

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Appropriations And Financial Affairs*

*July 2003*

**Members:**

*Sen. Mary R. Cathcart, Chair  
Sen. Margaret R. Rotundo  
Sen. Karl W. Turner*

*Rep. Joseph C. Brannigan, Chair  
Rep. Richard H. Mailhot  
Rep. Scott W. Cowger  
Rep. Benjamin F. Dudley  
Rep. Sean Faircloth  
Rep. Hannah Pingree  
Rep. Richard W. Rosen  
Rep. S. Peter Mills  
Rep. H. Sawin Millett, Jr.  
Rep. Julie Ann O'Brien*

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## *Maine State Legislature*

### *Office Of Policy And Legal Analysis Office Of Fiscal And Program Review*

#### *121st Maine Legislature First Regular Session*

#### *Summary Of Legislation Before The Joint Standing Committees*

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER PURSUANT TO HP 1212</i>	<i>Bills carried over to the 2<sup>nd</sup> Regular Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP-ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>P&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

*David C. Elliott, Director*  
Offices located in Room 215 of the Cross Office Building

# JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

General Fund revenue is below projections the fund would transfer the amount of the revenue shortfall up to 4 percent of fund assets.

The implementing legislation to be enacted by the Legislature would establish an independent board of trustees to oversee the management of fund assets, and the board would be directed to invest the assets for long-term appreciation, consistent with the principles of endowment funds that are designed to provide supporting distributions to a beneficiary in perpetuity.

**LD 1319**

**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, 2004 and June 30, 2005**

**PUBLIC 20  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRANNIGAN CATHCART	OTP-AM	H-27 H-46

LD 1319 proposed to:

Part A proposed to make appropriations and allocations of funds.

Part B proposed to make appropriations and allocations of funds representing reduction proposals or adjustments.

Part C proposed to:

1. Specify the general purpose aid for local schools actual education certification and appropriation levels for fiscal year 2003-04 as required by the Maine Revised Statutes, Title 20-A, section 15605.
2. Authorize the State Controller to transfer \$200,000 in fiscal year 2003-04 and \$300,000 in fiscal year 2004-05 from the General Purpose Aid to Local Schools account in the Department of Education to General Fund unappropriated surplus no later than June 30, 2004 and June 30, 2005. These savings would be achieved through the standardization of specifications related to all phases of school construction and renovation. The standardization would be applied to projects that are currently under construction, projects that are in planning and projects that are entering the design phase.
3. Postpone to July 1, 2005 an increase in the State's contribution for health insurance for retired teachers from 35% to 40%.

Part D proposed to:

1. Provide for the calculation and transfer of statewide savings in the General Fund in the cost of health insurance for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

2. Provide for the calculation and transfer of statewide savings in the Other Special Revenue funds in the cost of health insurance for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
3. Provide for the calculation and transfer of statewide savings in the Highway Fund in the cost of health insurance for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
4. Provide for the calculation and transfer of statewide savings in the General Fund from increased attrition for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
5. Provide for the calculation and transfer of statewide savings in the Other Special Revenue funds from increased attrition for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
6. Provide for the calculation and transfer of statewide savings in the Highway Fund from increased attrition for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
7. Provide for the calculation and transfer of statewide savings in the General Fund from extending the amortization schedule of the unfunded liability for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
8. Provide for the calculation and transfer of statewide savings in the Other Special Revenue funds from extending the amortization schedule of the unfunded liability for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
9. Provide for the calculation and transfer of statewide savings in the Highway Fund from extending the amortization schedule of the unfunded liability for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
10. Provide for the calculation and transfer of statewide savings in the General Fund from postponing merit increases for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
11. Provide for the calculation and transfer of statewide savings in the Other Special Revenue funds from postponing merit increases for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
12. Provide for the calculation and transfer of statewide savings in the Highway Fund from postponing merit increases for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
13. Authorize the Governor to transfer by financial order positions authorized by the Legislature between accounts and between departments and to transfer the available balances of any General Fund appropriation between line categories, accounts and departments in fiscal year 2003-04 and fiscal year 2004-05. When the Governor determines that the transfer of a position is necessary, any incumbent in the transferred position at the time of transfer must be transferred along with the position.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

14. Transfer \$600,000 from the Bureau of Alcoholic Beverages and Lottery Operations, Internal Service fund in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund no later than June 30, 2004. It would return the working capital advance no longer required due to the proposed closure of the remaining 13 State liquor stores.
15. Provide for the calculation and transfer of statewide savings in the General Fund from retiree health insurance savings for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
16. Establish the Department of Administrative and Financial Services as the fiscal agent for the Governor's Office, Blaine House, State Planning Office, the Department of Economic and Community Development and the Department of Education.
17. Require the Commissioner of Administrative and Financial Services to review the current organizational structure of the ACE Service Center and the remaining financial and personnel structures located in the Department of Conservation, the Department of Environmental Protection and the Department of Agriculture, Food and Rural Resources to improve organizational efficiency and cost-effectiveness. It would require the Department of Administrative and Financial Services to staff resources to the Commissioner of Administrative and Financial Services from existing personnel within the department to assist with the review. The commissioner would be authorized to identify savings to the General Fund from the improvements identified from the review. Any savings identified would be deallocated by financial order upon recommendation by the State Budget Officer and approval by the Governor.

It would also require the Commissioner of Administrative and Financial Services to present the savings and related legislation required to efficiently organize the financial, personnel and other support activities of these agencies, as well as legislation to move the ACE Service Center under the supervision of one department to the Legislature as a part of any emergency budget request submitted to the Legislature after January 1, 2004.

18. Provide for the calculation and transfer of statewide savings in the General Fund from reductions in All Other for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
19. Provide for the calculation and transfer of statewide savings in the General Fund from the cost of health insurance related to hospital rate adjustments for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
20. Provide for the calculation and transfer of statewide savings in the Other Special Revenue funds from the cost of health insurance related to hospital rate adjustments for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
21. Provide for the calculation and transfer of statewide savings in the Highway Fund from the cost of health insurance related to hospital rate adjustments for fiscal year 2003-04 and fiscal year 2004-05 that are identified in Part B, section 1.
22. Clarify that merit increases would not be authorized, awarded or implemented between July 1, 2003 and June 30, 2005.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

23. Authorize the Department of Administrative and Financial Services in cooperation with the Treasurer of State to enter into financing arrangements related to fiscal year 2003-04 and fiscal year 2004-05 for the acquisition of motor vehicles for the Central Motor Pool.
24. Transfer \$100,000 in fiscal year 2003-04 and \$100,000 in fiscal year 2004-05 from the Real Property Lease Internal Service Fund Account to the unappropriated surplus of the General Fund no later than June 30th of each fiscal year to reflect savings as a result of the renegotiation of leases.

Part E proposed to authorize the Commissioner of Agriculture, Food and Rural Resources to receive reimbursement for meat and poultry products inspection and licensing.

Part F proposed to amend the law regarding the membership of the Atlantic Salmon Commission.

Part G proposed to authorize the Department of Behavioral and Developmental Services to seek reimbursement of expenditures under Medicaid Title XIX for targeted case management. The projected additional revenue of \$1,300,000 in fiscal year 2003-04 and \$1,100,000 in fiscal year 2004-05 would be deposited in the General Fund as undedicated revenue.

Part H proposed to authorize the Commissioner of Conservation to increase parks and land fees by financial order upon recommendation of the State Budget Officer and approval of the Governor.

Part I proposed to:

1. Authorize the Department of Corrections, Maine Correctional Center to increase the rate it charges the Federal Government for the housing of federal inmates. The additional revenue would be deposited to the General Fund as undedicated revenue in fiscal year 2003-04 and fiscal year 2004-05.
2. Authorize the Department of Corrections to transfer, by financial order, Personal Services, All Other or Capital Expenditures funding between accounts with the same fund for the purposes of paying overtime expenses in accordance with the Maine Revised Statutes, Title 5, section 7065.

Part J proposed to amend the law removing the requirement that the Commission on Governmental Ethics and Election Practice institute electronic submission of reports and computerized tracking of campaign, election and lobbying information.

Part K proposed the merger of the Department of Human Services and the Department of Behavioral and Developmental Services and would require the plan and implementing legislation be submitted to the Legislature.

Part L proposed to:

1. Delay the effective date of the Fiscal Stability Program established in the Maine Revised Statutes, Title 12, section 7017, subsection 9 for the Department of Inland Fisheries and Wildlife from fiscal year 2003-04 to fiscal year 2005-06.
2. Increase license fees by the Department of Inland Fisheries and Wildlife, effective January 1, 2004, and require future increases based on the Consumer Price Index.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part M proposed to acknowledge the intent of the Judicial Department to increase the waiver amounts for fines under the Maine Revised Statutes, Title 29-A, sections 1601, 1770 and 2074.

Part N proposed to:

1. Delay the effective date for implementing the Office of Program Evaluation to fiscal year 2005-06.
2. Authorize the Executive Director of the Legislative Council to transfer amounts to achieve the branchwide savings identified in Part B, section 1 by financial order upon recommendation by the State Budget Officer and approval of the Governor. These transfers would be considered adjustments to appropriations in fiscal year 2003-04 and fiscal year 2004-05.

Part O proposed to repeal the provisions requiring payment by the Maine State Library of state aid for municipalities maintaining free public libraries and amend references in the Maine Revised Statutes regarding free and public libraries.

Part P proposed to amend the law authorizing the Maine State Museum to establish fees for miscellaneous services.

Part Q proposed to rename the Department of Economic and Community Development as the Department of Tourism, Economic and Community Development.

Part R proposed to:

1. Eliminate the Director of Liquor Enforcement, Deputy Commissioner of Public Safety and Director of the Bureau of Highway Safety as major policy-influencing positions from the Department of Public Safety.
2. Amend the current provision to clarify that 1/2 of the fines and forfeitures collected should be deposited in a nonlapsing Other Special Revenue Funds account of the Maine Criminal Justice Academy for the purpose of providing funds for training and recertification of part-time and full-time law enforcement officers.
3. Amend the current provisions regarding the surcharge imposed by the court on fines, forfeitures and penalties. It also changes the allocation paid to the Maine Criminal Justice Academy from 1/6 to 2/7.
4. Repeal the existing provisions regarding the Maine Community Policing Institute Surcharge Fund.
5. Repeal the existing provisions that established the Bureau of Highway Safety.
6. Change the distribution of fees collected by the Department of Public Safety, State Bureau of Identification. The revenues generated from fees would be credited entirely to the General Fund.



## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part S proposed to:

1. Transfer \$149,703 of savings from the Bureau of Corporations, Elections and Commissions, Administrative Services and Corporations, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund no later than June 30, 2004.
2. Transfer \$20,000 of savings from the Archives, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund no later than June 30, 2004.

Part T proposed to amend the law as it relates to the length of time the State Treasurer is required to hold unclaimed property, formerly known as "abandoned" property. It also proposed to update the law to correct references to "abandoned" property and correct cross-references.

Part U proposed to direct all state agencies to implement measures to reduce energy consumption within their agencies.

Part V proposed to:

1. Change the distribution of the State's share of real estate tax proceeds that are currently paid to the Maine State Housing Authority.
2. Authorize the Director of the Bureau of General Services within the Department of Administrative and Financial Services to sell or transfer ownership of surplus state-owned land to assist the Maine State Housing Authority in the development of affordable housing.
3. Express the intent of the Legislature for the Maine State Housing Authority to achieve savings from existing resources to maintain assistance to the homeless.

Part W proposed to:

1. Delay the .1% increase in Municipal Revenue Sharing to July 1, 2005.
2. Authorize the State Treasurer to withhold local government fund amounts from distribution to be used for incentives for municipalities to achieve administrative savings.

Part X proposed to delay the increase in Seed Capital Tax Credit.

Part Y proposed to delay the implementation of the Fire Insurance Premium Tax special assessment.

Part Z proposed to delay the tax exemption for equipment used for the broadcast of radio and television broadcast signals.

Part AA proposed to provide for increases in state tax revenues through the 2003 Maine Tax Amnesty Program and through increased tax enforcement efforts by Maine Revenue Services.

Part BB proposed to adjust the exemption amount for the Homestead Property Tax Exemption Program and it also proposed to adjust the local assessed value of the exemption.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part CC proposed to amend the current provisions concerning taxes paid by insurance by adding annuity considerations for tax purposes.

Part DD proposed to postpone by one year the educational attainment investment credit and the recruitment credit available under the insurance premiums tax and individual and corporate income taxes.

Part EE proposed to extend the period for recapturing the bonus depreciation add-back under the income tax laws.

Part FF proposed to provide for a temporary reduction in the dependent care tax credit rate to 21.5%.

Part GG proposed to provide for a temporary reduction in the earned income tax credit rate to 4.92%.

Part HH proposed to delay the increase in standard deduction for joint income tax filers.

Part II proposed to delay the allowance for the above-the-line deduction for education expenses under the income tax laws.

Part JJ proposed to delay recognition of federal estate tax changes.

Part KK proposed to:

1. Authorize the Commissioner of Transportation to transfer amounts to achieve the departmentwide savings identified in Part B, section 1 by financial order upon recommendation by the State Budget Officer and approval of the Governor. These transfers would be considered adjustments to allocations in fiscal year 2003-04 and fiscal year 2004-05.
2. Transfer \$8,000,000 from the unallocated surplus of the Highway Fund to the unappropriated surplus of the General Fund as reimbursement for funds provided for highway improvement projects.

Part LL proposed to:

1. Authorize the Commissioner of Administrative and Financial Services to offer special voluntary employee incentive programs.
2. Authorize the State to continue the payment of health and dental insurance benefits for participants in the voluntary incentive program.
3. Authorize the continuation of group life insurance based upon the scheduled hours of the employees prior to the participation in the voluntary employee incentive programs.
4. Specify that General Fund savings as a result of the voluntary employee incentive program will not be used to fund other state programs but must be used to offset the deappropriation in Part B, section 1.

Part MM proposed to transfer \$150,000 in Maine Learning Technology Endowment Account investment earnings as miscellaneous income to the General Fund.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

Part NN proposed to authorize the Legislature to adjust the Retirement Unfunded Liability amortization schedule.

Part OO proposed to establish the Higher Education Cost Savings Incentive Program and the K-12 Education Cost Savings Incentive Program.

Part PP proposed to authorize the Maine Governmental Facilities Authority to issue additional securities totaling \$7,485,000 for capital repairs and improvements at various state facilities.

Part QQ proposed to authorize the Commissioner of Administrative and Financial Services to issue one or more additional instant lottery ticket games.

Part RR proposed to:

1. Repeal provisions of the law relating to the Maine Science and Technology Foundation and transfers the functions to the Department of Economic and Community Development.
2. Transfer the functions of the Energy Conservation Division of the Department of Economic and Community Development to the Public Utilities Commission.

Part SS proposed to amend current law to facilitate the closure of the remaining 13 state liquor stores.

Part TT proposed to amend the current provisions and outlines the requirements for the sale or lease of the wholesale liquor business.

Part UU proposed to present a comprehensive list of tax expenditures for the consideration of the Legislature.

Part VV proposed to require parity coverage for mental illnesses for all health benefit plans covering groups of 21 or more. It proposed to expand the coverage of mental illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders, as periodically revised, and allows that coverage to be delivered as a carve out under a managed care system. It would require coverage for residential treatment services and home support services. The provisions would apply to all policies and contracts issued or renewed on or after the effective date of this bill. It would make no change to the mandated offer of parity requirement for individual plans and group plans covering fewer than 20 persons under current law.

**Committee Amendment “A”(H-27)** proposed the following:

Part A proposed to make appropriations and allocations of funds reflecting current services.

Part B proposed to adjust appropriations and allocations of funds representing reduction proposals or adjustments to current services.

Part C proposed the following.

1. To postpone to after June 30, 2005 an increase in the State's contribution for health insurance for retired teachers from 35% to 40%.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

2. To establish Tier 1 and Tier 2 cushions for school administrative units with mills raised for education of 9.97 mills or higher.
3. To establish the statewide local share, basic elementary and secondary school operating rates, per-pupil guarantees and the statewide factor for general purpose aid for local schools. It proposed to establish the foundation allocation, subsidy index reduction percentage and appropriation. It proposed to establish the debt service allocation, indexes, reduction percentage and appropriation and miscellaneous adjustments and cost allocations and appropriations.
4. To transfer \$200,000 in fiscal year 2003-04 and \$300,000 in fiscal year 2004-05 from the General Purpose Aid to Local Schools account to General Fund unappropriated surplus from savings to be achieved through the standardization of specifications for school construction and renovation, including projects that are currently under construction, in planning or entering the design phase.

### **Part D proposed to:**

1. Establish the Department of Administrative and Financial Services as the fiscal agent for the Department of Education.
2. Require calculation and transfer of statewide savings in the General Fund, Highway Fund, Fund for a Healthy Maine and Other Special Revenue funds in the cost of health insurance for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
3. Require calculation and transfer of statewide savings in the General Fund, Highway Fund, Fund for a Healthy Maine and Other Special Revenue funds from increased attrition for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
4. Require the calculation and transfer of statewide savings in the General Fund, Highway Fund, Fund for a Healthy Maine and Other Special Revenue funds from extending the amortization schedule of the unfunded liability of the Maine State Retirement System for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
5. Require calculation and transfer of statewide savings in the General Fund, Highway Fund, Fund for a Healthy Maine and Other Special Revenue funds from postponing merit increases for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
6. Authorize transfers of positions by financial order between accounts and between departments and authorizes transfers of available balances of any General Fund appropriation between line categories, accounts and departments in fiscal year 2003-04 and fiscal year 2004-05. Any incumbent in the transferred position at the time of transfer would be transferred along with the position.
7. Transfer \$600,000 from the Bureau of Alcoholic Beverages, Internal Service Fund in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund no later than June 30, 2004 due to the proposed closure of the remaining 13 liquor stores.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

8. Require the calculation and transfer of statewide savings in the General Fund from retiree health insurance savings for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
9. Require the Commissioner of the Department of Administrative and Financial Services to review the current organizational structure of the ACE Service Center and the remaining financial and personnel structures located in the Departments of Conservation, Environmental Protection and Agriculture to improve organizational efficiency and cost effectiveness. The commissioner would be required to present a plan and legislation to achieve efficiencies and move ACE under the supervision of one department to the Legislature as a part of any emergency budget request submitted to the Legislature after January 1, 2004.
10. Require calculation and transfer of statewide savings in the General Fund from reductions in All Other for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
11. Require calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Funds from the cost of health insurance related to hospital rate adjustments for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.
12. Prohibit merit increases between July 1, 2003 and June 30, 2005.
13. Authorize financing arrangements for the acquisition of motor vehicles for the Central Motor Pool.
14. Transfer \$100,000 in fiscal year 2003-04 and \$100,000 in fiscal year 2004-05 from the Real Property Lease Fund to the unappropriated surplus of the General Fund no later than June 30 of each fiscal year to reflect savings as a result of the renegotiation of leases.
15. Require the transfer of \$6,112,290 from the fiscal year 2002-03 unallocated balance of the Fund for a Healthy Maine Other Special Revenue Funds account to the unappropriated surplus of the General Fund by June 30, 2004.
16. Require the transfer of \$225,000 from the Maine Clean Election Fund to the unappropriated surplus of the General Fund by June 30, 2004.

### **Part E proposed to:**

1. Amend the meat and poultry inspection program to increase the hourly fees charged for inspection of bison, domesticated deer and ratite.
2. Authorize the Commissioner of Agriculture, Food and Rural Resources to receive reimbursement for livestock and poultry services performed under the Maine Revised Statutes, Title 22, chapter 562-A.

### **Part F proposed to:**

1. Prohibit cost-of-living adjustments in legislative salaries for the Second Regular Session of the 121st Legislature and the First Regular Session of the 122nd Legislature.
2. Change meeting authorization and staffing for the Legislative Youth Advisory Commission.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

3. Eliminate step increases and longevity payments for legislative employees between July 1, 2003 and June 30, 2005.

Part G proposed to:

1. Eliminate the Aroostook Residential Center effective June 30, 2004.
2. Authorize the Department of Behavioral and Developmental Services to seek reimbursement of expenditures under Medicaid Title XIX for targeted case management, with the revenue to be deposited in the General Fund as undedicated revenue.

Part H proposed to authorize the Commissioner of Conservation to increase parks and land fees by financial order upon recommendation of the State Budget Officer and approval of the Governor.

Part I proposed to:

1. Authorize the Department of Corrections, Maine Correctional Center to increase the rate it charges the Federal Government for the housing of federal inmates. The additional revenue would need to be deposited to the General Fund as undedicated revenue in fiscal years 2003-04 and 2004-05.
2. Authorize the Department of Corrections to transfer, by financial order, Personal Services, All Other or Capital Expenditures funding between accounts with the same fund for the purpose of paying overtime expenses in accordance with Title 5, section 7065.

Part J proposed to amend the law removing the requirement that the Governmental Ethics Commission institute electronic submission of reports and computerized tracking of campaign, election and lobbying information.

Part K proposed to:

1. Authorize the Department of Human Services to collect medical care premiums from noncustodial parents of MaineCare children.
2. Update Medicaid and related 3rd-party liability statutes, including substituting "MaineCare" for "Medicaid" and the "elderly low-cost drug program" and setting a 75% minimum recovery percentage for tort claim recoveries.
3. Include changes to improve MaineCare's ability to identify possible 3rd-party payors.
4. Increase license fees for hospitals and nursing homes.
5. Authorize the Department of Human Services to impose a copayment or premium if expressly approved by a federal waiver.
6. Modify MaineCare prescription drug copayments.
7. Authorize MaineCare copayments for federally qualified health center and rural health center services.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

8. Authorize the Department of Human Services to pursue a federal waiver to impose cost sharing on individuals eligible for MaineCare under the Katie Beckett option.
9. Modify premiums for MaineCare's CubCare program.
10. Modify federally qualified health center reimbursement requirements to reflect the imposition of copayments and limits on service approvals.
11. Authorize the Department of Human Services to require MaineCare members to purchase maintenance drugs by mail order.
12. Authorize the Department of Human Services to establish copayments for services under the medical eye care program.
13. Modify the Department of Human Services' Parents as Scholars Program.
14. Require the Department of Human Services to review MaineCare cost-sharing requirements with the Medicaid Advisory Committee and submit a report by February 15, 2005.
15. Require the Department of Human Services and the Department of Behavioral and Developmental Services to continue efforts to resolve the institutions for mental disease federal funding shortfall.
16. Suspend nursing home inflation adjustments and return on equity capital payments for fiscal year 2003-04 and fiscal year 2004-05.
17. Require the merger of the Department of Human Services and the Department of Behavioral and Developmental Services and the submission of a plan to implement the merger and the submission of implementing legislation to the Second Regular Session of the 121st Legislature.

Part L proposed to:

1. Permit the Commissioner of Inland Fisheries and Wildlife to adjust annually all license and other fees collected by the department to maintain parity with the Consumer Price Index.
2. Delay the effective date of the Fiscal Stability Program for the Department of Inland Fisheries and Wildlife from fiscal year 2004 to fiscal year 2006.
3. Require a temporary assessment on all Inland Fisheries and Wildlife license, registration and other fees collected by the department for calendar years 2004 and 2005.
4. Authorize the purchase of more than one 10-chance moose drawing application by nonresidents from July 1, 2003 to June 30, 2005.
5. Require the Commissioner of Inland Fisheries and Wildlife to submit a plan to restructure fees to the Joint Standing Committee on Inland Fisheries and Wildlife, which is authorized to report out legislation implementing the plan.

Part M proposed to express legislative intent that the Judicial Department increase the amounts for fines under the Maine Revised Statutes, Title 29-A, sections 1601, 1770 and 2074.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part N proposed to require a report by the Commissioner of Corrections regarding recidivism information.

Part O proposed to eliminate payment by the Maine State Library of state aid for municipalities maintaining free public libraries.

Part P proposed to authorize the Maine State Museum to establish fees for miscellaneous services.

Part Q proposed to rename the Department of Economic and Community Development as the Department of Tourism, Economic and Community Development.

Part R proposed to:

1. Eliminate the Maine Community Policing Institute Surcharge Fund and amends statutes related to the fund.
2. Increase the Government Operations Surcharge Fund surcharge on fines, forfeitures and penalties from 12% to 14% and changes the allocation paid to the Maine Criminal Justice Academy from 1/6 to 2/7.
3. Eliminate the Director of Liquor Enforcement position, an Assistant to the Commissioner of Public Safety position and the Director of the Bureau of Highway Safety position as major policy-influencing positions within the Department of Public Safety.
4. Direct that 1/2 of the fines from tobacco enforcement be directed to the Maine Criminal Justice Academy for training and certification rather than to law enforcement agencies.
5. Authorize the Department of Public Safety, State Bureau of Identification to charge individuals a fee for a criminal history record check and directs all fees to the General Fund.
6. Eliminate the Department of Public Safety, Bureau of Highway Safety.

Part S proposed to:

1. Transfer \$95,869 in fiscal year 2003-04 and \$53,834 in fiscal year 2004-05 of savings from the Bureau of Elections and Commissions, Administrative Services and Corporations, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund.
2. Transfer \$10,000 in each year of the biennium of savings from the Archives, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund.

Part T proposed to amend provisions of law related to the investment of state money, amends the law as it relates to the length of time the State Treasurer is required to hold abandoned property and updates the statutes to reflect recent changes in the laws related to abandoned or unclaimed property.

Part U proposed to direct all state agencies to implement measures to reduce energy consumption within their agencies.



## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part V proposed to:

1. Change the distribution of the State's share of real estate transfer tax proceeds by reducing the amount paid to the Maine State Housing Authority by \$7,500,000 in each fiscal year.
2. Direct the Maine State Housing Authority to generate savings to maintain services to homeless persons at \$2,400,000.

Part W proposed to:

1. Delay the .1% increase in municipal revenue sharing to July 1, 2005.
2. Authorize the Treasurer of State to withhold \$1,000,000 in Municipal Revenue Sharing in fiscal year 2004-05 from distribution to be used for incentives for municipalities to achieve administrative savings.

Part X proposed to delay until fiscal year 2005-06 expansions in the Maine Seed Capital Tax Credit program.

Part Y proposed to delay until fiscal year 2005-06 an insurance premium tax credit for the Fire Insurance Premium Tax special assessment.

Part Z proposed to suspend until July 1, 2005 the broadcasters sales tax exemption.

Part AA proposed to:

1. Require the withholding of income tax on distributions to nonresidents by flow-through entities.
2. Establish the 2003 Maine Tax Amnesty Program.

Part BB proposed to reduce the exemption amount for the homestead property tax exemption program for homesteads with a just value of \$125,000 or more.

Part CC proposed to amend the insurance premium tax to clarify the coverage of contracts that may result in future annuitization.

Part DD proposed to postpone by one year the educational attainment investment credit and the recruitment credit available under the insurance premiums tax and individual and corporate income taxes.

Part EE proposed to extend the period for recapturing the bonus depreciation add-back provision.

Part FF proposed to provide for a reduction in the child and dependent care income tax credit rate to 21.5% of the federal credit for tax years beginning in 2003, 2004 and 2005.

Part GG proposed to provide for a reduction in the earned income tax credit rate to 4.92% of the federal credit for tax years beginning in 2003, 2004 and 2005.

Part HH proposed to suspend the increase in the income tax standard deduction for joint filers for tax years beginning in 2005.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part II proposed to delay the allowance for several above-the-line deductions for education expenses and subsidies.

Part JJ proposed to delay recognition of federal estate tax changes for deaths occurring in 2003 and 2004.

Part KK proposed to transfer \$5,000,000 in fiscal year 2003-04 and \$3,000,000 in fiscal year 2004-05 from the unallocated surplus of the Highway Fund to the unappropriated surplus of the General Fund as reimbursement for funds provided for highway improvement projects.

Part LL proposed to authorize the Commissioner of Administrative and Financial Services to offer special voluntary employee incentive programs.

Part MM proposed to require the transfer of \$150,000 in Maine Learning Technology Endowment investment earnings to the unappropriated surplus of the General Fund.

Part NN proposed to extend the retirement unfunded liability amortization schedule to the constitutional limit until July 1, 2005, when it is restored to the current schedule.

Part OO proposed to:

1. Require the transition of the Maine Technical College System into the Maine Community College System.
2. Appropriate and allocate funds to facilitate the creation of the Maine Community College System and to provide public matching funds to secure scholarship assistance or limit in-state tuition increases.

Part PP proposed to amend the current provisions by authorizing the Maine Governmental Facilities Authority to issue additional securities totaling \$7,485,000 for capital repairs and improvements at various state facilities.

Part QQ proposed to authorize the Commissioner of Administrative and Financial Services to issue one or more additional instant ticket lottery games.

Part RR proposed to:

1. Repeal provisions of the law relating to the Maine Science and Technology Foundation and transfers the functions and related appropriations and allocations to the Department of Economic and Community Development.
2. Transfer the functions of the Energy Conservation Division of the Department of Economic and Community Development to the Public Utilities Commission.

Part SS proposed to require the closure of the remaining 13 state retail liquor stores and amends certain statutes in anticipation of the transfer of the State's wholesale liquor activities.

Part TT proposed to change the name of the "Maine Learning Technology Endowment" to the "Maine Learning Technology Fund."

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

Part UU proposed to present a comprehensive list of tax expenditures for the consideration of the Legislature.

Part VV proposed to require parity coverage for mental illnesses for all health benefit plans covering groups of 21 or more and to expand the coverage of mental illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association.

Part WW proposed to:

1. Increase various commercial fishing license fees.
2. Increase the amount of the mahogany quahog tax apportioned annually to the Toxin Monitoring Fund to \$56,000.

Part XX proposed to provide for statewide deappropriation of \$24,330,049 in fiscal year 2003-04 and \$23,933,097 in fiscal year 2004-05.

Part YY proposed to require the Commissioner of Administrative and Financial Services to submit legislation to the First Regular Session of the 121st Legislature to establish a budget reserve and stabilization fund.

Part ZZ proposed to adjust appropriations and allocations for several initiatives that are contingent upon federal approval.

Part AAA proposed to transfer \$13,570,000 in fiscal year 2003-04 and \$9,600,000 in fiscal year 2004-05 from the Highway Fund to the Local Government Fund to be distributed to certain municipalities with substantial highway maintenance budgets through the state-municipal revenue sharing program. An amount equal to the transfers from the Highway Fund to the Local Government Fund would be transferred from the Local Government Fund to the General Fund.

Part BBB proposed to require the Department of Behavioral and Developmental Services to work closely with residents, family, staff and other support personnel in developing a placement plan for the residents of the Aroostook Residential Center. The department would be required to develop and implement a process whereby the input of residents, family, staff and other support personnel is taken into account before any placement decision is made. This part would also require that all residents be placed in the Presque Isle region. It also proposed to include a report requirement.

Part CCC proposed to require the Department of Human Services and the Department of Behavioral and Developmental Services to apply for a Medicaid waiver to make respite services a Medicaid reimbursable service. Any General Fund savings generated in the Mental Health Services - Children program as a result of increased federal Medicaid funding for respite would be distributed proportionately across the categories of services funded by the Mental Health Services - Children program and could not be used solely for increased respite services. It also proposed to include a report requirement.

Part DDD proposed to:

1. Clarify the legislative intent that the University of Maine System be included in the definition of "higher education institution" as it relates to borrowing by the Maine Health and Higher Education Facilities Authority.

## **JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS**

2. Repeal the provision of law that requires that, by June 30, 2006 and every fiscal year thereafter, the University of Maine School of Law's share of the annual operating budget that is supported by the State's General Fund be equivalent to the share of the University of Maine's annual operating budget that is supported by the State's General Fund.

Part EEE proposed to:

1. Direct the child welfare ombudsman program to have as its first priority case-specific advocacy services and to undertake work on systems improvements and advocacy only as an adjunct to the case-specific advocacy services. This Part also proposed to terminate the current ombudsman contract on June 30, 2003 and requires a request for proposal process for a contract from July 1, 2003 to June 30, 2004. It also proposed to require consideration of the organizational structure of the ombudsman program in the restructuring of the Department of Behavioral and Developmental Services and the Department of Human Services.
2. Clarify that the delays in the child welfare 2002 initiative contained in Part B apply only to the applicable expenditures.

Part FFF proposed to authorize the Commissioner of Administrative and Financial Services and any insurance company or 3rd-party administrator insuring or administering the state employee health insurance program to negotiate agreements with hospitals to reduce expenses incurred the State's plan.

Part GGG proposed to make adjustments to the elderly low-cost drug program statute to provide benefits within existing resources by increasing the copayment for drugs by \$2.

Part HHH proposed to authorize the Department of Human Services to pursue further 3rd-party insurance claims for behavioral health services.

Part III proposed to require the Department of Human Services to make every effort to maximize enrollment of homeless youth in the MaineCare program.

Part JJJ proposed to require the Chief of the Maine State Police to report to the Joint Standing Committee on Criminal Justice and Public Safety and the Joint Standing Committee on Appropriations and Financial Affairs no later than November 1, 2004 on the fee schedule established for criminal history record background checks.

Part KKK proposed to authorize the Department of Administrative and Financial Services to work with the Maine State Housing Authority to sell or transfer ownership of certain parcels of surplus state-owned land, along with any building on the land, to municipalities or nonprofit agencies in order to address a shortage of affordable housing.

Part LLL proposed to authorize the Commissioner of Administrative and Financial Services to contract for the sale, franchise, license or lease of the State's wholesale liquor activities to a private entity.

Part MMM proposed to authorize the transfer of funds from the Department of Conservation to the unappropriated surplus of the General Fund.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

**House Amendment “K”** "To Committee Amendment “A” (H-46 ) proposed to make several technical changes to be consistent with legislative intent.

Public Law 2003, chapter 20 does the following.

<b><u>PART</u></b>	<b><u>SECTION</u></b>	<b><u>DESCRIPTION</u></b>
A	A-1: A-24	Budget Preamble
	A-25	Appropriations and allocations of funds reflecting Current Services for the 2004-2005 biennium.
B	B-1	Adjusts appropriations and allocations of funds representing reduction proposals or adjustments to Current Services.
C	C-1	Postpones to after June 30, 2005 an increase in the State's contribution for health insurance for retired teachers from 35% to 40%.
	C-2	Establishes Tier 1 and Tier 2 cushions for school administrative units with mills raised for education of 9.97 mills or higher.
	C-3: C-18	Establishes the statewide local share, basic elementary and secondary school operating rates, per pupil guarantees and the statewide factor for General Purpose Aid for Local Schools. Establishes the foundation allocation, subsidy index reduction percentage and appropriation. Establishes the Debt service allocation, indexes, reduction percentage and appropriation and miscellaneous adjustments and cost allocations and appropriations.
	C-19	Transfers \$200,000 in fiscal year 2003-04 and \$300,000 in fiscal year 2005 2004-05 from the General Purpose Aid for Local School account to General Fund unappropriated surplus from savings to be achieved through the standardization of specifications for school construction and renovation including projects that are currently under construction, in planning, or entering the design phase.
D	D-1	Establishes the Department of Administrative and Financial Services as the fiscal agent for the Department of Education.
	D-2:D-4	Requires the calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Fund in the cost of health insurance for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1.
	D-5:D-7	Requires the calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Fund from increased attrition for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1.
	D-8:D-10	Requires the calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Fund from extending the amortization schedule of the unfunded liability of the Maine State Retirement

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

	System for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1
D-11: D-13	Requires calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Fund from postponing merit increases for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1.
D-14	Authorizes transfers of positions by financial order between accounts and between departments and authorizes transfers of available balances of any General Fund appropriation between line categories, accounts and departments in fiscal year 2003-04 and fiscal year 2004-05. Any incumbent in the transferred position at the time of transfer may be transferred along with the position.
D-15	Transfers \$600,000 from the Bureau of Alcoholic Beverages, Internal Service Fund in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund no later than June 30, 2004 due the proposed closure of the remaining 13 liquor stores.
D-16	Requires the calculation and transfer of statewide savings in the General Fund from retiree health insurance savings for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1.
D-17	Requires the Commissioner of the Department of Administrative and Financial Services to review the current organizational structure of the A.C.E. Service Center and the remaining financial and personnel structures located in the Departments of Conservation, Environmental Protection, and Agriculture to improve organizational efficiency and cost effectiveness. The Commissioner is required to present a plan and legislation to achieve efficiencies and move A.C.E. under the supervision of one Department to the Legislature as a part of any Emergency Budget Request submitted to the Legislature after January 1, 2004.
D-18	Requires the calculation and transfer of statewide savings in the General Fund from reductions in All Other line category for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1.
D-19:D-21	Requires the calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Fund from the cost of health insurance related to hospital rate adjustments for fiscal years 2003-04 and 2004-05 that are identified in Part B section 1.
D-22	Prohibits merit increases between July 1, 2003 and June 30, 2005.
D-23	Authorizes financing arrangements for the acquisition of motor vehicles for the Central Motor Pool.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

<u>PART</u>	<u>SECTION</u>	<u>DESCRIPTION</u>
	D-24	Transfers \$100,000 in fiscal year 2003-04 and \$100,000 in fiscal year 2004-05 from the Real Property Lease Fund to the unappropriated surplus of the General Fund no later than June 30 of each fiscal year to reflect savings as a result of the re-negotiation of leases.
	D-25	Transfers \$6,112,290 from the fiscal year 03 unallocated balance of the Fund for a Healthy Maine Other Special Revenue Funds account to the unappropriated surplus of the General Fund by June 30, 2004.
	D-26	Transfers \$225,000 from the Maine Clean Election Fund to the unappropriated surplus of the General Fund by June 30, 2004.
E	E-1	Amends the Maine Meat and Poultry Inspection program to increase the hourly fees charged for inspection of bison, domesticated deer and ratite.
	E-2	Authorizes the Commissioner of Agriculture, Food and Rural Resources to receive reimbursement for livestock and poultry services performed under Title 22, chapter 562-A.
F	F-1	Prohibits cost of living adjustment in legislative salary for the 2nd Regular Session of the 121st Legislature and the 1st Regular Session of the 122nd Legislature.
	F-2:F-3	Changes meeting authorization and staffing for the Legislative Youth Advisory Commission
	F-4:F-5	Eliminates step increases and longevity payments for legislative employees between July 1, 2003 and June 30, 2005.
G	G-1, G-3	Repeals the Aroostook Residential Center effective June 30, 2004.
	G:2	Authorizes the Department of Behavioral and Developmental Services to seek reimbursement of expenditures under Medicaid Title XIX for targeted case management with the revenue to be deposited in the General Fund as undedicated revenue.
H	H-1	Authorizes the Commissioner of Conservation to increase parks and land fees by financial order upon recommendation of the State Budget Officer and approval of the Governor.
I	I-1	Authorizes the Department of Corrections, Maine Correctional Center to increase the rate it charges the Federal Government for the housing of federal inmates. The additional revenue must be deposited to the General Fund as undedicated revenue in fiscal year 2003-04 and 2004-05.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

	I-2	Authorizes the Department of Corrections to transfer, by financial order, Personal Services, All Other or Capital Expenditures funding between accounts with the same fund for the purposes of paying overtime expenses in accordance with Title 5, section 7065.
J	J-1	Amends the law removing the requirement that the Governmental Ethics Commission institute electronic submission of reports and computerized tracking of campaign, election and lobbying information.
K	K-1	Authorizes the Department of Human Services to collect medical care premiums from non-custodial parents of MaineCare children.
	K-2	Updates Medicaid and related third-party liability statutes, including substituting "MaineCare" for "Medicaid" and the "elderly low-cost drug program", and setting a 75% minimum recovery percentage for tort claim recoveries.
	K-3	Authorizes changes to improve MaineCare's ability to identify possible third-party payers.
	K-4	Increases the licensing fee for hospitals and nursing homes.
	K-5	Authorizes the Department of Human Services to impose a co-payment or premium if expressly approved by a federal waiver.
	K-6	Modifies MaineCare prescription drug co-payments.
	K-7: K-8	Authorizes MaineCare co-payments for federally qualified health center (FQHC) and rural health center (RHC) services.
	K-9	Authorizes the Department of Human Services to pursue a federal waiver to impose cost sharing on individuals eligible for MaineCare under the Katie Beckett option.
	K-10	Modifies premiums for the MaineCare, "CubCare" program.
	K-11	Modifies federally qualified health center (FQHC) reimbursement requirements to reflect the imposition of co-payments and limits on service approvals.
	K-12	Authorizes the Department of Human Services to require MaineCare members to purchase maintenance drugs by mail order.
	K-13	Authorizes the Department of Human Services to establish co-payments for services under the Maine Eye Care program.
	K-14	Modifies the Department of Human Service's Parents as Scholars program.
	K-15	Requires the Department of Human Services to review MaineCare cost sharing requirements with the Medicaid Advisory Committee and submit a report by February 15, 2005.



## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

<b><u>PART</u></b>	<b><u>SECTION</u></b>	<b><u>DESCRIPTION</u></b>
	K-16	Requires the Departments of Human Services and Behavioral and Developmental Services to continue efforts to resolve the Institute for Mental Disease (IMD) federal funding shortfall.
	K-17	Suspends nursing home inflation adjustment and return on equity capital payments for 2003-04 and 2004-05.
	K-18	Requires the merger of the Department of Human Services and the Department of Behavioral and Developmental Services and the submission of a plan to implement the merger and the submission of implementing legislation to the Second Regular Session of the 121st Legislature.
L	L-1	Permits the Commissioner of Inland Fisheries and Wildlife to adjust annually all license and other fees collected by the department to maintain parity with the Consumer Price Index.
	L-2	Delays the effective date of the fiscal stability program for the Department of Inland Fisheries and Wildlife from fiscal year 2004 to fiscal year 2006.
	L-3	Requires a temporary assessment on all license, registration and other fees collected by the Department of Inland Fisheries and Wildlife for calendar years 2004 and 2005.
	L-4	Authorizes the purchase of more than one 10-chance moose-drawing application by nonresidents from July 1, 2003 to June 30, 2005.
	L-5	Requires the Commissioner of Inland Fisheries and Wildlife to submit a plan to restructure fees to the Joint Standing Committee on Inland Fisheries and Wildlife which is authorized to report out legislation implementing the plan.
M	M-1	Expresses Legislative intent that the Judicial Department increase the amounts for fines under the Maine Revised Statutes, Title 29-A, sections 1601, 1770 and 2074.
N	N-1	Requires a report by the Commissioner of the Department of Corrections regarding recidivism information.
O	O-1: O-3	Repeals payment by the Maine State Library of state aid for municipalities maintaining free public libraries.
P	P-1	Authorizes the Maine State Museum to establish fees for miscellaneous services.
Q	Q-1:Q-2	Renames the Department of Economic and Community Development as the Department of Tourism, Economic and Community Development.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

<u>PART</u>	<u>SECTION</u>	<u>DESCRIPTION</u>
	R-3	Increases the Government Operations Surcharge Fund surcharge on fines, forfeitures and penalties from 12% to 14% and changes the allocation paid to the Maine Criminal Justice Academy from one sixth to two - sevenths.
	R-5:R-7	Eliminates the Director of Liquor Enforcement, an Assistant to the Commissioner of Public Safety and the Director Bureau of Highway Safety as major policy influencing positions within the Department of Public Safety.
	R-8	Directs that 1/2 of the fines from tobacco enforcement be directed to the Maine Criminal Justice Academy for training and certification rather than to law enforcement agencies.
	R-9	Authorizes the State Bureau of Identification to charge individuals a fee for a criminal history record check and directs all fees to the General Fund.
	R-10	Repeals the Bureau of Highway Safety.
S	S-1	Transfers \$95,869 in fiscal year 2003-04 and \$53,834 in fiscal year 2004-05 of savings from the Bureau of Elections and Commissions, Administrative Services and Corporations, Other Special Revenue Fund account in the Department of the Secretary of State to the unappropriated surplus of the General Fund.
	S-2	Transfers \$10,000 in each year of the biennium of savings from the Archives, Other Special Revenue Fund account in the Department of the Secretary of State to the unappropriated surplus of the General Fund.
T	T-1:T-33	Amends provisions of law related to the investment of State money, amends the law as it relates to the length of time the State Treasurer is required to hold abandoned property and updates the statutes to reflect recent changes in the laws related to abandoned/unclaimed property.
U	U-1	Directs all state agencies to implement measures to reduce energy consumption within their agencies.
V	V-1	Changes the distribution of the State's share of Real Estate Transfer Tax proceeds by reducing the amount paid to the Maine State Housing Authority by \$7,500,000 in each fiscal year.
	V-2	Directs the Maine State Housing Authority to generate savings to maintain services to homeless persons at \$2,400,000.
W	W-1	Delays the increase from 5.1% to 5.2% in Municipal Revenue Sharing to July 1, 2005.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

<u>PART</u>	<u>SECTION</u>	<u>DESCRIPTION</u>
	W-2	Authorizes the State Treasurer to withhold \$1,000,000 in Municipal Revenue Sharing in fiscal year 2004-05 from distribution to be used for incentives for municipalities to achieve administrative savings.
X	X-1: X-6	Delays until FY 06 expansions in the seed capital investment tax credit.
Y	Y-1	Delays until FY 06 an insurance premium tax credit for the Fire Insurance Premium Tax special assessment.
Z	Z-1	Suspends until July 1, 2005 the broadcasters sales tax exemption.
AA	AA-1:AA-3. AA-6	Requires the withholding of income tax on distributions to nonresidents by flow through entities.
	AA-4:AA-5	Establishes the 2003 Maine Tax Amnesty Program
BB	BB-1:BB-3	Reduces the exemption amount for the Homestead Property Tax Exemption Program for homesteads with a just value of \$125,000 or more.
CC	CC-1:CC-3	Amends the insurance premium tax to clarify the coverage of contracts that may result in future annuitization.
DD	DD-1:DD-6	Postpones by one year the educational attainment investment credit and the recruitment credit available under the insurance premiums tax and individual and corporate income taxes.
EE	EE-1:EE-4	Extends the period for recapturing the bonus depreciation add-back provision.
FF	FF-1	Reduces the child and dependent care income tax credit rate to 21.5% of the federal credit for tax years beginning in 2003, 2004 and 2005.
GG	GG-1:	Reduces the earned income tax credit rate to 4.92% of the federal credit for tax years beginning in 2003, 2004 and 2005.
HH	HH-1	Suspends the increase in the income tax standard deduction for joint filers for tax years beginning in 2005.
II	II-1:II-4	Delays the allowance for several above the line deductions for education expenses and subsidies.
JJ	JJ-1:JJ-4	Delays recognition of federal estate tax changes for deaths occurring in 2003 and 2004.
KK	KK-1	Transfers \$5,000,000 in fiscal year 2003-04 and \$3,000,000 in fiscal year 2004-05 from the unallocated surplus of the Highway Fund to the unappropriated surplus of the General Fund as reimbursement for funds provided for highway improvement projects.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

<b><u>PART</u></b>	<b><u>SECTION</u></b>	<b><u>DESCRIPTION</u></b>
LL	LL-1:LL-4	Authorizes the Commissioner of the Department of Administrative and Financial Services to offer special voluntary employee incentive programs.
MM	MM-1	Requires the transfer of \$150,000 in Maine Learning Technology Endowment investment earnings as miscellaneous income to the General Fund.
NN	NN-1	Extends the Retirement Unfunded Liability amortization schedule to the Constitutional limit until July 1, 2005 when it is restored to the current schedule.
OO	OO-1:OO-2	Requires the transition of the Maine Technical College System into the Maine Community College System.
	OO-3	Appropriates and allocates funds to facilitate the creation of the Maine Community College System and to provide public matching funds to secure scholarship assistance or limit in-state tuition increases.
PP	PP-1: PP-3	Amends the current provisions by authorizing the Maine Governmental Facilities Authority to issue additional securities totaling \$7,485,000 for capital repairs and improvements at various state facilities.
QQ	QQ-1	Authorizes the Commissioner of the Department of Administrative and Financial Services to issue one or more additional instant ticket lottery games.
RR	RR-1:RR-7; RR-13:RR-17	Repeals provisions of the law relating to the Maine Science and Technology Foundation and transfers the functions to the Department of Economic and Community Development and makes adjustments to appropriations and allocations.
	RR-8:RR-12	Transfers the functions of the Energy Conservation Division of the Department of Economic and Community Development to the Public Utilities Commission.
SS	SS-1: SS-3	Requires the closure of the remaining 13 state retail liquor stores and amends certain statutes in anticipation of the transfer of the State's wholesale liquor activities.
TT	TT-1	Changes the name of the "Maine Learning Technology Endowment" to the "Maine Learning Technology Fund."
UU	UU-1	Presents a comprehensive list of tax expenditures for the consideration of the Legislature.
VV	VV-1:VV-27	Requires parity coverage for mental illnesses for all health benefit plans covering groups of 21 or more and expands the coverage of mental illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders.
WW	WW-1:WW-27	Increases various commercial fishing license fees.

## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

<b><u>PART</u></b>	<b><u>SECTION</u></b>	<b><u>DESCRIPTION</u></b>
	WW-28	Increases the amount of the Mahogany Quahog Tax apportioned annually to the Toxin Monitoring Fund to \$56,000.
XX	XX-1:XX-2	Provides for statewide deappropriation of \$24,330,049 in fiscal year 2003-04 and \$23,933,097 in fiscal year 2004-05.
YY	YY-1	Requires the Commissioner of the Department of Administrative and Financial Services to submit legislation to the 1st Regular Session of the 121st Legislature to establish a budget reserve and stabilization Fund.
ZZ	ZZ-1	Adjusts appropriations and allocations for several initiatives that are contingent upon federal approval
AAA	AAA-1:AAA-5	Transfers \$13,570,000 in fiscal year 2003-04 and \$9,600,000 in fiscal year 2004-05 from the Highway Fund to the Local Government Fund to be distributed to certain municipalities with substantial highway maintenance budgets through the state-municipal revenue sharing program. An amount equal to the transfers from the Highway Fund to the Local Government Fund is transferred from the Local Government Fund to the General Fund.
BBB	BBB-1	Requires the Department of Behavioral and Developmental Services to work closely with residents, family, staff and other support personnel in developing a placement plan for the residents of the Aroostook Residential Center. The department is required to develop and implement a process whereby the input of residents, family, staff and other support personnel is taken into account before any placement decision is made. This part also requires that all residents be placed in the Presque Isle region. It also includes a report requirement.
CCC	CCC-1	Requires the Department of Human Services and the Department of Behavioral and Developmental Services to apply for a Medicaid Waiver to make respite services a Medicaid reimbursable service. Any General Fund savings generated in the Mental Health Services – Children program as a result of increased federal Medicaid funding for respite must be distributed proportionately across the categories of services funded by the Mental Health Services – Children program and may not be used solely for increased respite services. It also includes a report requirement.
DDD	DDD-1	Clarifies the Legislative intent that the University of Maine System be included in the definition of higher education institution as it relates to borrowing by the Maine Health and Higher Education Facilities Authority.
	DDD-2	Repeals the provision of law that requires that, by June 30, 2006 and every fiscal year thereafter, the University of Maine School of Law's share of the annual operating budget that is supported by the State's General Fund be equivalent to the share of the University of Maine's annual operating budget that is supported by the State's General Fund.

<b><u>PART</u></b>	<b><u>SECTION</u></b>	<b><u>DESCRIPTION</u></b>
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## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

EEE	EEE-1	Directs the child welfare ombudsman program to have as its first priority case specific advocacy services and to undertake work on systems improvements and advocacy only as an adjunct to the case specific advocacy services. This Part also terminates the current ombudsman contract on June 30, 2003 and requires a request for proposal process for a contract from July 1, 2003 to June 30, 2004. It also requires consideration of the organization structure of the ombudsman program in the restructuring of the Department of Behavioral and Developmental Services and the Department of Human Services.
	EEE-2	Clarifies that the delays in the child welfare 2002 initiative contained in Part B apply only to the applicable expenditures.
FFF	FFF-1	Authorizes the Commissioner of the Department of Administrative and Financial Services and any insurance company or third party administrator insuring or administering the State Employee Health Plan to negotiate agreements with hospitals to reduce expenses incurred the State's plan.
GGG	GGG-1: GGG-6	Makes adjustments to the Elderly low-cost drug program statute to provide benefits within existing resources by increasing the co-payment for drugs by \$2 and requiring mail order for prescriptions that have more than a 14 day supply.
HHH	HHH-1	Authorizes the Department of Human Services to pursue further third party insurance claims for behavioral health services.
III	III-1	Requires the Department of Human Services to make every effort to maximize enrollment of homeless youth in the MaineCare program.
JJJ	JJJ-1	Requires the Chief of the Maine State Police to report to the Joint Standing Committee on Criminal Justice and Public Safety and the Joint Standing Committee on Appropriations and Financial Affairs no later than November 1, 2004 on the fee schedule established for criminal history record background checks.
KKK	KKK-1: KKK-2	Authorizes the Department of Administrative and Financial Services to work with the Maine State Housing Authority to sell or transfer ownership of certain parcels of surplus state-owned land, along with any building on the land, to municipalities or non-profit agencies in order to address a shortage of affordable housing.
LLL	LLL-1: LLL-3	Authorizes the Commissioner of Administrative and Financial Services to contract for the sale, franchise, license or lease of the State's wholesale liquor activities to a private entity.
MMM	MMM-1	Transfers \$50,000 annually in fiscal years 2003-04 and 2004-05 from the Division of Forest Protection General Fund to the unappropriated surplus of the General Fund

<b>PART</b>	<b>SECTION</b>	<b>DESCRIPTION</b>
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## JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

MMM-2	Transfers \$100,000 annually in fiscal years 2003-04 and 2004-05 from the Boating Facilities Fund Other Special Revenue Funds program in the Department of Conservation to the unappropriated surplus of the General Fund
MMM-3	Transfers \$25,000 annually in fiscal years 2003-04 and 2004-05 from the Shore and Harbor Management Fund Other Special Revenue Funds program in the Department of Conservation to the unappropriated surplus of the General Fund

Public Law 2003, chapter 20 was enacted as an emergency measure and takes effect July 1, 2003, unless a provision indicates otherwise.

**LD 1383**

**An Act To Limit the Growth of Government Spending**

**DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TURNER	ONTP MAJ	
BRUNO	OPT-AM MIN	

LD 1383 proposed to establish expenditure limits on state and local governments as follows:

1. Provide that the maximum annual percentage increase in state General Fund expenditures, excluding federal funds received by the General Fund, could not exceed inflation plus the percentage change in state population in the prior year.
2. Provide that the maximum annual percentage increase in local government expenditures could not exceed inflation plus the percentage change in state population in the prior year.
3. Authorize the State or a local government to authorize expenditures in excess of the established limit only upon a vote of 2/3 of the entire elected membership of each House of the Legislature, in the case of the State, or upon a 2/3 vote of the governing body of the local government, in the case of a local government.
4. Require that revenues collected in excess of the spending limits must be placed in an emergency reserve fund containing the equivalent of 3 months of operating revenues or, if the fund already contains that amount, refunded to the citizens.
5. Require that, in order for the bill to take effect, the issue be submitted to the voters of the State for their approval.