

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Appropriations and Financial Affairs*

*July 2006*

**Members:**

*Sen. Margaret Rotundo, Chair  
Sen. John L. Martin  
Sen. Richard A. Nass*

*Rep. Joseph C. Brannigan  
Rep. Benjamin F. Dudley  
Rep. Margaret M. Craven  
Rep. Jeremy Fischer  
Rep. Arthur L. Lerman  
Rep. Janet T. Mills  
Rep. H. Sawin Millett, Jr.  
Rep. Robert W. Nutting  
Rep. Stephen Bowen  
Rep. Darlene J. Curley*

**Staff:**

*James K. Dionne, Principal Analyst*

*Office of Fiscal and Program Review  
5 State House Station  
Augusta, ME 04333  
(207)287-1635*

# Maine State Legislature



## Office of Policy and Legal Analysis Office of Fiscal and Program Review

### 122nd Maine Legislature Second 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 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/billsumm.htm](http://www.state.me.us/legis/opla/billsumm.htm)).

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:

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

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is August 23, 2006.

## Joint Standing Committee on Appropriations and Financial Affairs

### Enacted law summary

Private and Special Law 2005, chapter 61 provides a one-time appropriation of \$75,000 in fiscal year 2006-07 to recapitalize the Maine Downtown Center and a one-time appropriation of \$5,000 in fiscal year 2006-07 for the Maine Regulatory Fairness Board.

**LD 1960**                      **An Act To Authorize a General Fund Bond Issue To Create a Block Grant Program To Promote Economic and Cultural Development**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUMMINGS MARTIN	ONTP	

LD 1960 proposed a General Fund bond issue in the amount of \$50,000,000 to create a block grant program to promote economic and cultural development.

**LD 1968**                      **An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007**                      **PUBLIC 519  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRANNIGAN ROTUNDO	OTP-AM	H-878 H-901 BRANNIGAN

LD 1968 was the Governor's proposed Fiscal Year 2005-06 and Fiscal Year 2006-07 Supplemental Budget Bill.

**Committee Amendment "A" (H-878)** was the unanimous report of the committee in response to the Governor's proposed bill.

**House Amendment "D" (H-901)** proposed corrections to a department name in an appropriations and allocations section and corrections to 2 cross-references, proposed maintaining current law regarding to whom the chief advocate in the Office of Advocacy reports and proposed a technical correction to the year-end transfer, the so-called "cascade".

## *Joint Standing Committee on Appropriations and Financial Affairs*

### *Enacted law summary*

Public Law 2005, chapter 519 does the following:

#### PART A

Authorizes appropriations and allocations from various funds for the fiscal years ending June 30, 2006 and June 30, 2007.

#### PART B

Authorizes appropriations and allocations from the various funds for the fiscal years ending June 30, 2006 and June 30, 2007, in order to provide funding for approved reclassifications and range changes.

#### PART C

Repeals Public Law 2005, chapter 457, Part III, which provided for a transfer of \$42,500,000 in fiscal year 2005-06 from Other Special Revenue Funds to the unappropriated surplus of the General Fund, which was to be repaid on July 1, 2006 with interest.

#### PART D

Exempts several Other Special Revenue Funds accounts from statewide reductions enacted in Public Law 2005, chapter 12 related to retirement amortization and health insurance savings.

#### PART E

Authorizes limited-period, project or other temporary positions that are established by financial order to be established for a period not to exceed 2 years unless a specific appropriation or allocation is made by the Legislature beyond 2 years. Currently, positions established by financial order must have an end date no later than the statutory adjournment date for the next regular session of the Legislature.

#### PART F

Requires the State Controller to transfer \$29,000,000 on July 1, 2006 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.

#### PART G

Provides specific limitations for tax purposes on the domicile concept in the definition of "resident individual" in the case of an individual who does not maintain a permanent place of abode in Maine and is present in Maine for only short periods of time. It provides that domicile determinations may not be based solely on the location of an individual's professional advisors or political contributions. It also provides that charitable contributions may not be used to determine residency (related to LD 325).

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART H

Allows a refundable historic rehabilitation credit to a developer who owns 2 or more structures located in the Kennebec Arsenal District National Historic Landmark. The refundable credit is limited to \$500,000 per year and is allowed only for 4 consecutive tax years beginning in 2006 (related to LD 1775).

### PART I

Clarifies that the fee for each initial criminal history record check is \$55, which includes a one-time fee for fingerprinting, and each renewal criminal history record check is \$24. It directs the Commissioner of Education to reimburse \$31 to any person who has paid \$55 for a renewal criminal history record check between September 17, 2005 and the effective date of the provision.

Amends the definition of “adult education” to add college courses that adult education students take as a transition to college.

Provides reimbursement for college transition courses provided by adult education at 75% of the cost of salaries and fringe benefits and 50% of the cost of consumable supplies and textbooks.

### PART J

Authorizes the Department of Education to allocate bus purchases approved in fiscal year 2004-05 in fiscal years 2006-07 and 2007-08.

Implements the transfer of funds for 5 positions from the General Purpose Aid for Local Schools account to the Management Information Systems account.

Establishes the maximum debt service limit for fiscal years 2009-10 and 2010-11 as required by Title 20-A, section 15905, subsection 1, paragraph A-1.

Establishes the 2006-07 funding level for the local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to Title 20-A, section 15689-E.

Authorizes the Department of Administrative and Financial Services to enter into lease-purchase financing arrangements on behalf of the Department of Education for the acquisition of portable computer systems to support the operations of the Maine Learning Technology Initiative program.

Requires the Commissioner of Education, with advice from the Advisory Board of the Maine Learning Technology Fund, to submit a report that includes findings and recommendations, including suggested legislation to revise and update Title 20-A, chapters 606-B and 801, and present the findings to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over education matters no later than January 31, 2008.

Requires the Commissioner of Education to conduct a comprehensive review of the Maine Learning Technology Initiative and to report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over education matters on the progress and results of the evaluation annually by February 15th of each year beginning on February 15, 2007.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART K

Removes the Director, Office of Management Services position from those within the Department of Environmental Protection that are major policy-influencing positions.

### PART L

Requires the State Controller to transfer \$175,000 from the Carrying Account - Inland Fisheries and Wildlife program to the Licensing and Registration account - Inland Fisheries and Wildlife program to support the costs associated with the transfer of the MOSES program from MCI to the Department of Administrative and Financial Services, Office of Information Technology.

Requires the State Controller to transfer \$45,000 from the Carrying Account - Inland Fisheries and Wildlife program to the Specialty License Plate Fund Other Special Revenue Funds account within the Department of the Secretary of State by June 30, 2007.

Requires the State Controller to transfer \$935,000 from the Carrying Account - Inland Fisheries and Wildlife program to the unappropriated surplus of the General Fund by June 30, 2007.

### PART M

Directs that \$252,577 of the unencumbered balance in the Disproportionate Share - Riverview Psychiatric Center General Fund account in the Department of Health and Human Services lapse to the General Fund in fiscal year 2005-06.

Directs that \$231,924 of the unencumbered balance in the Disproportionate Share - Dorothea Dix Psychiatric Center General Fund account in the Department of Health and Human Services lapse to the General Fund in fiscal year 2005-06.

Authorizes the Department of Health and Human Services to continue a Rehabilitation Consultant position in the Office of Management and Budget through June 16, 2006 and allows salary savings to be used to fund the cost of the extension.

Authorizes the Department of Health and Human Services to continue a Public Service Coordinator II position in the Bureau of Medical Services through June 16, 2006 and allows salary savings to be used to fund the cost of the extension.

### PART N

Requires the State Controller to transfer \$2,346,727 no later than June 30, 2006 and \$2,103,273 no later than June 30, 2007 from the unappropriated surplus of the General Fund to the Fund for a Healthy Maine.

Requires the State Controller to transfer \$3,954,211 in fiscal year 2005-06 from the unappropriated surplus of the General Fund to the Medical Care Services Federal Expenditures Fund program within the Department of Health and Human Services to settle federal audit findings related to school-based health services and the prescription drug discount program.

## *Joint Standing Committee on Appropriations and Financial Affairs*

Requires the State Controller to transfer \$4,850,000 in fiscal year 2005-06 from the unappropriated surplus of the General Fund to the Foster Care Federal Expenditures Fund program within the Department of Health and Human Services to settle federal audit findings related to the Adoption Assistance program.

### PART O

Authorizes the Department of Administrative and Financial Services, Office of Information Technology to enter into lease-purchase financing arrangements on or after July 1, 2006 with debt service commencing on or after July 1, 2007 for the acquisition of hardware, software and other systems retrofitting to support the operations of Maine Revenue Services tax administration facilities. It adds reporting requirements concerning all major state information technology systems including business continuity planning efforts. It authorizes the joint standing committee of the Legislature having jurisdiction over state and local government matters to report out legislation during the 123rd Legislature to enhance the Legislature's oversight of statewide information systems.

### PART P

Renames the Maine State Film Commission program in the Department of Economic and Community Development the Maine State Film Office program.

### PART Q

Authorizes the Department of Public Safety, Bureau of State Police to establish 2 State Police Sergeant project positions to be temporarily assigned to the Maine Criminal Justice Academy for each training class at the academy.

### PART R

Authorizes any balance remaining on June 30, 2006 in the Baxter Compensation Authority General Fund account to carry forward to fiscal year 2006-07 to be expended by September 30, 2006.

### PART S

Establishes the Director, External Affairs position as a major policy-influencing position in the Department of Marine Resources.

### PART T

Authorizes the Department of Administrative and Financial Services to enter into lease-purchase financing arrangements on behalf of the Department of Corrections for the acquisition and installation of energy-saving devices for its facilities and requires a report to identify the savings achieved from these energy-saving devices.

### PART U

Requires the State Controller to transfer \$500,000 in fiscal year 2005-06 and \$500,000 in fiscal year 2006-07 from the unappropriated surplus of the General Fund to the Callahan Mine Site Restoration Other Special Revenue Funds program within the Department of Transportation.



## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART V

Requires the State Controller to transfer \$101,743 in fiscal year 2005-06 from the unappropriated surplus of the General Fund to the Risk Management Fund within the Department of Administrative and Financial Services to reimburse the Risk Management Fund for settlement payments made to potato growers.

Requires the State Controller to transfer \$708,223 in fiscal year 2005-06 from the unappropriated surplus of the General Fund to the Risk Management Fund within the Department of Administrative and Financial Services to reimburse the Risk Management Fund for a judgment against the Department of Administrative and Financial Services resulting from a contract dispute.

### PART W

Requires that income from the rental of facilities in Limestone be deposited into an Other Special Revenue Funds account in the Department of Administrative and Financial Services, Bureau of General Services to be used for improvements and other costs of managing the facilities operated by the Maine Military Authority in Limestone and for the reimbursement of certain supplemental life insurance costs.

Authorizes the Commissioner of Administrative and Financial Services to transfer funds collected from the rental of facilities in Limestone to the General Fund as undedicated revenue or to the Maine National Guard Education Assistance Pilot Program in the Department of Defense, Veterans and Emergency Management, Other Special Revenue Funds account for tuition assistance and for the reimbursement of certain supplemental life insurance costs (related to LD 1700).

Clarifies that amounts transferred to the General Fund undedicated revenue from rental payments from the Maine Military Authority are not necessarily the first amounts received.

Authorizes the Department of Administrative and Financial Services, Bureau of General Services to transfer up to \$390,000 in fiscal year 2005-06 and \$341,536 in fiscal year 2006-07 from the Bureau of General Services, Other Special Revenue Funds account to the Maine National Guard Education Assistance Pilot Program and reimbursement for purchase of supplemental insurance program, Other Special Revenue Funds accounts in the Department of Defense, Veterans and Emergency Management.

Requires that the Commissioner of Defense, Veterans and Emergency Management reimburse members of the National Guard and Reserves of the United States Armed Forces assigned to a unit in Maine for the cost of monthly premiums paid to the Federal Government for supplemental life insurance. A member of the National Guard or Reserves assigned to a unit in Maine who serves in the theater of operations for Operation Enduring Freedom or Operation Iraqi Freedom during any month in the calendar year 2006 is eligible for reimbursement for each month deployed in that year regardless of the number of days served in that month.

### PART X

Adds the Maine State Law Enforcement Association to the bargaining units authorized to access funding in the General Fund, Salary Plan account to implement economic terms of collective bargaining agreements for fiscal years ending June 30, 2006 and June 30, 2007.

Authorizes available Personal Services balances in General Fund accounts to be transferred between programs and departments within the General Fund by financial order to be used for collective bargaining agreement costs.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART Y

Removes the Director of General Services position from those positions within the Department of Conservation that are major policy-influencing positions.

### PART Z

Removes the Chief Information Officer position from those positions within the Department of Health and Human Services that are major policy-influencing positions.

### PART AA

Requires the State Budget Officer to review the programs receiving allocations from the Fund for a Healthy Maine to proportionately distribute, by financial order, a deallocation of \$8,391,658 included in this Part. It requires the State Budget Officer to first apply any unexpended balance in the Fund for a Healthy Maine on June 30, 2006 before making any adjustments to the allocations. The State Budget Officer is required to report on the distribution of those adjustments to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters by January 1, 2007.

Authorizes legislation to be submitted to the First Regular Session of the 123rd Legislature to redistribute any alternative funding sources identified as an offset to the deallocation from the Fund for a Healthy Maine.

### PART BB

Removes the designation of the Maine Developmental Disabilities Council as the designated state agency for the purposes of directly receiving federal funding and names the Department of Administrative and Financial Services to serve instead in that limited capacity.

### PART CC

Removes nonconformity with the federal student loan interest deduction for interest paid after 60 months from the start of the loan repayment period. The change applies to tax years beginning after January 1, 2006.

### PART DD

Restores the Maine child care credit to 25% of the federal credit. The change applies to tax years beginning after January 1, 2006.

### PART EE

Exempts all sales or leases of aircraft that weigh over 6,000 pounds that are propelled by one or more turbine engines or that are in use by a Federal Aviation Administration classified 135 operator. It excludes from the Maine use tax any other aircraft purchased by a nonresident outside Maine that is used in Maine for 20 days or less, exclusive of days during which an aircraft is present in Maine for “major alterations,” “major repairs” and “preventive maintenance,” as those terms are defined by the Federal Aviation Administration. It clarifies the application of the exemptions in Title 36, section 1760, subsection 45 as they may relate to entities.

### PART FF

## *Joint Standing Committee on Appropriations and Financial Affairs*

Clarifies that certain former Department of Corrections employees, now a part of the Department of Administrative and Financial Services, remain eligible for the 1998 Special Retirement Plan.

### PART GG

Establishes tax benefits for media production companies making productions in whole or in part in Maine. It allows a reimbursement equal to 12% of certified media production wages to resident employees and 10% to others for a media production company that meets certain criteria. It allows a credit for Maine income tax directly related to income generated by a certified media production activity.

### PART HH

Amends Public Law 2005, chapter 457, Part EE, section 1 by changing the amount of the transfer to the General Fund unappropriated surplus from the Fund for the Efficient Delivery of Local and Regional Services, Other Special Revenue Funds account, from \$2,451,935 to \$1,951,935 in fiscal year 2006-07.

### PART II

Transfers \$300,000 from the unappropriated surplus of the General Fund to the Fund for the Efficient Delivery of Educational Services, Other Special Revenue Funds account within the Department of Education in fiscal year 2006-07.

### PART JJ

Eliminates 253 vacant positions, resulting in elimination of 199.071 legislative and FTE headcount in accordance with Public Law 2005, chapter 457, Part. GGG, section 12.

### PART KK

Directs the State Controller to transfer an additional \$1,200,000 from undedicated General Fund revenue to the Maine Clean Election Fund.

### PART LL

Amends the Maine Revised Statutes, Title 20-A, chapter 606-B to reflect the work that has been done to implement the system of learning results.

### PART MM

Appropriates and allocates to the Departments and Agencies – Statewide account additional savings in the cost of health insurance. It requires the State Budget Officer to calculate the amount of savings that apply against each General Fund account for all departments and agencies except legislative branch departments and agencies from these additional savings and to transfer the amounts by financial order upon the approval of the Governor. It directs these transfers be considered adjustments to appropriations in fiscal year 2006-07. It directs the State Budget Officer to provide the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report of the transferred amounts no later than November 1, 2006.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART NN

Amends Public Law 2005, chapter 386, Part Q, section 2 to allow the Governor Baxter School for the Deaf to receive transfers from the General Fund Salary Plan for the costs of collective bargaining agreements for employees of the Governor Baxter School for the Deaf in an amount not to exceed \$294,658 for the 2006-2007 biennium.

### PART OO

Creates the Consolidated Emergency Communications Fund as an enterprise fund for the deposit of any payments made by municipal, county and state governmental entities in Kennebec County. It directs the fund may not lapse but must be carried forward to carry out the purposes of this Part.

Authorizes the Commissioner of Public Safety and the Maine Communications System Policy Board to transfer position counts and available balances by financial order to the Emergency Services Communication Bureau within the Department of Public Safety.

Authorizes the Department of Public Safety, Emergency Services Communication Bureau to establish positions by financial order when municipal, county and state governmental entities in Kennebec County voluntarily consolidate communication systems with the bureau's communications systems.

(Note: The Appropriations Committee intended that the fund identified in this Part be the *Consolidated Emergency Communications Fund* in the Department of Public Safety and not the *Emergency Services Communication Bureau* in the Public Utilities Commission. In addition, the Appropriations Committee had intended the authorization not be restricted to Kennebec County. LD 2055, PL 2005, c. 683, Part D, An Act To Correct Errors and Inconsistencies in the Laws of Maine, corrects this error.)

### PART PP

Requires the Department of Health and Human Services to reimburse all licensed critical access hospitals at 117% of MaineCare allowable costs for both inpatient and outpatient services provided to patients covered by the MaineCare program.

### PART QQ

Amends provisions related to the rounding of the value of assets in the calculation of penalties for transferring assets in MaineCare to comply with federal regulations.

### PART RR

Updates the statute concerning the Department of Health and Human Services, Office of Advocacy and defines "client" as a person receiving, seeking or requesting services for people with mental retardation.

### PART SS

Corrects and clarifies certain definitions and changes requirements for community agencies to require them to design and operate internal systems that will ensure financial reporting reliability, operating efficiency and compliance with their legal requirements. It requires these agencies to meet any reporting requirement set out in their social services agreements with the Department of Health and Human Services.

## *Joint Standing Committee on Appropriations and Financial Affairs*

Increases the threshold requirement for community agencies to be audited by a qualified independent public accountant to \$500,000 of expenditures of departmental funding and eliminates the requirement for compilations.

Repeals the requirement that other state agencies using the department's audit services must reimburse it for such services.

### PART TT

Establishes the Maine Use Tax Compliance Program, providing an incentive for taxpayers to voluntarily report taxable purchases during the last 6 years upon which Maine use tax was not paid. Payment of the tax, without interest or penalties, is required for the 3 calendar years with the highest use tax liability and use tax liability for the 3 "low years" is forgiven.

### PART UU

Authorizes the Department of Administrative and Financial Services, Bureau of Human Resources to continue one limited-period Public Service Coordinator position through October 31, 2006. This position is assisting the bureau in its efforts to resolve the administrative services bargaining unit contract. Funding for this position and any All Other related costs is from the General Fund Compensation and Benefit Plan account in the Department of Administrative and Financial Services and in accordance with Public Law 2005, chapter 12, Part SSS. This position was established by Financial Order 02486 F6.

### PART VV

Changes the priority order of distributions from the unappropriated surplus of the General Fund. It establishes the transfers to the State Contingent Account as a first priority and transfers to the Loan Insurance Reserve as the 2nd priority. After these fixed-dollar transfers are made, the available balance in the unappropriated surplus is distributed as follows: 35% to the Maine Budget Stabilization Fund; 20% to the Reserve for General Fund Operating Capital; 20% to the Retirement Allowance Fund; 15% to the Retiree Health Insurance Internal Service Fund established in the Maine Revised Statutes, Title 5, section 1519; and the final 10% to the Capital Construction and Improvements Reserve Fund established in Title 5, section 1516-A. This new distribution changes the base for the percentage from excess revenue to the broader definition of available unappropriated surplus. Prior to these changes, the transfer percentages were based on excess revenue and only distributed 80% of excess revenue and after these transfers were made the Maine Budget Stabilization Fund received the remaining available balance of the unappropriated surplus.

### PART WW

Requires the Department of Education to dispose of computers and peripheral equipment purchased as part of the Maine Learning Technology Initiative through the Department of Administrative and Financial Services, Bureau of General Services' surplus property program, except for computers and peripheral equipment purchased by a school district. All proceeds from the sale or other disposal agreement net of selling and disposal costs must be deposited in the General Purpose Aid for Local Schools General Fund account within the Department of Education to be used for the continued support of the Maine Learning Technology Initiative.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART XX

Provides that the Commissioner of Education may pay for costs for secondary students to take postsecondary courses at eligible institutions. It also provides that a student may take a postsecondary course if the student receives a recommendation from the student's school administration or from a teacher at the student's school.

### PART YY

Increases the level of the lease purchase authorization for the financing arrangement for the acquisition of laptop computer systems for fiscal years 2001-02 and 2002-03 to support the Maine Learning Technology Program.

### PART ZZ

Provides a General Fund appropriation of \$200,000 in fiscal year 2006-07 for the college transition program within the adult education program.

### PART AAA

Requires the Department of Health and Human Services to provide emergency drug coverage to persons eligible for coverage of prescription medications under certain specific circumstances. It gives the department authority to use unspent Medicare Part D "clawback" funding for additional Medicare Part D wraparound services and authorizes the department to transfer funds related to the Medicare Part D prescription drug program between the Medical Care - Payments to Providers and Low-cost Drugs to Maine's Elderly accounts. It requires the department to provide regular reports to the joint standing committee of the Legislature having jurisdiction over health and human services matters regarding the status of the state-paid prescription drug coverage related to Medicare Part D. It also provides an appropriations and allocations section.

### PART BBB

Provides a General Fund appropriation of \$52,231 in fiscal year 2006-07 for HIV and AIDS treatment and prevention programs.

### PART CCC

Creates new rate-setting requirements for the mental retardation waiver initiative authorized under Public Law 2005, chapter 12, Part BBBB. These requirements are intended to address the delay in submitting the waiver for federal approval.

### PART DDD

Transfers fiscal year 2006-07 funding into fiscal year 2005-06 to support MaineCare costs as a result of interim payment recovery timing issues. It also requires a financial summary and report on the status of the Department of Health and Human Services' progress in its Maine claims management system-related interim payment recovery efforts. The report must include the amount of recoveries accrued, the amount received, the amount outstanding and the amount determined uncollectible as of June 30, 2006, July 31, 2006 and August 31, 2006, broken down by state and federal funding sources. The report must also include the status of any federal changes in reimbursement or policy as a result of the Maine claims management system-related difficulties. It also clarifies legislative intent regarding the Department of Health and Human Services' compliance with legislatively mandated reporting requirements.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART EEE

Requires the Department of Health and Human Services to submit a report to the joint standing committee of the Legislature having jurisdiction over health and human services matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs by January 15, 2007 that presents a recommended plan for paying hospitals for services provided under the MaineCare program in full and includes recommendations for setting the annual hospital prospective interim payments at levels sufficient to reflect the increased patient volume.

### PART FFF

Allocates funds from the Fund for a Healthy Maine to partially restore funding deallocated in Public Law 2005, chapter 457, Part II.

### PART GGG

Appropriates \$250,000 in fiscal year 2006-07 for the Department of Health and Human Services to award grants for hospice services. The funds must be awarded through a competitive bidding process and distributed equally among the following 2 areas of the State: Lewiston and Auburn; and Scarborough and South Portland. Grantees must have plans submitted to the Department of Health and Human Services by July 1, 2006 to qualify for these grants.

(Note: The Appropriations Committee intended that the appropriation fund 2 newly built hospice facilities as opposed to awarding funds on a competitive basis. In addition, the Committee intended to identify certain details of the plan grantees are required to submit to the Department of Health and Human Services and intended to require the Department of Health and Human Services submit a report to certain joint standing committees of the Legislature identifying how the grant funds were utilized by the grantees. LD 2055, PL 2005, c. 683, Part C, sections 11 and 12, An Act To Correct Errors and Inconsistencies in the Laws of Maine, corrects this error.)

### PART HHH

Appropriates and allocates funds for hospital settlements under the MaineCare program to be paid prior to October 15, 2006 and transfers \$15,000,000 from the General Fund to the Highway Fund in fiscal year 2006-07 to increase the number of highway and bridge improvement projects that can be completed in fiscal year 2006-07.

### PART III

Reflects the addition of 3 District Court Judge positions and one Superior Court Justice position.

### PART JJJ

Provides a General Fund appropriation of \$994,602 in fiscal year 2006-07 for the Judicial Department to establish the Business and Consumer Court and transfers \$200,000 of dedicated funds within the Department of Professional and Financial Regulation to the unappropriated surplus of the General Fund to partially offset the General Fund appropriation to the Judicial Department.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### **PART KKK**

Clarifies that municipal officers may authorize employees who provide emergency services to aid with public service emergencies in other municipalities, whether as part of a municipal fire department or separately and further clarifies that when employees who provide emergency services assist other municipalities, whether as part of a municipal fire department or separately, those employees have the same privileges and immunities as when acting in their own municipality.

### **PART LLL**

Provides an income tax deduction for contributions to a qualified tuition program established under Section 529 of the Internal Revenue Code. The deduction is equal to \$250 for each designated beneficiary and is limited to contributors with federal adjusted gross income not exceeding \$100,000 for returns with a filing status of single or married filing separately or \$200,000 for returns with a filing status of married joint or head of household.

### **PART MMM**

Expands eligibility for property tax exemptions to veterans of certain conflicts that do not currently qualify for the exemption.

### **PART NNN**

Conforms Maine income tax law to federal law regarding contributions to health savings accounts.

### **PART OOO**

Changes the threshold for issuance of resale certificates from \$10,000 to \$3,000 in annual gross sales and extends the duration of resale certificates from one year to 3 years and establishes that subsequently issued resale certificates are effective for 5 years.

### **PART PPP**

Extends the tax credit given for the construction or improvements to any filling station for the purpose of providing clean fuels to the general public for use in motor vehicles from December 31, 2005 to December 31, 2008.

### **PART QQQ**

Includes in the definition of “commercial agricultural production” the removal and storage of manure related to the production of livestock, thus providing a sales tax exemption for machinery purchased for use in the removal and storage of manure as well as the electricity used to operate the machinery.

### **PART RRR**

Establishes the Maine Veterans' Memorial Cemetery Maintenance Fund to provide for the maintenance and upkeep of Maine veterans' cemeteries. It provides an allocation for the expenditure of funds received from a voluntary tax check off on the individual income tax form that allows a taxpayer to donate a portion of a tax refund or make a donation with the tax return and provides an appropriation associated with the administrative costs associated with the tax check off.



## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART SSS

Exempts from the real estate transfer tax deeds between grandparent and grandchild, effective August 1, 2006.

### Part TTT

Establishes an income tax credit for businesses that use or modify a pollution-reducing boiler or furnace system, requires certifications of eligible systems by the Department of Environmental Protection, repeals the credit after 4 years and requires the Department of Administrative and Financial Services, Bureau of Revenue Services to report annually on the use of the credit as part of its economic development incentive report.

### PART UUU

Provides that \$1,600,000 in unencumbered balance forward in fiscal year 2004-05 in the Education in the Unorganized Territory, General Fund account in the Department of Education lapses to the General Fund in fiscal year 2005-06 and deappropriates \$400,000 from the Education in the Unorganized Territory (EUT) program within the Department of Education in fiscal year 2005-06.

(Note: The Appropriations Committee intended that the deappropriation come from the Personal Services line rather than the All Other line of the EUT account. LD 2055, PL 2005, c. 683, Part C, section 13, An Act To Correct Errors and Inconsistencies in the Laws of Maine, corrects this error.)

### PART VVV

Directs the Department of Health and Human Services and the Department of Labor to adopt rules to affect an increased rate of reimbursement to those providing consumer-directed personal assistance services.

### PART WWW

Provides an appropriation to the Disability Rights Center to be used to provide advocacy services for children with serious disabilities in education-related matters.

### PART XXX

Changes the title of court security officers to state judicial marshal and state judicial deputy marshal and adds these positions to the definition of "law enforcement officer", entitling them to death benefits for officers who die in the line of duty.

### PART YYY

Reflects the policy of the Legislature to establish a means of financing sustainable passenger rail service in the State of Maine and requires the Commissioner of Transportation to identify financial resources to develop an implementation plan for the provision of sustainable passenger rail service and to submit a report to the Legislature.

## *Joint Standing Committee on Appropriations and Financial Affairs*

### PART ZZZ

Establishes additional requirements for the managed behavioral health care services system initiative authorized under Public Law 2005, chapter 457, Part PP.

### PART AAAA

Provides for an annual stipend for each public school teacher in Maine who has attained certification from the National Board for Professional Teaching Standards as of July 1, 2006 or thereafter and provides funds to the Maine State Retirement System for the additional cost of the normal cost component; provides additional one-time funds for the Educators for Maine program administered by the Finance Authority of Maine for residents of the State who are pursuing careers in education; provides for the continuing implementation of essential programs and services and makes changes designed to achieve the goals of the EPS funding model of adequacy and equity in the funding of education for kindergarten to grade 12; recognizes the special education costs of certain member municipalities that are determined to be minimum state allocation receivers but delays the implementation of the adjustment proposed until fiscal year 2007-08; extends to fiscal year 2006-07 and modifies the adjustment for certain school administrative districts and community school districts that have member municipalities with local contributions that are below the maximum mill rate expectation but that are adversely affected as a result of the cost-sharing mechanism established pursuant to Title 20-A, section 15688; modifies the adjustment in fiscal year 2006-07 to recognize 35% of the special education costs of eligible school districts as compared to 25% of the special education costs that were recognized by the adjustment provided in fiscal year 2005-06; and provides a transition adjustment for fiscal year 2006-07 to provide additional state subsidy to those school administrative units that have experienced a significant increase in the property valuation as compared to the statewide average increase in property valuation from 2004 to 2005.

### PART BBBB

Provides authority for the progressive treatment program to increase outpatient treatment and decrease reliance on hospitalization to 50 persons with severe mental illness who are involuntarily hospitalized. The provision is repealed July 1, 2010. It appropriates funds for the progressive treatment program in the Department of Health and Human Services and the Judicial Department and includes funding for residential services as recommended by the Court Master in Paul Bates et al. v. Department of Behavioral and Developmental Services et al.

### PART CCCC

Appropriates funds for residential care facilities and nursing facilities for increased heating costs during the 2005-2006 heating season to be paid before July 1, 2006 notwithstanding any provision of law or rule to the contrary or cost cap or other limitation applicable to residential care facilities and nursing facilities and directs the Department of Health and Human Services to amend MaineCare rules, through routine technical rulemaking, to provide for the distribution of these funds.

### PART DDDD

Removes the requirement that the Department of Health and Human Services develop a MaineCare drug formulary and authorizes the department to develop a drug formulary.

*Joint Standing Committee on Appropriations and Financial Affairs*

PART EEEE

Requires the Commissioner of Health and Human Services to report on the efforts of the Department of Health and Human Services to increase the availability of workers for homemaker and home-based care programs.

PART FFFF

Deappropriates fiscal year 2005-06 savings from the Homestead Property Tax Exemption Reimbursement program within the Department of Administrative and Financial Services.

Public Law 2005, chapter 519 was enacted as an emergency measure effective March 29, 2006.

**LD 2045**

**An Act To Implement the Recommendations of the Commission  
To Reform the State Budget Process**

**PUBLIC 601**

<u>Sponsor(s)</u> ROTUNDO BRANNIGAN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-570
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LD 2045 proposed to implement the statutory recommendations of the Commission to Reform the State Budget Process. The Commission proposed changes to create a budget document that would be more useful throughout the budget deliberations of the Legislature and to adjust the statutes to reflect the recommended change in the budgeting methodology. The change would shift the starting point for the biennial budget from the traditional current services model to a modified flat-funded model. Instead of building from prior biennial requests increased by an inflation factor, requests for appropriations and allocations would start from authorized positions and flat-funded non-personal services appropriations and allocations. Increases from those flat-funded amounts would need to be justified and the initiatives presented in the unified budget bill. It proposed elimination of some recently enacted restrictions on departmental budget requests, to be replaced by the flat-funded restrictions. It also proposed more flexibility in the Governor's budget document. LD 2045 also proposed changing references to the Governor's submission of a budget bill and replace them with references to the budget document, which would be reformatted beginning in the 2008-2009 biennium to mirror the new budget document format approved by the commission.

**Committee Amendment "A" (S-570)** proposed to clarify the content of the state budget document to be submitted by the Governor-elect or the Governor.

*Enacted law summary*

Public Law 2005, chapter 601 implements the statutory recommendations of the Commission to Reform the State Budget Process. The changes shift the starting point for the biennial budget from the traditional current services model to a modified flat-funded model. Instead of building from prior biennium requests increased by an inflation factor, requests for appropriations and allocations start from authorized positions and flat-funded non-personal services appropriations and allocations. Increases from those flat-funded amounts need to be justified and the initiatives presented in the unified budget bill. It eliminates some recently enacted restrictions on departmental budget requests, which are replaced by the flat-funded restrictions. It also provides more flexibility in the Governor's budget document. It changes references to the Governor's submission of a budget bill and