

Committee Recommendations for Changes to Governor's Budget Proposal (Majority)

Name of Committee: SLG

LD: 100 Date of Report: Feb 3

GF Cost (Savings)		Change in Headcount (All Funds)		Vote
FY11	FY13	FY12	FY13	

Governor's GF Budget Initiatives Net Cost (Savings)	(\$6,956,941)				
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Initiatives Rejected by Committee & Effect on Net GF Cost or Savings						
Page	Reference/Part	Summary of Initiative				
Total Cost (Savings) From Rejected Initiatives						

Initiatives Amended by Committee & Effect on Net GF Cost or Savings						
Page	Reference/Part	Description of Amendment (Attach Revised Initiative Description or Language)				
SLG-5	#513	Curtailment savings not achieved - reduce #513 from (\$19,196) to (\$2,196)	\$17,000			11-0
Total Cost (Savings) From Amended Initiatives			\$17,000	\$0	0.0	0.0

Initiatives Added by Committee & Effect on Net GF Cost or Savings						
		Summary of Initiative (Attach Full Initiative Description or Language)				
Total Cost (Savings) From Additional Initiatives						

Total Additions to or Subtraction from Governor's Net Total	\$17,000	\$0	0.0	0.0
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POLICY COMMITTEE'S GF Budget Initiatives Net Cost (Savings)	(\$6,939,941)	\$0	0.0	0.0
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O.F.P.R.
2011 FEB -3 AM 9:15

SENATE

DOUGLAS A. THOMAS, DISTRICT 27, CHAIR
RONALD F. COLLINS, DISTRICT 2
NANCY B. SULLIVAN, DISTRICT 4

ANNA BROOME, LEGISLATIVE ANALYST
VERONICA SNOW, COMMITTEE CLERK



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ANNE P. GRAHAM, NORTH YARMOUTH

STATE OF MAINE

ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE
COMMITTEE ON STATE AND LOCAL GOVERNMENT

To: Richard W. Rosen, Senate Chair
Patrick S.A. Flood, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

From: Douglas A. Thomas, Senate Chair *D.A.T.*
H. David Cotta, House Chair *HDC*
Joint Standing Committee on State and Local Government

Re: Report back on LD 100, supplemental budget

Date: February 1, 2011

The State and Local Government Committee completed its deliberations on the supplemental budget, LD 100 on January 31, 2011. The Committee voted unanimously of those present to accept all the initiatives under its jurisdiction in LD 100 except for the following:

The Committee has amended #513, an initiative that reduced general operating expenses to the Office of the Treasurer by curtailment for FY2010-11 by \$19,196. The Committee voted to amend this amount by \$17,000 resulting in reduced savings of \$2,196. The Committee voted unanimously of those present in support of this amendment. Those present were: Senators Thomas and Collins and Representatives Cotta, Harvell, Moulton, Gillway, Boland, Kaenrath, Casavant and Graham.

The supplemental budget in 2010 (PL 2009, c. 571) included savings on envelopes from no longer mailing paper checks to individuals receiving certain benefits from the Department of Health and Human Services through the DHHS Electronic Debit Transfer card. However, the Department of Health and Human Services has not completed its conversion of all of its benefit payments from paper checks to electronic cards and therefore the savings booked in the 2010 supplemental budget have not been achieved and this has resulted in a \$17,000 cost to the Office of the Treasurer. (We have attached a copy of the initiative from last year's supplemental budget on the back of this page.)

Sec. A-53. Appropriations and allocations.

The following appropriations and allocations are made.

TREASURER OF STATE, OFFICE OF

~~Administration - Treasury 0022~~

~~Initiative: Eliminates one vacant Office Associate I position.~~

~~Ref. #: 1248~~

~~Committee Vote: _____~~

~~AFA Vote: _____~~

	2008-09	2009-10	2010-11
GENERAL FUND	0.000	(1,000)	(1,000)
POSITIONS - LEGISLATIVE COUNT			
Personal Services	\$0	(\$29,200)	(\$49,000)
GENERAL FUND TOTAL	\$0	(\$29,200)	(\$49,000)

Justification:

The elimination of the Office Associate I position will result in a redistribution of duties among other staff. Some of the duties will be eliminated when an electronic canceled check imaging system is implemented statewide.

Administration - Treasury 0022

Initiative: Reduces funding from savings in the cost of envelope supplies.

Ref. #: 1249

Committee Vote: _____

AFA Vote: _____

	2008-09	2009-10	2010-11
GENERAL FUND	\$0	\$0	(\$16,992)
All Other			
GENERAL FUND TOTAL	\$0	\$0	(\$16,992)

Justification:

Recognizes savings in the cost of envelopes associated with not mailing checks to those individuals that will receive Supplemental Security Income (SSI) and/or child support payments through the DHHS Electronic Benefit Transfer (EBT) card instead of paper checks.

~~Debt Service - Treasury 0021~~

~~Initiative: Reduces funding for debt service from projected savings in interest and principal to be achieved by aligning debt service requirements with the issuance schedule of bond funds by departments and agencies.~~

~~Ref. #: 1245~~

~~Committee Vote: _____~~

~~AFA Vote: _____~~

	2008-09	2009-10	2010-11
GENERAL FUND	\$0	(\$1,433,705)	(\$9,242,193)
All Other			
GENERAL FUND TOTAL	\$0	(\$1,433,705)	(\$9,242,193)

Sec. A-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and Agencies - Statewide 0016

Initiative: Provides funding to offset savings that cannot be achieved from a rate reduction for retiree health insurance previously authorized in Public Law 2009, chapter 571, Part J.

Ref. #: 6

Committee Vote: In: 16-0

AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
Personal Services	\$605,365	\$0	\$0
GENERAL FUND TOTAL	\$605,365	\$0	\$0

Justification:

Article IX Section 22 of the Maine Constitution requires that the amount of funds appropriated in any fiscal year to the Department of Inland Fisheries and Wildlife not be less than the total revenues collected, received or recovered by the Department of Inland Fisheries and Wildlife, or successor agency, from license and permit fees, fines, the sale, lease or rental of property, penalties and all other revenue sources pursuant to the laws of the State administered by the department. The current level of appropriations does not allow the fiscal year 2010-11 budget to be further reduced for the department's share of savings from reducing the retiree health rate.

Statewide Radio Network System 0112

Initiative: Reduces funding for debt service on the Statewide Radio Network System. This initiative relates to curtailment allotments ordered by the Governor pursuant to the Maine Revised Statutes, Title 5, section 1668.

Ref. #: 8

Committee Vote: In: 11-0

AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
All Other	(\$466,799)	\$0	\$0
GENERAL FUND TOTAL	(\$466,799)	\$0	\$0

Justification:

It was determined that savings can be achieved by delaying the issuance of securities from FY2010-11 to FY2011-12 to achieve one-time savings of \$466,799.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	\$138,566	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	\$138,566	\$0	\$0

Present to vote: Thomas, Collins, Cotta, Harvell, Moulton, Galloway, Boland, Kaenrade, Bolduc, Casavant, Corahan

Sec. A-5. Appropriations and allocations.

The following appropriations and allocations are made.

AUDIT, DEPARTMENT OF

Audit - Departmental Bureau 0067

Initiative: Reduces funding by recognizing savings in Personal Services from the management of vacant positions in fiscal year 2010-11. This initiative relates to curtailment of allotments ordered by the Governor pursuant to the Maine Revised Statutes, Title 5, section 1668.

Ref. #: 47

Committee Vote: 11-0

AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
Personal Services	(\$12,717)	\$0	\$0
GENERAL FUND TOTAL	(\$12,717)	\$0	\$0

Justification:

The use of Personal Services allotment reserves from the first quarter will allow the Department to reduce expenditures to address the Governor's curtailment order and continue to provide critical audit services.

Present to vote: Norrie, Collins, Cotta, Harrell, Moulton, Galloway, Boland, Koenrath, Bidoue, Casavant, Graham

AUDIT, DEPARTMENT OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	(\$12,717)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$12,717)	\$0	\$0

Sec. A-21. Appropriations and allocations.

The following appropriations and allocations are made.

EXECUTIVE DEPARTMENT

Planning Office 0082

Initiative: Eliminates one vacant Senior Planner position effective September 20, 2010. This initiative relates to the curtailment of allotments ordered by the Governor pursuant to the Maine Revised Statutes, Title 5, section 1668.

Ref. #: 233

Committee Vote: 12-1-0

AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
POSITIONS - LEGISLATIVE COUNT	(1.000)	0.000	0.000
Personal Services	(\$17,747)	\$0	\$0
GENERAL FUND TOTAL	(\$17,747)	\$0	\$0

Justification:

This position is ended as of September 20, 2010. This position, which is currently vacant, was slated to end in the coming year. Instead, it will be ended earlier, generating additional Personal Services savings.

Present to vote: Bonner, Callini, Cotta, Harwell, Houston, Gillway, Boland, Kraenrich, Bolduc, Casavant, O'Leary

EXECUTIVE DEPARTMENT

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	(\$17,747)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$17,747)	\$0	\$0

Sec. A-39. Appropriations and allocations. The following appropriations and allocations are made.

MUNICIPAL BOND BANK, MAINE

Maine Municipal Bond Bank - Maine Rural Water Association 0699

Initiative: Reduces funding for assistance to Maine's water and wastewater systems.

Ref. #: 420

Committee Vote: 11 : 10-0

AFA Vote: _____

	2010-11	2011-12	2012-13
GENERAL FUND			
All Other	(\$687)	\$0	\$0
GENERAL FUND TOTAL	(\$687)	\$0	\$0

Justification:

This initiative will result in reduced technical assistance to Maine's water and wastewater systems.

Rose Present: Thomas, Collins, Coffa, Hurrell, Moulton, Gillway, Boland, Bolduc, Casavant, Graham

MUNICIPAL BOND BANK, MAINE

	2010-11	2011-12	2012-13
DEPARTMENT TOTALS			
GENERAL FUND	(\$687)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$687)	\$0	\$0

Sec. A-52. Appropriations and allocations.

The following appropriations and allocations are made.

TREASURER OF STATE, OFFICE OF

Administration - Treasury 0022

Initiative: Reduces funding for general operating expenditures for fiscal year 2010-11. This initiative relates to curtailment of allotments ordered by the Governor pursuant to the Maine Revised Statutes, Title 5, section 1668.

Ref. #: 513

Committee Vote: Amend
11-0 AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
All Other	(\$2,196)	\$0	\$0
GENERAL FUND TOTAL	(\$2,196)	\$0	\$0

Justification:

Reduces funding in general operating expenditures in accordance with fiscal year 2010-11 emergency curtailment order.

Debt Service - Treasury 0021

Initiative: Reduces funding for one-time savings in debt service for fiscal year 2010-11. This initiative relates to curtailment of allotments ordered by the Governor pursuant to the Maine Revised Statutes, Title 5, section 1668.

Ref. #: 510

Committee Vote: 11-0 AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
All Other	(\$1,386,701)	\$0	\$0
GENERAL FUND TOTAL	(\$1,386,701)	\$0	\$0

Justification:

Adjusts debt service funding to recognize one-time savings for fiscal year 2010-11. These savings were included in the emergency curtailment order.

Debt Service - Treasury 0021

Initiative: Reduces funding for debt service costs associated with note interest resulting from a change in the assumption for the issuance of tax anticipation notes for fiscal year 2010-11.

Ref. #: 511

Committee Vote: 11-0 AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
All Other	(\$3,236,250)	\$0	\$0
GENERAL FUND TOTAL	(\$3,236,250)	\$0	\$0

Those present for all Treasurer votes: Thomas, Collins, Cotta, Havelle, Moulton, Galloway, Boland, Kaenrath, Bolduc, Casavant, Graham

Justification:

The assumption for Tax Anticipation Note (TAN) was changed from 272 million for 240 days at 2.25% (\$4,080,000) to 150M for 90 days at 2.25% (\$843,750) resulting in projected savings of \$3,236,250 in note interest.

TREASURER OF STATE, OFFICE OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	(\$4,642,147)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$4,642,147)	\$0	\$0

Sec. B-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Financial and Personnel Services - Division of 0713

Initiative: RECLASSIFICATIONS

Ref. #: 14

Committee Vote: In: 10-0

AFA Vote: _____

	2010-11	2011-12	2012-13
FINANCIAL AND PERSONNEL SERVICES FUND			
Personal Services	\$7,625	\$0	\$0
FINANCIAL AND PERSONNEL SERVICES FUND TOTAL	<u>\$7,625</u>	<u>\$0</u>	<u>\$0</u>

Information Services 0155

Initiative: RECLASSIFICATIONS

Ref. #: 10

Committee Vote: In: 10-0

AFA Vote: _____

	2010-11	2011-12	2012-13
OFFICE OF INFORMATION SERVICES FUND			
Personal Services	\$186,449	\$0	\$0
All Other	(\$186,449)	\$0	\$0
OFFICE OF INFORMATION SERVICES FUND TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

	2010-11	2011-12	2012-13
DEPARTMENT TOTALS			
FINANCIAL AND PERSONNEL SERVICES FUND	\$7,625	\$0	\$0
OFFICE OF INFORMATION SERVICES FUND	\$0	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	<u>\$7,625</u>	<u>\$0</u>	<u>\$0</u>

EXECUTIVE DEPARTMENT

Planning Office 0082

Initiative: RECLASSIFICATIONS

Ref. #: 234

Committee Vote: In: 10-0

AFA Vote: _____

	2010-11	2011-12	2012-13
FEDERAL EXPENDITURES FUND			
Personal Services	\$5,408	\$0	\$0
FEDERAL EXPENDITURES FUND TOTAL	<u>\$5,408</u>	<u>\$0</u>	<u>\$0</u>

Present to vote: Thomas, Cotta, Harnell, Moulton, Galloway, Bokund, Kaenrath, Bolduc, Casavant, Graham

EXECUTIVE DEPARTMENT

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
FEDERAL EXPENDITURES FUND	\$5,408	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	\$5,408	\$0	\$0

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

2 PART L

3 Sec. L-1. **Transfer; unexpended funds; Fund for the Efficient Delivery of**
4 **Local and Regional Services.** Notwithstanding any other provision of law, the State *ln 11-0*
5 Controller shall transfer \$22,209 in unexpended funds from the Fund for the Efficient
6 Delivery of Local and Regional Services - Administration, Other Special Revenue Funds
7 account in the Department of Administrative and Financial Services to General Fund
8 unappropriated surplus at the close of fiscal year 2010-11.

9 Sec. L-2. **Transfer of Personal Services appropriations.** Notwithstanding
10 the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, available *ln 11-0*
11 balances of General Fund appropriations for Personal Services in fiscal year 2010-11 may
12 be transferred by financial order between programs and departments within the General
13 Fund upon the recommendation of the State Budget Officer and approval of the Governor
14 to be used for separation and other personnel-related costs associated with the transition
15 following the election of the Governor.

16 SUMMARY

17 PART L

18 This Part does the following.

19 1. It transfers \$22,209 in unexpended funds from the Fund for the Efficient Delivery
20 of Local and Regional Services - Administration, Other Special Revenue Funds account
21 to the unappropriated surplus of the General Fund in fiscal year 2010-11. This program is
22 no longer in existence.

23 2. It authorizes the transfer of Personal Services appropriations between General
24 Fund accounts to cover separation and other personnel-related costs that may occur
25 following the election of the Governor.

Fiscal Note - Part L

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Transfers					
General Fund					
PART L, Section 1	\$22,209	\$0	\$0	\$0	\$0
Other Special Revenue Funds					
PART L, Section 1	(\$22,209)	\$0	\$0	\$0	\$0

*Present to vote: Thomas, Collins, Cotta, Harvell, Moulton, Ollivier, Boland, Kaenrahn,
Bolduc, Casavant, Graham*

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

2 PART M

3 Sec. M-1. PL 2009, c. 213, Pt. MMM, §2, as amended by PL 2009, c. 645, Pt. H, §2, is further amended to read: ln 11-0

5 Sec. MMM-2. Transfer; Maine Budget Stabilization Fund.
6 Notwithstanding the Maine Revised Statutes, Title 5, section 1536 or any other provision
7 of law, \$5,597,244 of the balance in General Fund unappropriated surplus on June 30,
8 2010 must be transferred to the Maine Budget Stabilization Fund no later than June 30,
9 2010 after all budgeted financial commitments and adjustments considered necessary by
10 the State Controller have been made and ~~\$2,488,702~~ \$3,588,702 of the balance in General
11 Fund unappropriated surplus on June 30, 2011 must be transferred to the Maine Budget
12 Stabilization Fund no later than June 30, 2011 after all budgeted financial commitments
13 and adjustments considered necessary by the State Controller have been made.

14 SUMMARY

15 PART M

16 This Part amends the law to clarify that \$5,597,244 of the General Fund
17 unappropriated surplus on June 30, 2010 must be transferred to the Maine Budget
18 Stabilization Fund no later than June 30, 2010. Amounts identified for transfer from
19 General Fund unappropriated surplus in fiscal year 2010-11 are no longer required for
20 this purpose. It also increases the amount to be transferred from the unappropriated
21 surplus of the General Fund to the Maine Budget Stabilization Fund on June 30, 2011 by
22 \$1,100,000.

Fiscal Note - Part M

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Transfers					
General Fund					
PART M, Section 1	(\$1,100,000)	\$0	\$0	\$0	\$0

Present to vote: Thomas, Collins, Coffa, Harvell, Moulton, Galloway, Boland, Kuenrath,
Bolduc, Casavant, Graham

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

2 **PART Q**

3 **Sec. Q-1. Personal Services savings; transfer to General Fund**
4 **undedicated revenue.** Notwithstanding the Maine Revised Statutes, Title 5, section
5 1582, subsection 4 or any other provision of law, the State Controller is authorized to
6 transfer the first \$3,500,000 of unexpended Personal Services appropriations that would
7 otherwise lapse to the Salary Plan program in the Department of Administrative and
8 Financial Services to the unappropriated surplus of the General Fund at the close of fiscal
9 year 2010-11. *ln 11-0*

10 **Sec. Q-2. General Fund Salary Plan; transfer to General Fund**
11 **undedicated revenue.** Notwithstanding any other provision of law, the State
12 Controller is authorized to transfer up to \$3,500,000 from the Salary Fund program in the
13 Department of Administrative and Financial Services to the unappropriated surplus of the
14 General Fund at the close of fiscal year 2010-11 in the event that the total savings in
15 section 1 of this Part are not achieved. *ln 11-0*

16 **SUMMARY**

17 **PART Q**

18 This Part requires the State Controller to transfer the first \$3,500,000 of unexpended
19 Personal Services savings that would otherwise lapse to the Salary Plan program to
20 General Fund unappropriated surplus at the close of fiscal year 2010-11. This Part also
21 allows the State Controller to transfer funding from the Salary Plan program to General
22 Fund unappropriated surplus in the event that the full \$3,500,000 of Personal Services
23 savings in this Part is not achieved.

Fiscal Note - Part Q

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Transfers					
General Fund					
PART Q, Section 1	\$3,500,000	\$0	\$0	\$0	\$0

*Present & vote: Thomas, Collins, Cotta, Harwell, Moulton, Gillway, Boland, Keenrath,
Bolduc, Casavant, Graham*

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

2 PART R

3 **Sec. R-1. Vacancy report.** The Department of Administrative and Financial
4 Services, Bureau of the Budget shall review vacant positions regardless of funding
5 source. The department shall submit a report on its findings to the Joint Standing
6 Committee on Appropriations and Financial Affairs by March 31, 2011 with any
7 recommendations for eliminating vacant positions. The report must also be delivered to
8 the Joint Standing Committee on Transportation if the report includes any positions that
9 are partially or wholly funded by the Highway Fund or by internal service funds,
10 enterprise funds or Other Special Revenue Funds accounts of the Department of
11 Transportation, the Department of Public Safety or the Department of the Secretary of
12 State.

in 9-0

13 SUMMARY

14 PART R

15 This Part requires the Department of Administrative and Financial Services, Bureau
16 of the Budget to review vacant positions and submit a report to the Joint Standing
17 Committee on Appropriations and Financial Affairs with recommendations on
18 eliminating vacant positions. The report must also be submitted to the Joint Standing
19 Committee on Transportation if the report includes positions in the Department of
20 Transportation, the Department of Public Safety or the Department of the Secretary of
21 State.

Present to vote: Thomas, Harvell, Moulton, Galloway, Boland, Kaennedy, Bolduc,
Casavant, Graham

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

2 **PART FF**

3 **Sec. FF-1. 5 MRSA §285, sub-§7-A, ¶C**, as amended by PL 2009, c. 571, Pt.
4 JJJ, §1, is further amended to read:

5 C. For employees whose base annual rate of pay is projected to be \$80,000 or greater
6 on July 1st of the state fiscal year for which the premium contribution is being
7 determined, the health credit premium program must provide the individual employee
8 meeting the specified benchmarks with the opportunity to have the state share of the
9 individual premium paid at ~~92.5%~~ 90% or 85%. The state share is determined by the
10 specific benchmarks met by the employee.

in 10-0

11 **SUMMARY**

12 **PART FF**

13 This Part clarifies the original intent of Public Law 2009, chapter 571 that the state
14 share of health insurance premiums for employees whose base annual rate of pay is
15 projected to be in excess of \$80,000 is either 90% or 85%, depending on the specific
16 benchmarks met by the employee.

Present to vote: Thomas, Cotta, Harvell, Moulton, Gillway, Boland, Kaenrath,
Boduc, Casavant, Graham