, Pt. EEEEEEE, §§1 and 2** are amended to read:

3 **Sec. EEEEEEE-1. Reserve for Riverview Psychiatric Center established.**
4 Notwithstanding any other provision of law to the contrary, the State Controller shall
5 transfer up to ~~\$65,000,000~~ \$54,475,183 from the ~~Maine Budget Stabilization Fund~~ within
6 the ~~Department of Administrative and Financial Services~~ Tax Relief Fund for Maine
7 Residents to a General Fund reserve account established by the State Controller for the
8 purpose of providing General Fund resources for the amounts in federal financial
9 participation for Medicaid services and disproportionate share hospital payments related
10 to the Riverview Psychiatric Center. Transfers from the reserve account may be made to
11 the Department of Health and Human Services pending a notice and reconsideration of
12 disallowance from the federal Centers for Medicare and Medicaid Services, dated June 7,
13 2017. If there are insufficient funds in the Tax Relief Fund for Maine Residents to
14 provide the amounts needed, the State Controller shall transfer the amount of the shortage
15 from the Maine Budget Stabilization Fund. Any amount transferred from the Maine
16 Budget Stabilization Fund to make up for the shortage in the Tax Relief Fund for Maine
17 Residents pursuant to this section must be repaid from the Tax Relief Fund for Maine
18 Residents as soon as funds in that fund are available.

19 **Sec. EEEEEEE-2. Excess funds.** Any remaining balance in the reserve account,
20 established under section 1, upon closure of the pending disallowance must be transferred
21 by the State Controller to the ~~Maine Budget Stabilization Fund~~ Tax Relief Fund for
22 Maine Residents.

23 **Sec. 2. Transfer.** Notwithstanding any provision of law to the contrary, the State
24 Controller shall transfer \$10,524,817 from the Tax Relief Fund for Maine Residents to
25 the Maine Budget Stabilization Fund within the Department of Administrative and
26 Financial Services no later than 30 days following the effective date of this section.

27 **SUMMARY**

28 Under Public Law 2017, chapter 284, Part EEEEEEE, the State Controller is required
29 to transfer up to \$65,000,000 from the Maine Budget Stabilization Fund, also known as
30 the Rainy Day Fund, to provide General Fund resources to cover any federal
31 disallowance in federal financial participation for Medicaid services and disproportionate
32 share hospital payments related to the Riverview Psychiatric Center. A payment of
33 \$10,524,817 was made in early 2019.

34 This bill requires instead that the transfer be made from the Tax Relief Fund for
35 Maine Residents and requires the State Controller to reimburse the Rainy Day Fund for
36 the amount transferred for the federal disallowance related to Riverview Psychiatric
37 Center earlier this year. In the event that sufficient funds do not exist in the Tax Relief
38 Fund for Maine Residents to cover future payments, the funds must come from the Rainy
39 Day Fund, and the Tax Relief Fund for Maine Residents must be used to reimburse the
40 Rainy Day Fund as soon as funds become available.