

**An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, Highway Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2014 and June 30, 2015**

**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 years ending June 30, 2014 and June 30, 2015, 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 C-1. 23 MRSA §1807**, as amended by PL 2011, c. 652, §9 is repealed.

**SUMMARY**

**PART C**

This Part repeals the transit bonus payment program.

## PART D

**Sec. D-1. 30-A MRSA §6006-G**, sub-§4, ¶A, as amended by PL 2009, c. 413, Pt. X §1 is further amended to read:

A. To make grants and loans to the Department of Transportation and municipalities under this section, except that such grants may be used only for capital projects that have an anticipated useful life of at least 5 years ~~and such bonds may be used only for capital projects that have an anticipated useful life of at least as long as the bond term;~~

### SUMMARY PART D

This Part changes the useful life requirement related to grants or loans from the TransCap Trust Fund from 10 years to 5 years.

## **PART E**

**Sec. E-1. Merit increases and longevity payments.** Notwithstanding the Maine Revised Statutes, Title 26, section 979-D or section 1285 or any other provision of law, any merit increase or longevity payment, regardless of funding source, scheduled to be awarded or paid between July 1, 2013 and June 30, 2015 to any person employed by the departments and agencies within the executive branch, including the constitutional officers and the Department of Audit, may not be awarded, authorized or implemented. These savings may be replaced by other Personal Services savings by agreement of the State and the bargaining agents representing state employees.

**Sec. E-2. Calculation and transfer.** Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each Highway Fund account for all departments and agencies from savings associated with eliminating merit pay increases and longevity payments and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to allocations in fiscal year 2013-14 and fiscal year 2014-15. The State Budget Officer shall provide a report of the transferred amounts to the Joint Standing Committee on Appropriations and Financial Affairs no later than October 1, 2014.

## **SUMMARY PART E**

This Part continues for two years the freeze on merit increases and denies the award of longevity pay to employees in the various departments and agencies within the executive branch, including the constitutional officers and the Department of Audit, during the 2014-2015 biennium. This Part also requires the State Budget Officer to calculate the amount of savings in Part A that applies against each Highway Fund account for all departments and agencies from savings associated with eliminating merit pay and longevity pay and to transfer the amounts by financial order upon the approval of the Governor.

## **PART F**

**Sec. F-1. 25 MRSA §1509-A**, as enacted by PL 2007, c. 682, §1 and affected by §8 is repealed.

**Sec. F-2. 25 MRSA §1509-B** is enacted to read:

### **§§1509-A. Funding**

Beginning in fiscal year 2013-14, state funding for the Department of Public Safety, Bureau of State Police must be provided as follows:

1. Highway Fund. Thirty-three percent must be allocated from the Highway Fund pursuant to Title 23, section 1653; and

2. General Fund. Sixty-seven percent must be appropriated from the General Fund.

## **SUMMARY**

### **PART F**

This Part requires that the funding for the Bureau of State Police within the Department of Public Safety is 33% Highway Fund and 67% General Fund.

## **PART G**

**Sec. G-1. Transfer of funds; Highway Fund; TransCap.** Notwithstanding any other provision of law, the State Controller shall transfer \$5,210,691 in fiscal year 2013-14 and \$5,334,017 in fiscal year 2014-15 from the Highway Fund unallocated surplus to the TransCap Trust Fund in accordance with Public Law 2007, chapter 682, section 3.

### **SUMMARY**

#### **PART G**

This Part requires the State Controller to transfer \$5,210,691 in fiscal year 2013-14 and \$5,334,017 in fiscal year 2014-15 from the Highway Fund unallocated surplus to the TransCap Trust Fund.

## PART H

**Sec. H-1. 5 MRSA §285, sub-§7, ¶K** as enacted by PL 2011, c. 380, Pt. V, §1, is amended to read:

K. The total premium for active and retired state employee health insurance is capped at the fiscal year 2010-11 funding level for the fiscal years ending June 30, 2012, ~~and~~ June 30, 2013, June 30, 2014 and June 30, 2015. The total premium for fiscal years ending after June 30, 2015 shall be limited to no more than the Consumer Price Index (CPI) plus 3%.

**Sec. H-2. 5 MRSA §286-B, sub-§2,** as amended by PL 2011, c. 380, Pt. Y, §1, is further amended to read:

Annually, beginning with the fiscal year starting July 1, ~~2013~~ 2015, the Legislature shall appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded liability for retiree health benefits for eligible participants in the teacher plan. The unfunded liability referred to in this section is that determined by the Department of Administrative and Financial Services, Office of the State Controller's actuaries and certified by the Commissioner of Administrative and Financial Services as of June 30, 2006.

**Sec. H-3. 20 -A MRSA §13451, sub-§3, last ¶,** as amended PL 2011, c. 540, §2 and affected by §3 is further amended to read:

For the fiscal years ending June 30, 2012, ~~and~~ June 30, 2013, June 30, 2014 and June 30, 2015 the State's total cost for retired teachers' health insurance premiums is capped at the fiscal year 2010-11 level. The total premium for fiscal years ending after June 30, 2015 shall be limited to no more than the Consumer Price Index (CPI) plus 3%. The providers of the health insurance benefit plans for retired teachers must submit their premium costs, plan for ensuring adherence with this statute and any related data as requested by the State's Executive Director of Health Insurance.

**Sec. H-4. Calculation and transfer of funds; retiree health insurance.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each account for departments and agencies statewide that have occurred as a result of the retiree health provisions authorized in this Part. The State Budget Officer shall transfer the savings by financial order upon approval of the Governor on or before January 15, 2014. These transfers are considered adjustments to appropriations and allocations in fiscal years 2013-14 and 2014-15.

**Sec. H-5. Calculation and transfer; health insurance.** Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each Highway Fund account for all departments and agencies

from savings associated with health insurance changes and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations and allocations in fiscal year 2013-14 and fiscal year 2014-15.

## **SUMMARY**

### **PART H**

This Part does the following:

It caps the State's contribution for active and retired state employee health insurance at fiscal year 2010-11 levels and limits the premium for years beginning after June 30, 2015 to no more than the Consumer Price Index plus 3%.

It caps the State's total cost for retired health insurance premiums at fiscal year 2010-11 levels and limits the premium for years beginning after June 30, 2015 to no more than the Consumer Price Index plus 3%.

It requires providers of the health insurance benefit plans for retired teachers to submit their premium costs, plan for ensuring adherence with the statutory change and any related data as requested by the State's Executive Director of Health Insurance.

It delays the date that the Legislature must begin to appropriate funds to retire the unfunded liability for retiree health benefits for eligible participants in the teacher plan until July 1, 2015.

It requires the State Budget Officer to calculate the savings in Part A of this bill that applies against each account as a result of the changes and to distribute those changes by financial order upon the recommendation of the Governor as adjustments to appropriations and allocations.

## PART I

**Sec. I-1. 36 MRSA §1484, sub-§3, ¶E**, as amended by PL 2007, c. 627, §33 is further amended to read:

E. When an excise tax is paid to the Secretary of State under this subsection, it must be deposited in the ~~General~~ Highway Fund.

**Sec. I-1. 36 MRSA §1489**, as amended by PL 1985, c. 459, §12 is further amended to read:

### **36 §1489. Crediting and apportionment of tax received**

**1. Municipal excise tax account.** In municipalities the treasurer shall credit money received from excise taxes to an excise tax account; Except as provided in subsection 3 below, such funds from which it may be appropriated by the municipality for any purpose for which a municipality may appropriate money.

#### **2. County treasurer.**

**3. Portion for Highway Fund.** The Secretary of State and agents appointed by the Secretary of State shall deposit the excise tax collected on truck tractors as defined in 29-A MRSA 101(90) to the state Highway Fund. If such deposit is not made as required, the Department of Transportation may withhold Local Road Assistance Program payments due a municipality pursuant to for 23 MRSA §1803-B.

## SUMMARY PART I

This Part does the following:

It requires that an excise tax paid to the Secretary of State by a nonresident of this State be deposited in the Highway Fund revenue rather than General Fund.

It requires that certain excise tax collected on certain truck tractors be deposited to the Highway Fund.

## **PART J**

**Sec. J-1. Attrition savings.** The attrition rate for the 2014-2015 biennium is increased from 5.0% to 6.0%.

### **SUMMARY PART J**

This Part recognizes an increase in the attrition rate from 5.0% to 6.0 % for the 2014-2015 biennium. The 6.0% rate is currently built into the baseline budget for personnel services.

## **PART K**

**Sec. K-1. Department of Administrative and Financial Services; lease-purchase authorization.** Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, on behalf of the Department of Public Safety, may enter into financing arrangements in fiscal years 2013-14 and 2014-15 for the acquisition of motor vehicles for the State Police. The financing arrangements entered into each fiscal year may not exceed \$2,400,000 in principal costs, and a financing arrangement may not exceed 3 years in duration. The interest rate may not exceed 6%, and total interest costs with respect to the financing arrangements entered into in each fiscal year may not exceed \$300,000. The annual principal and interest costs must be paid from the appropriate line category appropriations and allocations in the Department of Public Safety General Fund and Highway Fund accounts.

### **SUMMARY**

#### **PART K**

This Part authorizes the Department of Administration and Financial Services to enter into financing arrangements in fiscal years 2013-14 and 2014-15 for the acquisition of motor vehicles for the Department of Public Safety, Bureau of State Police.

## **PART L**

**Sec. L-1. Transfer of Highway Fund unallocated balance; capital program needs; Department of Transportation.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, at the close of the fiscal years 2013-14 and 2014-15 the State Controller shall transfer amounts exceeding \$100,000 from the unallocated balance in the Highway Fund after the deduction of all allocations, financial commitments, other designated funds or any other transfer authorized by statute and the fiscal year 2013-14 unallocated balance dedicated to the fiscal year 2014-15 budgets to the Department of Transportation Highway and Bridge Capital, Highway and Bridge Light Capital and Maintenance and Operations programs for capital needs. The Commissioner of Transportation is authorized to allot these funds by financial order upon the recommendation of the State Budget Officer and the approval of the Governor. The transferred amounts are considered adjustments to allocations. Within 30 days of approval of the financial order, the Commissioner of Transportation shall provide to the members of the joint standing committee of the Legislature having jurisdiction over transportation matters a report detailing the financial status of the department's capital program.

### **SUMMARY PART L**

This Part authorizes the State Controller to transfer amounts exceeding \$100,000 from the unallocated balance in the Highway Fund after all commitments, to the Highway and Bridge Capital, Highway and Bridge Light Capital and Maintenance and Operations programs within the Department of Transportation, for capital needs.

## **PART M**

**Sec. M-1. Transfer authorized.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, for the fiscal years ending June 30, 2014 and June 30, 2015 the Commissioner of Transportation is authorized to transfer, by financial order upon the recommendation of the State Budget Officer and approval of the Governor, identified Highway Fund Personal Services savings to the Department of Transportation Highway and Bridge Capital, Highway and Bridge Light Capital and Maintenance and Operations programs for capital or all other needs. The financial order must identify the specific savings after all adjustments that may be required by the State Controller to ensure that all financial commitments have been met in Personal Services after assuming all costs for that program including collective bargaining costs. The Commissioner of Transportation shall provide a report by September 15, 2014 and September 15, 2015 to the members of the joint standing committee of the Legislature having jurisdiction over transportation matters detailing the financial adjustments to the Highway Fund.

### **SUMMARY PART M**

This Part allows the transfer of Personal Services savings in the Highway and Bridge Capital, Highway and Bridge Light Capital and Maintenance and Operations programs within the Department of Transportation for capital or all other needs.

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