

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 Year Ending June 30, 2013

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

Sec. A-1. Appropriations and allocations. In order to provide for the necessary expenditures of State Government and other purposes for the fiscal year ending June 30, 2013, the following sums as designated in the following tabulations are appropriated or allocated out of money not otherwise appropriated or allocated.

PART B

Sec. B-1. Appropriations and allocations. The following appropriations and allocations are made to provide funding for approved reclassifications and range changes.

PART C

Sec. C-1. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2011, c. 655, Pt. C, §3, is further amended to read:

B. The annual targets for the state share percentage of the statewide adjusted total cost of the components of essential programs and services are as follows.

- (1) For fiscal year 2005-06, the target is 52.6%.
- (2) For fiscal year 2006-07, the target is 53.86%.
- (3) For fiscal year 2007-08, the target is 53.51%.
- (4) For fiscal year 2008-09, the target is 52.52%.
- (5) For fiscal year 2009-10, the target is 48.93%.
- (6) For fiscal year 2010-11, the target is 45.84%.
- (7) For fiscal year 2011-12, the target is 46.02%.
- (8) For fiscal year 2012-13, the target is ~~46.60%~~45.87%.

Sec. C-2. 20-A MRSA §15671, sub-§7, ¶C, as amended by PL 2011, c. 655, Pt. C, §4, is further amended to read:

C. Beginning in fiscal year 2011-12, the annual targets for the state share percentage of the total cost of funding public education from kindergarten to grade 12 including the cost of the components of essential programs and services plus the state contributions to teacher retirement, retired teachers' health insurance and retired teachers' life insurance are as follows.

- (1) For fiscal year 2011-12, the target is 49.47%.
- (2) For fiscal year 2012-13, the target is ~~50%~~49.35%.
- (3) For fiscal year 2013-14 and succeeding years, the target is 55%.

Sec. C-3. 20-A MRSA §15671-A, sub-§2, ¶B, as amended by PL 2011, c. 655, Pt. C, §5, is further amended to read:

B. For property tax years beginning on or after April 1, 2005, the commissioner shall calculate the full-value education mill rate that is required to raise the statewide total local share. The full-value education mill rate is calculated for each fiscal year by dividing the applicable statewide total local share by the applicable statewide valuation. The full-value education mill rate must decline over the period from fiscal year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill rate must be applied according to section 15688, subsection 3-A, paragraph A to determine a municipality's local cost share expectation. Full-value education mill rates must be derived according to the following schedule.

(1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 47.4% statewide total local share in fiscal year 2005-06.

(2) For the 2006 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2006-07.

(3) For the 2007 property tax year, the full-value education mill rate is the amount necessary to result in a 46.49% statewide total local share in fiscal year 2007-08.

(4) For the 2008 property tax year, the full-value education mill rate is the amount necessary to result in a 47.48% statewide total local share in fiscal year 2008-09.

(4-A) For the 2009 property tax year, the full-value education mill rate is the amount necessary to result in a 51.07% statewide total local share in fiscal year 2009-10.

(4-B) For the 2010 property tax year, the full-value education mill rate is the amount necessary to result in a 54.16% statewide total local share in fiscal year 2010-11.

(4-C) For the 2011 property tax year, the full-value education mill rate is the amount necessary to result in a 53.98% statewide total local share in fiscal year 2011-12.

(5) For the 2012 property tax year, the full-value education mill rate is the amount necessary to result in a ~~53.40%~~54.13% statewide total local share in fiscal year 2012-13.

(6) For the 2013 property tax year, the full-value education mill rate is the amount necessary to result in a 47.50% statewide total local share in fiscal year 2013-14.

(7) For the 2014 property tax year and subsequent tax years, the full-value education mill rate is the amount necessary to result in a 45% statewide total local share in fiscal year 2014-15 and after.

Sec. C-4. 20-A MRSA §15689, sub-§1, ¶A, as amended by PL 2011, c. 655, Pt. C, §8, is further amended to read:

A. The sum of the following calculations:

(1) Multiplying 5% of each school administrative unit's essential programs and services per-pupil elementary rate by the average number of resident kindergarten to grade 8 pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1); and

(2) Multiplying 5% of each school administrative unit's essential programs and services per-pupil secondary rate by the average number of resident grade 9 to grade 12 pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1).

The 5% factor in subparagraphs (1) and (2) must be replaced by: 4% for the 2009-10 funding year including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009; 3% for the 2010-11 funding year including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009; 3% for the 2011-12 funding year and ~~4%~~3% for the 2012-13 funding year and subsequent years; and

Sec. C-5. 20-A MRSA §15689, sub-§1, ¶B, as amended by PL 2011, c. 655, Pt. C, §9, is further amended to read:

B. The school administrative unit's special education costs as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

(1) In fiscal year 2005-06, 84%;

(2) In fiscal year 2006-07, 84%;

(3) In fiscal year 2007-08, 84%;

(4) In fiscal year 2008-09, 45%;

(5) In fiscal year 2009-10, 40% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;

(6) In fiscal year 2010-11, 35% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;

(7) In fiscal year 2011-12, 30%; and

(8) In fiscal year 2012-13 and succeeding years, ~~35%~~30%.

Sec. C-6. PL 2011, c. 655, Pt. C, §§8, 9, 14, 15 and 16 are amended to read:

Sec. C-8. Total cost of funding public education from kindergarten to grade 12.

The total cost of funding public education from kindergarten to grade 12 for fiscal year 2011-12 is as follows:

	2011-12 TOTAL
Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 without transitions percentage	\$1,390,771,314
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 97% transitions percentage	\$1,349,048,174
Total other subsidizable costs pursuant to the Maine Revised Statutes, Title 20-A, section 15681-A	\$413,851,257
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Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$1,762,899,431
Total Debt Service Allocation	
Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	\$104,575,834
Total Adjustments and Miscellaneous Costs	
Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	\$63,894,104 <u>\$63,744,083</u>
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Total Cost of Funding Public Education from Kindergarten to Grade 12	
Total cost of funding public education from kindergarten to grade 12 for fiscal year 2011-12 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	\$1,931,369,369 <u>\$1,931,219,348</u>
Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2011-12 pursuant to the Maine	\$172,592,848

Revised Statutes, Title 5, chapters 421 and 423

Adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 2 \$41,723,140

Total cost of funding public education from kindergarten to grade 12 \$2,145,685,357
\$2,145,535,336

Sec. C-9. Local and state contributions to total cost of funding public education from kindergarten to grade 12. The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2011 and ending June 30, 2012 is calculated as follows:

	2011-12 LOCAL	2011-12 STATE
Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683 - subject to statewide distributions required by law	\$1,042,466,969	\$888,902,400 <u>\$888,752,379</u>
State contribution to the total cost of teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2011-12 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423		\$172,592,848
State contribution to the total cost of funding public education from kindergarten to grade 12		\$1,061,495,248 <u>\$1,061,345,227</u>

Sec. C-14. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2012-13 is ~~7.69~~ 7.80.

Sec. C-15. Total cost of funding public education from kindergarten to grade 12. The total cost of funding public education from kindergarten to grade 12 for fiscal year 2012-13 is as follows:

	TOTAL
Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 without transitions percentage	\$1,395,869,772
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 97% transitions percentage	\$1,353,993,679
Total other subsidizable costs pursuant to the Maine Revised Statutes, Title 20-A, section 15681-A	\$429,737,826
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Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$1,783,731,505
Total Debt Service Allocation	
Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	\$103,872,675
Total Adjustments and Miscellaneous Costs	
Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	\$66,749,900
	<u>\$63,811,153</u>
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Total Cost of Funding Public Education from Kindergarten to Grade 12	
Total cost of funding public education from kindergarten to grade 12 for fiscal year 2012-13 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	\$1,954,354,080
	<u>\$1,951,415,333</u>
Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2012-13 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423	\$174,932,892
Adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 2	\$41,876,093
Total cost of funding public education from kindergarten to grade 12	\$2,171,163,065
	<u>\$2,168,224,318</u>

Sec. C-16. Local and state contributions to total cost of funding public education from kindergarten to grade 12. The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2012 and ending June 30, 2013 is calculated as follows:

	2012-13 LOCAL	2012-13 STATE
Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683 - subject to statewide distributions required by law	\$1,043,692,866 <u>\$1,056,272,622</u>	\$910,661,214 <u>\$895,142,711</u>
State contribution to the total cost of teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2012-13 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423		\$174,932,892
State contribution to the total cost of funding public education from kindergarten to grade 12		\$1,085,594,106 <u>\$1,070,075,603</u>

Sec. C-7. 20-A MRSA §15689, sub-§11, as enacted by PL 2011, c. 419, §3, is amended to read:

11. Minimum economically disadvantaged student adjustment. Beginning in fiscal year 2012-13, and for each subsequent fiscal year, each school administrative unit may receive an adjustment for economically disadvantaged students determined as follows.

A. A school administrative unit is eligible for the adjustment for economically disadvantaged students under the following conditions:

- (1) The school administrative unit receives an adjustment for the minimum state allocation pursuant to subsection 1;
- (2) The school administrative unit's percentage of economically disadvantaged students as determined pursuant to section 15675, subsection 2 is greater than the state average percentage of economically disadvantaged students; and
- (3) The school administrative unit operates a school.

B. The amount of the adjustment for economically disadvantaged students is the difference, but not less than zero, between the state share of the total allocation under this chapter and the amount computed as the school administrative unit's total allocation for economically disadvantaged students, multiplied by the relevant percentage in subsection 1, paragraph B. For the 2012-13 funding year, this adjustment shall be reduced to 98%.

Sec. C-8. Waiver; required local contribution. For fiscal year 2012-13 general purpose aid for local school funding only, for those school administrative units that do not raise the increased required local contribution pursuant to Maine Revised Statutes, Title 20-A, section 15690, subsection 1 that results from increasing the mill expectation from 7.69 to 7.80, there will be no proportional reduction to the state share pursuant to Title 20-A, section 15690, subsection 1, paragraph C.

SUMMARY

This Part provides the revised funding level for 2012-13 general purpose aid for local schools. It specifies a mill expectation of 7.80 for fiscal year 2012-13; the total cost of funding public education from kindergarten to grade 12, consisting of total operating allocation, and the state and local share of those costs; and a waiver from the requirement that school administrative units must raise the additional mill rate expectation to reach 7.80 mills or face a reduction in the state contribution.

PART D

Sec. D-1. 5 MRSA §947-B, sub-§1, ¶F, as enacted by PL 1991, c. 780, Pt. Y, §37 is amended to read:

F. Deputy Commissioners, Department of Administrative and Financial Services

Sec. D-2. 5 MRSA §947-B, sub-§1, K as amended by PL 2011, c. 655, Pt. I, §5 is further amended to read:

K. Associate Commissioner, Administrative Services; ~~and~~

Sec. D-3. 5 MRSA §947-B, sub-§1, ¶L, as enacted by PL 2011, c. 655, Pt. I, §5 is amended to read:

L. Associate Commissioner for Tax Policy within the Bureau of Revenue Services; and

Sec. D-4. 5 MRSA §947-B, sub-§1, ¶M is enacted to read:

M. Director, Legislative Affairs and Communications.

SUMMARY

PART D

This Part authorizes the Department of Administrative and Financial Services to have more than one Deputy Commissioner. It also establishes the Director, Legislative Affairs and Communications position as a major policy-influencing position.

PART E

Sec. E-1. 5 MRSA §1522, §1, as enacted by PL 2011, c. 380, Pt. X, §1 is amended to read:

1. Reserve for retirement benefits established. The State Controller shall, at the close of ~~each of the~~ fiscal years ending June 30, 2012, ~~June 30, 2013 and June 30, 2014~~, as the next priority after the transfers authorized pursuant to section 1507 and section 1511, and after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made, transfer from the available balance in the unappropriated surplus of the General Fund up to \$15,000,000 per year to a reserve account within the General Fund established for the purpose of providing the resources to fund retirement payments for retired state employees and teachers.

Sec. E-2. 5MRSA §1522, §2 as enacted by PL 2011, c. 380, Pt. X, §1 is repealed.

Sec. E-3. 5 MRSA §1536, sub-§1, as amended by PL 2011, c. 692 is further amended to read:

§1536. Excess General Fund revenues

1. ~~Fourth~~ Third priority reserve. The State Controller shall, as the ~~4th~~^{3rd} priority after the transfers to the State Contingent Account pursuant to section 1507, ~~and~~ the transfers to the Loan Insurance Reserve pursuant to section 1511 ~~and the transfers pursuant to section 1522~~ at the close of each fiscal year, transfer from the unappropriated surplus of the General Fund an amount equal to the amount available from the unappropriated surplus after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made as follows:

- A. ~~Thirty-five~~ Forty-eight percent to the stabilization fund;
- B. ~~Thirteen percent to the Retirement Allowance Fund established in section 17251;~~
- C. Thirteen percent to the Reserve for General Fund Operating Capital;
- D. Nine percent to the Retiree Health Insurance Internal Service Fund established in section 1519 to be used solely for the purpose of amortizing the unfunded actuarial liability associated with future health benefits;
- E. Ten percent to the Capital Construction and Improvements Reserve Fund established in section 1516-A; and
- F. Twenty percent to the Tax Relief Fund for Maine Residents established in section 1518-A.

Sec. E-4. PL 2011, c. 380, Pt. T. §22 is amended to read”

Sec. T-22. Noncumulative cost-of-living adjustment retirement benefit. No later than August 15th in 2012, ~~2013 and 2014~~, the Executive Director of the Maine Public Employees Retirement System shall notify the State Controller of the total cost of providing a payment to retirees that would otherwise have been eligible for a cost-of-living adjustment but for the operation of the suspension of the annual cost-of-living adjustments pursuant to the provisions of this Part. The benefit calculation is equal to the change in the Consumer Price Index for the year ending in June of the prior calendar year, up to a maximum of 3%, but in no case may the change be less than 0%, multiplied by the retirement benefit payments up to a maximum of \$20,000 for the one-year period ending August 31st of that calendar year, excluding any retirement benefits calculated pursuant to this section. The State Controller shall transfer the amounts calculated pursuant to this section up to the balance available in the reserve for retirement benefits established in the Maine Revised Statutes, Title 5, section 1522 no later than September 1st of each year. If the balance in the reserve for retirement benefits on that date is not sufficient to fully fund the total benefits calculated, the State Controller shall transfer the amount that is available in the reserve to the Maine Public Employees Retirement System and the executive director shall proportionally reduce the benefit calculated by this section to equal the amount of funding provided.

Sec. E-5. PL 2011, c. 380, Pt. QQ, §1, as amended by PL 2011, c. 657, Pt. C, §1 is further amended to read:

Sec. QQ-1. Transfer from unappropriated surplus at close of fiscal years 2011-12 and 2012-13. Notwithstanding any other provision of law, at the close of fiscal year 2011-12 ~~and fiscal year 2012-13~~, the State Controller shall transfer up to \$25,000,000 from the unappropriated surplus of the General Fund to the Department of Health and Human Services, Medical Care - Payments to Providers account in the General Fund after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made and as the first priority after the transfers required pursuant to the Maine Revised Statutes, Title 5, sections 1507, 1511 and 1522 and before the transfers required pursuant to Title 5, section 1536.

Sec. E-6. PL 2011, c. 657, Pt. C, §2 is repealed.

Sec. E-7. Transfer of funds; Reserve for Retirement Costs. Notwithstanding any other provision of law, on or before June 30, 2013, the State Controller shall transfer \$2,870,709 from the Reserve for Retirement Costs to the General Fund unappropriated surplus.

SUMMARY

PART E

This Part does the following:

It eliminates the transfer of up to \$15,000,000 per year to a reserve account within the General Fund established for the purpose of providing the resources to fund retirement payments for retired state employees and teachers in fiscal years 2012-13 and 2013-14 and the related provisions related to the cost-of-living retirement benefit.

It repeals the requirement that any balance remaining in the reserve account to fund retirement payments be transferred to the Maine Budget Stabilization Fund at the end of fiscal year 2014-15.

It revises the distribution of available balances in the unappropriated surplus of the General Fund after all required deductions and adjustments are made at the end of a fiscal year.

It repeals the provisions that would have authorized a transfer of up to \$25,000,000 from the unappropriated surplus and the transfer of excess revenue from the Oxford Casino at the end of fiscal year 2012-13 to the Department of Health and Human Services to pay hospital settlements.

It requires the State Controller to transfer \$2,870,709 from the Reserve for Retirement Costs to General Fund unappropriated surplus before June 30, 2013.

PART F

Sec. F-1. Transfer to General Fund unappropriated surplus; K-12 Essential Programs and Services Other Special Revenue Funds account. Notwithstanding any other provisions of law, the State Controller shall transfer \$14,096,679 from the K-12 Essential Programs and Services Other Special Revenue Funds account to General Fund unappropriated surplus no later than June 30, 2013.

SUMMARY

PART F

This Part requires the State Controller to transfer \$14,096,679 from the K-12 Essential Programs and Services Other Special Revenue Funds account to the unappropriated surplus of the General Fund no later than June 30, 2013. The amount of the transfer represents funding originally intended for General Purpose Aid for Local Schools and hospital settlements.

PART G

Sec. G-1. 28-A MRSA §89, as enacted by PL 2011, c. 380, Pt. S is repealed.

SUMMARY

PART G

This Part repeals the provisions that directed the process for the renewal of contracts for the State's wholesale liquor activities.

PART H

Sec. H-1. Estate Tax Revenue. Notwithstanding any other provision of law, the State Controller is authorized to recognize a receivable for up to \$7,000,000 during fiscal year 2012-13 within the estate tax revenue for receipt of an identified amount due to the State.

SUMMARY PART H

This Part authorizes the State Controller to recognize a receivable of up to \$7,000,000 during fiscal year 2012-13 of estate tax revenue.

PART I

Sec. I-1. Transfer from Maine Budget Stabilization Fund; General Fund unappropriated surplus. Notwithstanding any other provision of law, the State Controller shall transfer \$40,000,000 during fiscal year 2012-13 from the Maine Budget Stabilization Fund to the General Fund unappropriated surplus.

Sec. I-2. Transfer from Reserve for General Fund Operating Capital; General Fund unappropriated surplus. Notwithstanding any other provision of law, the State Controller shall transfer \$17,100,000 during fiscal year 2012-13 from the Reserve for General Fund Operating Capital to the General Fund unappropriated surplus.

SUMMARY

PART I

This Part does the following:

It directs the State Controller to transfer \$40,000,000 during fiscal year 2012-13 from the Maine Budget Stabilization Fund to the General Fund unappropriated surplus.

It directs the State Controller to transfer \$17,100,000 during fiscal year 2012-13 from the Reserve for General Fund Operating Capital to the General Fund unappropriated surplus.

PART J

Sec. J-1. 12 MRSA §1819, second ¶, as revised by PL 2011, c. 657, Pt. W, §7, is amended to read:

Unless otherwise provided by law, all user fees derived from use of state parks, historic sites and the Allagash Wilderness Waterway and other payments for services received under this section and after payment of leases for state park lands shall accrue to the General Fund, except that all revenues resulting from an increase in fees after July 1, 1990 in the Allagash Wilderness Waterway accrue to a dedicated revenue account to be used for capital improvements in the Allagash Wilderness Waterway. When fees may be more efficiently collected through 3rd-party contracts, a percentage of the fee may be retained by the contractor for services as agreed upon by the bureau. .

SUMMARY PART J

This Part redirects revenue to a dedicated account to allow for payment of leases for state park land. Revenue not used to pay a lease will be deposited in the General Fund.

PART K

Sec. K-1. Transfer; unexpended funds; Harness Racing Commission Other Special Revenue Funds account. Notwithstanding any other provision of law, the State Controller shall transfer \$310,000 no later than June 30, 2013 from the Harness Racing Commission program, Operating Account Other Special Revenue Funds account in the Department of Agriculture, Conservation and Forestry to the unappropriated surplus of the General Fund.

SUMMARY

PART K

This Part transfers unexpended funds of \$310,000 from the Harness Racing Commission program, Operating Account Other Special Revenue Funds account in the Department of Agriculture , Conservation and Forestry to the unappropriated surplus of the General Fund.

PART L

Sec. L-1. Department of Corrections; Department of Corrections – Capital Improvements; lapsed balances. Notwithstanding any provisions of law, the State Controller shall lapse \$1,600,000 from the Department of Corrections – Capital Improvements General Fund account within the Department of Corrections to General Fund unappropriated surplus no later than June 30, 2013.

SUMMARY

PART L

This Part requires the State Controller to lapse \$1,600,000 from the Department of Corrections – Capital Improvements General Fund account to General Fund unappropriated surplus no later than June 30, 2013.

PART M

Sec. M-1. Transfer; unexpended funds; Tourism Marketing Promotion Fund Other Special Revenue Funds account. Notwithstanding any other provisions of law, the State Controller shall transfer \$1,000,000 no later than June 30, 2013 from the Tourism Marketing Promotion Fund, Other Special Revenue Funds account in the Department of Economic and Community Development to the unappropriated surplus of the General Fund.

SUMMARY PART M

This Part requires the State Controller to transfer \$1,000,000 in unexpended funds from the Office of Tourism, Other Special Revenue Funds account within the Department of Economic and Community Development to the unappropriated surplus of the General Fund by the close of fiscal year 2012-13.

PART N

Sec. N-1. 20-A MRSA §2651, as enacted by PL 2011, c. 446, §1, is amended to read:

20-A §2651. FUND FOR THE EFFICIENT DELIVERY OF EDUCATIONAL SERVICES

1. Fund created. The Fund for the Efficient Delivery of Educational Services, referred to in this chapter as "the fund" is created within the General Purpose Aid for Local Schools Program to reimburse school administrative units for eligible expenditures made to create and operate a regional education cooperative that meets the criteria set forth in subsection 2, paragraph B or a regional school unit that meets the criteria set forth in subsection 2, paragraph A. ~~assist in financing the cost of local and regional initiatives to improve educational opportunity and student achievement through more efficient delivery of educational services. The fund is a dedicated, nonlapsing account within the department.~~

2. Use of fund. The department shall ~~award grants from~~ use the fund to reimburse school administrative units, ~~municipalities, counties and groups of 2 or more such entities to fund the costs of implementing changes in governance, administrative structures or policies that result in the creation of consolidated school administrative units; purchasing alliances; innovative, autonomous public schools, innovative public school districts or innovative public school zones; regional delivery of educational services; or collaborations of municipal school service delivery or support systems, with the purpose of improving educational opportunity and student achievement.~~ for eligible expenditures made for an eligible project. An eligible project is a project to create:

A. A regional school unit , created pursuant to chapter 103-A, that is comprised of all of the school administrative units within a Career and Technical Education Region, or all of the school administrative units that comprise a Career and Technical Education Center and its affiliated school administrative units; or

B. A regional education cooperative, created pursuant to chapter 113-A , that:

(1) Is comprised of all of the school administrative units within a Career and Technical Education Region, or all of the school administrative units that comprise a Career and Technical Education Center and its affiliated school administrative units; and

(2) Will deliver to member school administrative units at least 5 of the following functions and services, including shared superintendent services in the first year of operation and at least 10 of the following functions and services, including shared superintendent services, by the third year of its operation:

(a) Shared superintendent services;

(b) Alternative education programs;

- (c) Special education programs or support services;
- (d) Public preschool programs or 2-year kindergartens pursuant to chapter 203;
- (e) Gifted and talented education programs pursuant to chapter 311;
- (f) Online learning and distance education programs;
- (g) Postsecondary education options pursuant to chapter 208-A;
- (h) Adult education programs pursuant to chapter 315;
- (i) Purchasing or contracting for goods or services;
- (j) Staff training or professional development;
- (k) Technology or technology support services;
- (l) Accounting, payroll and financial management;
- (m) Transportation routing and vehicle maintenance;
- (n) Food service planning and purchasing; and
- (o) Energy management and facilities maintenance.

~~Grants Funds~~ must be used to implement changes that will be sustained by the school administrative unit, ~~municipality or county~~ without the need for additional grants from the fund or other sources.

~~**3. Grant criteria.** Grants must be awarded on a competitive basis, in accordance with procedures and criteria set forth in rules adopted by the department. The rules must give priority to projects that:~~

- ~~A. Involve 2 or more school administrative units, municipalities, counties or a combination of these entities;~~
- ~~B. Are sufficiently developed to be implemented in a short period of time after the award of the grant;~~
- ~~C. Expand access to professional development, training and support for teachers and school administrators; more fully integrate educational technology and expand access to online and digital learning opportunities; improve management and use of data to enhance instruction and increase student achievement; broaden access to opportunities for career and technical~~

~~education; expand access to early college opportunities for high school students; or increase student choice; or~~

~~D. Implement projects that have demonstrated significant and sustainable savings in the cost of delivering educational services and improving student achievement.~~

3-A. Application requirement. Before making expenditures that will be claimed for reimbursement under this section, a group of school administrative units shall apply to the Commissioner for a determination of eligibility for the project and the anticipated expenditures. The application must include:

A. A Memorandum of Agreement by which the school boards of each school administrative unit agree to create a regional school unit or regional education cooperative that meets the criteria set forth in subsection 2;

B. A copy of school board minutes at which the memorandum of agreement was approved;

C. For a regional education cooperative, a description of the functions and services to be shared; and

D. Any other information required by department rule.

3-B. Eligible Expenditures. For purposes of this section, the following expenditures are eligible expenditures:

A. Expenditures for technology and other equipment required to implement a regional school unit or cooperative services, excluding technology and equipment that simply replaces equipment and functionality existing within the member school administrative units prior to creation of the cooperative or regional school unit;

B. Expenditures for professional services, including but not limited to legal and accounting services, required to create a regional school unit or a cooperative agreement;

C. Expenditures for the first 12 months of salary and benefits for a coordinator whose full-time responsibility is to assist school administrative units in creating and implementing a regional school unit or an education cooperative; and

D. Other expenditures specified in department rule.

4. Sources of money. The fund consists of amounts appropriated or allocated by the State and any gifts or grants made to the department for the purpose of deposit in the fund.

5. Rules. Rules adopted by the department to implement this section, including rules relating to the process for obtaining reimbursement and the maximum reimbursement per project, are routine technical ~~major substantive~~ rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

PART N

This Part focuses the use of the Fund for the Efficient Delivery of Educational Services on two types of projects to make the provision of educational services more efficient and effective. Creation of a regional school unit or a regional education cooperative will qualify for funding, as long as the region includes all the school units in a Career and Technical Education region or all the units that include a Career and Technical Education Center and its affiliated school units. The amendment eliminates the competitive grant aspect of the program and establishes an eligibility application to the department.

PART O

Sec. O-1. Department of Education; General Purpose Aid for Local School; lapsed balances. Notwithstanding any provisions of law, the State Controller shall lapse \$2,000,000 from the General Purpose Aid for Local Schools General Fund account within the Department of Education to General Fund unappropriated surplus no later than June 30, 2013.

SUMMARY

PART O

This Part requires the State Controller to lapse \$2,000,000 from the General Purpose Aid for Local Schools General Fund account to General Fund unappropriated surplus no later than June 30, 2013.

PART P

Sec. P-1. 20-A MRSA §7001, sub-§2-A, as amended by PL 2011, c. 477, Part F, §1, is further amended to read:

2-A. Free, appropriate public education. "Free, appropriate public education" means special education and related services that are provided at public expense, under public supervision and direction and without charge; meet the standards of the department; include an appropriate preschool, elementary school or secondary school education in the State; and are provided in conformity with the ~~individualized family service plan or individualized education program. The Child Development Services System shall provide free, appropriate public education to a preschool child with disabilities who reaches 5 years of age between July 1st and October 15th if that child is already receiving free, appropriate public education through the Child Development Services System and the child's individualized education program team determines, in accordance with rules adopted by the commissioner, that it is in the best interest of the child not to enroll that child in kindergarten until the start of the following school year.~~

Sec. P-2. Effective date. This Part takes effect July 1, 2013.

SUMMARY PART P

This Part eliminates the provision that allows certain children to continue to receive the services of the Child Development Services System for an additional year rather than be enrolled in kindergarten.

PART Q

Sec. Q-1. 20-A MRS §5806, sub-§2, as amended by PL 2009, c. 571, Pt. E, §8, is further amended to read:

2. Maximum allowable tuition. The maximum allowable tuition charged to a school administrative unit by a private school is the rate established under subsection 1 or the state average per public secondary student cost as adjusted, whichever is lower, plus an insured value factor. ~~For school year 2009-2010 only, the maximum allowable tuition rate, prior to the addition of the insured value factor, must be reduced by 2%; the insured value factor must be based on this reduced rate. The insured value factor is computed by dividing 5% of the insured value of school buildings and equipment by the average number of pupils enrolled in the school on October 1st and April 1st of the year immediately before the school year for which the tuition charge is computed. For the 2008-2009 school year only, a school administrative unit is not required to pay an insured value factor greater than 5% of the school's tuition rate per student, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student.~~ Beginning in school year 2009-2010, a school administrative unit is not required to pay an insured value factor greater than 5% of the school's tuition rate or \$500 per student, whichever is less, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student. Beginning in school year 2013-14, the insured value factor is computed by dividing 10% of the insured value of school buildings and equipment by the average number of pupils enrolled in the school on October 1st and April 1st of the year immediately before the school year for which the tuition charge is computed.

Sec. Q-2. 20-A MRS §15683-A, as amended by PL 2011, c. 655, Pt. C, §7, is further amended to read:

For each school administrative unit, that unit's total debt service allocation is that unit's debt service costs as defined in section 15672, subsection 2-A. Each school administrative unit's total debt service allocation must include the portion of the tuition cost applicable to the insured value factor for the base year computed under section 5806 limited to an insured value factor no greater than 5% for each eligible student. Beginning in the 2015-16 funding year, each school administrative unit's total debt service allocation must include the portion of the tuition cost applicable to the insured value factor for the base year computed under section 5806 limited to an insured value factor no greater than 10% for each eligible student.

SUMMARY

PART Q

This Part increases the insured value factor percentage from the maximum of 5% or \$500, whichever is less to 6% of the maximum allowable tuition rate. The purpose of the insured value fact

is for capital commitment for those publicly funded students attending private schools. This change will result in a similar level to these schools as is provided in the state/local commitment to public schools.

PART R

Sec. R-1. PL 2011, c. 655, Part FFF, ¶1 is amended to read:

Sec. FFF-1. Savings. Notwithstanding any other provision of law, the Commissioner of Education and the Commissioner of Labor shall work together to identify \$287,541 in ~~efficiencies and savings within existing General Fund programs~~ of the Department of Education and the Department of Labor in order to support the cost of one full-time Blindness and Rehabilitation Specialist position in the Department of Labor, Division for the Blind and Visually Impaired; one Teacher of Visually Impaired Children contracted position; and 2 Vision Rehabilitation Therapist contracted positions to provide services to blind and visually impaired children and adults.

SUMMARY

PART R

This Part removes the provision to identify General Fund dollars to support the cost of certain positions within the Department of Labor, Division for the Blind and Visually Impaired.

PART S

Sec. S-1. 5 MRSA §937, sub-§1, ¶K, as enacted by PL 2011, c. 655, Pt. D, §4 is amended to read:

K. ~~Director, PK 20, Adult Education and Federal Programs Team~~Chief Academic Officer;

Sec. S-2. 20-A MRSA §203, sub-§1, ¶K, as enacted by PL 2011, c. 655, Pt. D, §9 is amended to read:

K. ~~Director, PK 20, Adult Education and Federal Programs Team~~Chief Academic Officer;

SUMMARY

PART S

This Part changes the name of the Director, PK-20, Adult Education and Federal Programs Team to Chief Academic Officer.

PART T

Sec. T1. 22 MRSA §4311, sub-§§ 4 and 5 are enacted to read:

4. Limit of departmental reimbursement. Notwithstanding any other provision of law, the department shall not reimburse a municipality for general assistance expenditures to the extent that such reimbursement would cause the department to expend more than \$10,171,243 in General Fund resources for general assistance reimbursement in a fiscal year. The department shall make reasonable efforts to keep municipalities informed of the amount of general assistance reimbursement that the department has remaining to expend in a fiscal year.

5. Limit of municipal responsibility. Notwithstanding any other provision of law, a municipality is not required to provide general assistance to an eligible person if the municipality reasonably anticipates that, pursuant to subsection 4, the department will not reimburse the municipality for the expenditure.

SUMMARY PART T

This Part caps General Fund expenditures for general assistance reimbursement at \$10,171,243 per year. It also provides that municipalities are not required to provide assistance to eligible individuals if they reasonable anticipate that they will not be reimbursed by the Department of Health and Human Services for that assistance.

PART U

Sec. U-1. 22 MRSA §3195 is enacted to read:

§3195. Transfer of funds.

Available balances of appropriations in MaineCare and MaineCare-related General Fund accounts may be transferred between MaineCare and MaineCare-related accounts by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

§3196. Authorized MaineCare and MaineCare-related program transfers defined.

The authority to transfer is limited to the following General Fund programs:

- A. Medical Care - Payments to Providers;
- B. Nursing Facilities;
- C. Medicaid Services – Developmental Services;
- D. Mental Health Services - Child Medicaid;
- E. Mental Health Services - Community Medicaid;
- F. Developmental Services Waiver – MaineCare;
- G. Developmental Services Waiver - Supports;
- H. Traumatic Brain Injury Seed;
- I. Office of Substance Abuse - Medicaid Seed;
- J. Low-cost Drugs to Maine's Elderly;
- K. Bureau of Medical Services;
- L. PNMI Room and Board;
- M. Medicaid Waiver for Other Related Conditions; and
- N. Medicaid Waiver for Brain Injury Residential/Community Services.

Sec. U-2. Department of Health and Human Services; Personal Services appropriation balances; transfers to All Other authorized. Notwithstanding any provision of law, for fiscal year 2012-13 only, the Department of Health and Human Services is authorized to transfer available balances of Personal Services appropriations, after all salary, benefit and other obligations are met, to the All Other line category. These amounts may be transferred by financial order upon the recommendation of the State Budget Officer and approval of the Governor only to MaineCare or MaineCare-related programs as defined in Title 22, section 3196. These transfers are not considered adjustments to appropriations.

SUMMARY PART U

This Part does the following:

It makes the authorization to transfer balances between MaineCare and MaineCare-related accounts permanent and defines which programs are authorized to be included in those transfers.

It authorizes the Department of Health and Human Services, in fiscal year 2012-13 only, to transfer available Personal Services appropriation balances to All Other and authorizes those balances to be transferred by financial order to MaineCare or MaineCare-related programs upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

PART V

Sec. V-1. 5 MRSA §1591, sub-§2, as amended by PL 2011, c. 657, Pt. II, §1 is further amended to read:

2. Department of Health and Human Services. The Department of Health and Human Services must apply:

- A. Any balance remaining in the accounts of the Department of Health and Human Services appropriated for the purposes of homemaker or home-based care services at the end of any fiscal year to be carried forward for use by either program in the next fiscal year;
- B. Any balance remaining in the Traumatic Brain Injury Seed program, General Fund account at the end of any fiscal year to be carried forward for use in the next fiscal year;
- C. Any balance remaining in the General Fund account of the Department of Health and Human Services, Bureau of Medical Services appropriated for All Other line category expenditures at the end of any fiscal year to be carried forward for use in the next fiscal year; ~~and~~
- D. Any balance remaining in the accounts of the Department of Health and Human Services, Mental Health Services - Community program appropriated for the purposes of rental assistance, shelter services and consent decree activities at the end of any fiscal year to be carried forward for use in the next fiscal year for the same purpose; and
- E. Any balance remaining in the Consent Decree program, General Fund account at the end of any fiscal year to be carried forward for use in the next fiscal year.

SUMMARY

PART V

This Part requires that any remaining balance in the Consent Decree program, General Fund account within the Department of Health and Human Services carries forward for use in the next fiscal year.

PART W

Sec. W-1. Emergency rule-making authority; health and human services matters. The Department of Health and Human Services is authorized to adopt emergency rules on or before June 30, 2013 under the Maine Revised Statutes, Title 5, sections 8054 and 8073 in order to implement those provisions of this Act over which the department has subject matter jurisdiction for which specific authority has not been provided in any other Part of this Act without the necessity of demonstrating that immediate adoption is necessary to avoid a threat to public health, safety or general welfare.

SUMMARY PART W

This Part gives the Department of Health and Human Services the authority to adopt emergency rules to implement any provisions of the bill over which it has specific authority that has not been addressed by some other Part of the bill.

PART X

Sec. X-1. 24-A MRSA §6914, last ¶, as amended by PL 2011, c. 477, Pt. Y, §1, is further amended to read:

Beginning September 1, 2012, but not later than June 30, 2013, Dirigo Health shall transfer ~~\$2,397,939~~ \$7,210,000 from the Dirigo Health Enterprise Fund to the Medical Care - Payments to Providers, Other Special Revenue Funds account in the Department of Health and Human Services for the purpose of providing a state match for federal Medicaid services.

SUMMARY

PART X

This Part increases the amount of the transfer that Dirigo Health is required to make to the Department of Health and Human Services in fiscal year 2012-13.

PART Y

Sec. Y-1. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account.

On or before June 1, 2013 the State Controller shall transfer \$73,741 from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to the Resource Management Services – Inland Fisheries and Wildlife program, General Fund account, to fund the approved reclassification, including the retroactive portion, of six Fish Culture Assistant Supervisor positions from range 18 to range 19.

Sec. Y-2. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account.

On or before June 1, 2013 the State Controller shall transfer \$33,658 from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to the Warden Service – Inland Fisheries and Wildlife program, General Fund account, to fund the approved reclassification, including the retroactive portion, of four Office Associate II positions to Warden Service Communication Operator positions.

Sec. Y-3. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account.

On or before June 1, 2013 the State Controller shall transfer \$6,113 from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to the Resource Management Wildlife – Inland Fisheries and Wildlife program, General Fund account, to fund the approved reclassification, including the retroactive portion, of one Biology Specialist position to one Biologist I position.

SUMMARY

PART Y

This Part does the following:

It authorizes a one-time transfer of \$73,741 from the Inland Fisheries and Wildlife Carrying Balance – General Fund account to fund the reclassification of six Fish Culture Assistant Supervisor positions from range 18 to range 19.

It authorizes a one-time transfer of \$33,658 from the Inland Fisheries and Wildlife Carrying Balance – General Fund account to fund the reclassification of four Office Associate II positions to Warden Service Communication Operator positions.

It authorizes a one-time transfer of \$6,113 from the Inland Fisheries and Wildlife Carrying Balance – General Fund account to fund the reclassification of one Biology Specialist position to a Biologist I position.

PART Z

Sec. Z-1. Personal Services balances; Judicial Department; transfers authorized.

Notwithstanding any other provision of law, in fiscal year 2012-13 only, the Judicial Department is authorized to transfer available balances of Personal Services appropriations, after all salary, benefit and other obligations are met, to the All Other line category in the Judicial Department – Supreme JD and Superior Courts General Fund account.

SUMMARY PART Z

This Part authorizes the Judicial Department to transfer, in fiscal year 2012-13 only, all remaining Personal Services balances to the All Other line category in the Judicial Department – Supreme JD And Superior Courts General Fund account.

PART AA

Sec. AA-1. Transfers from available fiscal year 2012-13 Other Special Revenue Funds balances within Department of Professional and Financial Regulation to General Fund. Notwithstanding any other provision of law, at the close of fiscal year 2012-13, the State Controller shall transfer \$3,000,000 from available balances in Other Special Revenue Funds accounts within the Department of Professional and Financial Regulation to the General Fund unappropriated surplus. On or before June 30, 2013, the Commissioner of Professional and Financial Regulation shall determine from which accounts the funds must be transferred so that the sum equals \$3,000,000 and notify the State Controller and the Joint Standing Committee on Appropriations and Financial Affairs of the amounts to be transferred from each account.

SUMMARY

PART AA

This Part requires the State Controller to transfer \$3,000,000 from available Other Special Revenue Funds balances in the Department of Professional and Financial Regulation to the General Fund unappropriated surplus. The Commissioner of the Department of Professional and Financial Regulation must notify the State Controller and the Joint Standing Committee on Appropriations and Financial Affairs of the amounts that must be transferred from each affected account.

PART BB

Sec. BB-1. PL 2009, c. 649, § 2 is amended to read:

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

WORKERS' COMPENSATION BOARD

Administration - Workers' Compensation Board 0183

Initiative: Allocates funds to enhance enforcement of laws prohibiting the misclassification of workers by establishing one Management Analyst II position at range 24 and one Auditor III position at range 25. Notwithstanding any other provision of law, the Management Analyst II position and the Auditor III position must be funded from the Workers' Compensation Board's reserve account pursuant to the Maine Revised Statutes, Title 39-A, section 154, subsection 6, paragraph B: in fiscal years 2010-11, 2011-12 and 2012-13 and will be funded in fiscal year 2013-14 and ongoing with revenue from Worker's Compensation Board assessment.

OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	0.000	2.000
Personal Services	\$0	\$161,773
	<hr/>	<hr/>
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$161,773

SUMMARY PART BB

This Part clarifies the funding source for certain positions of the Workers' Compensation Board.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.