

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND SIXTEEN

—
S.P. 647 - L.D. 1606

An Act To Provide Funding to the Maine Budget Stabilization Fund and To Make Additional Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2016 and June 30, 2017

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. Transfer to Maine Budget Stabilization Fund for fiscal year 2016-17. Notwithstanding any other provision of law, no later than October 30, 2016, the State Controller shall transfer \$10,000,000 to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532 from the funds received pursuant to the court order in State of Maine v. McGraw-Hill Companies, Inc. and Standard & Poor's Financial Services, LLC, Kennebec County Superior Court Docket No. BCD-CV-14-49. The Attorney General has confirmed that the specified use of the funds to be transferred by this Part is consistent with the terms of the court order.

PART B

Sec. B-1. 36 MRS §2013, sub-§§2 and 3, as amended by PL 2011, c. 657, Pt. N, §2 and affected by §3, are further amended to read:

2. Refund authorized. Any person, association of persons, firm or corporation that purchases electricity or fuel, or that purchases or leases depreciable machinery or equipment, for use in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting ~~or that purchases fuel for use in a commercial fishing vessel~~ must be refunded the amount of sales tax paid upon presenting to the State Tax Assessor evidence that the purchase is eligible for refund under this section.

Evidence required by the assessor may include a copy or copies of that portion of the purchaser's or lessee's most recent filing under the United States Internal Revenue Code that indicates that the purchaser or lessee is engaged in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting and that the purchased machinery or equipment is depreciable for those purposes or would be depreciable for those purposes if owned by the lessee.

In the event that any piece of machinery or equipment is only partially depreciable under the United States Internal Revenue Code, any reimbursement of the sales tax must be prorated accordingly. In the event that electricity or fuel ~~for a commercial fishing vessel~~ is used in qualifying and nonqualifying activities, any reimbursement of the sales tax must be prorated accordingly.

Application for refunds must be filed with the assessor within 36 months of the date of purchase or execution of the lease.

3. Purchases made free of tax with certificate. Sales tax need not be paid on the purchase of electricity, fuel ~~for a commercial fishing vessel~~ or a single item of machinery or equipment if the purchaser has obtained a certificate from the assessor stating that the purchaser is engaged in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting and authorizing the purchaser to purchase electricity, fuel ~~for a commercial fishing vessel~~ or depreciable machinery and equipment without paying Maine sales tax. The seller is required to obtain a copy of the certificate together with an affidavit as prescribed by the assessor, to be maintained in the seller's records, attesting to the qualification of the purchase for exemption pursuant to this section. In order to qualify for this exemption, the electricity, fuel ~~for a commercial fishing vessel~~ or depreciable machinery or equipment must be used directly in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting. In order to qualify for this exemption, the electricity or fuel ~~for a commercial fishing vessel~~ must be used in qualifying activities, including support operations.

Sec. B-2. Effective date. This Part takes effect January 1, 2017.

PART C

Sec. C-1. Cost-of-living adjustment. The Department of Health and Human Services shall amend its rules in Chapter 101: MaineCare Benefits Manual, Chapter III, Section 2, Adult Family Care Services and Chapter III, Section 97, Appendix C: Principles of Reimbursement for Medical and Remedial Service Facilities - Room and Board Costs to provide for 2 annual rate adjustments to adjust for inflation. For the fiscal year ending June 30, 2017, the amount of the inflation adjustment is 4%. For the fiscal year ending June 30, 2018, the department shall set the amount of the inflation adjustment in accordance with the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Medical Care - Payments to Providers 0147

Initiative: Provides funds for a 4% cost-of-living rate increase for MaineCare Appendix C private nonmedical institutions.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$1,409,644
GENERAL FUND TOTAL	<hr/> \$0	<hr/> \$1,409,644
FEDERAL EXPENDITURES FUND	2015-16	2016-17
All Other	\$0	\$3,051,764
FEDERAL EXPENDITURES FUND TOTAL	<hr/> \$0	<hr/> \$3,051,764
OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$0	\$310,701
OTHER SPECIAL REVENUE FUNDS TOTAL	<hr/> \$0	<hr/> \$310,701

Medical Care - Payments to Providers 0147

Initiative: Provides funds for a 4% cost-of-living rate increase for adult family care homes that are providing service pursuant to Chapter 101: MaineCare Benefits Manual, Chapter II, Section 2.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$65,773
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$65,773</u>

FEDERAL EXPENDITURES FUND	2015-16	2016-17
All Other	\$0	\$116,677
FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$116,677</u>

PNMI Room and Board Z009

Initiative: Provides funds for a 4% cost-of-living rate increase for MaineCare Appendix C private nonmedical institutions.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$406,241
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$406,241</u>

PNMI Room and Board Z009

Initiative: Provides funds for a 4% cost-of-living rate increase for adult family care homes that are providing service pursuant to Chapter 101: MaineCare Benefits Manual, Chapter II, Section 2.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$15,532
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$15,532</u>

**HEALTH AND HUMAN SERVICES,
DEPARTMENT OF (FORMERLY DHS)
DEPARTMENT TOTALS**

	2015-16	2016-17
GENERAL FUND	\$0	\$1,897,190
FEDERAL EXPENDITURES FUND	\$0	\$3,168,441
OTHER SPECIAL REVENUE FUNDS	\$0	\$310,701
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$5,376,332</u>

PART D

Sec. D-1. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2015, c. 389, 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 45.87%.
- (9) For fiscal year 2013-14, the target is 47.29%.
- (10) For fiscal year 2014-15, the target is 46.80%.
- (11) For fiscal year 2015-16, the target is 47.54%.
- (12) For fiscal year 2016-17, the target is ~~48.10%~~ 48.14%.

Sec. D-2. 20-A MRSA §15671, sub-§7, ¶C, as amended by PL 2015, c. 389, 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 49.35%.
- (3) For fiscal year 2013-14, the target is 50.44%.
- (4) For fiscal year 2014-15, the target is 50.13%.
- (5) For fiscal year 2015-16, the target is 50.08%.
- (6) For fiscal year 2016-17, the target is ~~50.79%~~ 50.82%.
- (7) For fiscal year 2017-18 and succeeding years, the target is 55%.

Sec. D-3. 20-A MRSA §15671-A, sub-§2, ¶B, as amended by PL 2015, c. 389, 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 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 52.71% statewide total local share in fiscal year 2013-14.

(7) For the 2014 property tax year, the full-value education mill rate is the amount necessary to result in a 53.20% statewide total local share in fiscal year 2014-15.

(8) For the 2015 property tax year, the full-value education mill rate is the amount necessary to result in a 52.46% statewide total local share in fiscal year 2015-16.

(9) For the 2016 property tax year, the full-value education mill rate is the amount necessary to result in a ~~51.90%~~ 51.86% statewide total local share in fiscal year 2016-17.

(10) For the 2017 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 2017-18 and after.

Sec. D-4. PL 2015, c. 389, Pt. C, §12 is amended to read:

Sec. C-12. 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 2016-17 is as follows:

	2016-17 TOTAL
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	\$1,882,494,984
Total Debt Service Allocation	
Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	\$88,428,148
Enhancing Student Performance and Opportunity	\$4,397,105
Total Adjustments and Miscellaneous Costs	
Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	\$67,138,019 <u>\$68,638,019</u>
Total Normal Cost of Teacher Retirement	\$38,357,583
Total Cost of Funding Public Education from Kindergarten to Grade 12	<hr/>

Total cost of funding public education from kindergarten to grade 12 for fiscal year 2016-17 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	\$2,080,815,839 <u>\$2,082,315,839</u>
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Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2016-17 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement	\$156,985,489
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Adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 2	\$42,200,635
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Total cost of funding public education from kindergarten to grade 12	\$2,280,001,963 <u>\$2,281,501,963</u>
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Sec. D-5. PL 2015, c. 389, Pt. C, §13 is amended to read:

Sec. C-13. 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, 2016 and ending June 30, 2017 is calculated as follows:

	2016-17 LOCAL	2016-17 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	\$1,079,854,324	\$1,000,961,515 <u>\$1,002,461,515</u>
State contribution to the total cost of teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2016-17 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423		\$156,985,489

State contribution to the total cost of	\$1,157,947,004
funding public education from	<u>\$1,159,447,004</u>
kindergarten to grade 12	

Sec. D-6. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF
General Purpose Aid for Local Schools 0308

Initiative: Provides one-time funds for the Jobs for Maine's Graduates - College Program.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$1,500,000
GENERAL FUND TOTAL	<hr/> \$0	<hr/> \$1,500,000

PART E

Sec. E-1. 25 MRSA Pt. 13 is enacted to read:

PART 13

SUBSTANCE ABUSE ASSISTANCE

CHAPTER 601

SUBSTANCE ABUSE ASSISTANCE PROGRAM

§5101. Substance Abuse Assistance Program

1. Substance Abuse Assistance Program. The Substance Abuse Assistance Program, referred to in this chapter as "the program," is established to support persons with presumed substance use disorders by providing grants to municipalities and counties to carry out projects designed to reduce substance abuse, substance abuse-related crimes and recidivism.

2. Eligibility; program targets; projects. Grants may be awarded to:

A. Municipal or county governments or regional jails for projects designed to assist persons with presumed substance use disorders by diverting alleged low-level offenders into community-based treatment and support services. Projects may include, but are not limited to:

(1) Referral of program participants to evidence-based treatment programs, including medically assisted treatment; and

(2) Provision of case management services to program participants in order to secure appropriate treatment and support services such as housing, health care, job training and mental health services for program participants; and

B. County governments or regional jails for projects in county or regional jails designed to assist persons with presumed substance use disorders. Projects may include, but are not limited to:

(1) Provision of evidence-based treatment programs, including medically assisted treatment, to jail inmates; and

(2) Provision of case management or other support services to program participants to assist in transition from jail upon release.

3. Requirements. A grant application for a project described in subsection 2 must include the following:

A. A statement of purpose and measurable goals for the project and use for the funds;

B. The elements of the project, which must include the targeted population, the nature of services or assistance to be provided and expected outcomes;

C. For diversion projects, a statement of the municipality's or county's diversion policy, including criteria for selecting participants for the project;

D. A review of other substance abuse services available in the applicant municipality or county and communities adjacent to the applicant municipality or county and a statement of the unmet needs to be addressed by the project;

E. A review of efforts to collaborate among relevant law enforcement agencies, treatment providers, harm reduction services, recovery support services and other community resources and a summary of collaborative approaches included in the project, if any; and

F. A summary of data to be collected to assess the effectiveness of the project and the methodology that will be used to make that assessment. The data to be collected must include measurements of the long-term health, treatment and criminal justice involvement outcomes for participants and must be included in reports filed under subsection 6 as part of a rigorous evaluation process.

4. Selection of grant recipients; steering committee. The Commissioner of Public Safety shall review applications submitted by municipalities and counties for grants under this chapter. Preference must be given to collaborative approaches that include treatment providers or community-based organizations. The following steering committee shall advise the Commissioner of Public Safety in selecting grant recipients. The steering committee consists of the Commissioner of Corrections or the commissioner's designee and representatives of the following organizations, programs and associations selected by the Commissioner of Public Safety from suggestions provided by the organizations, programs and associations: a statewide organization of police chiefs; a statewide organization of sheriffs; a statewide organization representing physicians; a statewide organization representing prosecutors; a statewide organization representing providers of legal services for the indigent; peer recovery programs; and harm reduction associations.

5. Administration of funds. The policy board established in this State to carry out the State's responsibilities under the federal Justice Assistance Act of 1984, the federal Anti-Drug Abuse Act of 1986, the federal Anti-Drug Abuse Act of 1988 and the federal Violent Crime Control and Law Enforcement Act of 1994, known as "the Justice Assistance Council," shall administer grant funds appropriated for use under this chapter and disburse the funds to municipalities, counties and regional jails selected under subsection 4. The department may retain up to 5% of funds to cover administrative expenses.

6. Reports. A recipient of a grant under subsection 4 shall report to the Commissioner of Public Safety annually on the anniversary date of the grant award regarding the status of the project for which the grant was awarded. The report must include a description of how the grant funds were spent, the results of the project and any recommendations for modification of the project, including any available information concerning the project's effectiveness in reducing substance abuse and recidivism.

Sec. E-2. Reports to committees. The Commissioner of Public Safety shall report to the joint standing committee of the Legislature having jurisdiction over criminal justice matters and the joint standing committee of the Legislature having jurisdiction over judiciary matters by January 15, 2017 regarding the recipients and the amounts of the grants awarded under the Substance Abuse Assistance Program established in the Maine Revised Statutes, Title 25, chapter 601. The Commissioner of Public Safety shall provide a report summarizing the results of the grant program and providing recommendations as to the program's continuation or modification and any need for additional funding by January 15, 2018 and January 15, 2019 to the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters and the joint standing committee of the Legislature having jurisdiction over judiciary matters.

Sec. E-3. Pilot projects. The Commissioner of Public Safety shall implement the Substance Abuse Assistance Program established in the Maine Revised Statutes, Title 25, section 5101 by selecting, with the advice of the steering committee described in Title 25, section 5101, subsection 4, at least 8 pilot projects in communities around the State, at least 2 projects of which are administered by municipalities and at least 2 projects of which are administered by county or regional jails.

Sec. E-4. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC SAFETY, DEPARTMENT OF

Administration - Public Safety 0088

Initiative: Provides funding for one Contract Grant Specialist position and related administrative costs to administer and oversee the Substance Abuse Assistance Program. This funding comes from the 5% allowed for administrative costs as specified in the Maine Revised Statutes, Title 25, section 5101, subsection 5.

GENERAL FUND	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$73,898
All Other	\$0	\$3,270
GENERAL FUND TOTAL	\$0	\$77,168

Administration - Public Safety 0088

Initiative: Provides funds for the Substance Abuse Assistance Program.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$1,022,832
GENERAL FUND TOTAL	\$0	\$1,022,832

PUBLIC SAFETY, DEPARTMENT OF DEPARTMENT TOTALS	2015-16	2016-17
GENERAL FUND	\$0	\$1,100,000
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$1,100,000

PART F

Sec. F-1. Department to create 3 new peer centers. The Department of Health and Human Services shall create 3 new peer centers, 2 of which will begin operation in fiscal year 2016-17 and one of which will begin operation in fiscal year 2017-18, in different parts of the State to coordinate and run peer support programs to help persons in recovery from drug addiction. In order to serve populations in rural parts of the State, 2 of these peer centers must be located in currently underserved areas that are outside of Maine's largest cities. These peer centers must be situated in geographic areas of the State different from each other and in areas different from any peer support recovery centers established pursuant to Public Law 2015, chapter 378, Part D. Funding for each peer center must be used to support the hiring of a coordinator who shall support recovery group facilitation, peer mentoring and peer recovery resource connections. The peer centers may be coordinated and housed within existing health care settings, such as a rural health care center.

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

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)
Office of Substance Abuse and Mental Health Services 0679**

Initiative: Provides funding to create 2 new peer centers beginning in fiscal year 2016-17 and one new peer center beginning in fiscal year 2017-18 in different parts of the State to coordinate and run peer support programs to help persons in recovery from drug addiction.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$400,000
GENERAL FUND TOTAL	\$0	\$400,000

PART G

Sec. G-1. Transfer of funds. Notwithstanding any other provision of law, no later than October 30, 2016, the State Controller shall transfer to the unappropriated surplus of the General Fund \$10,555,982 from the funds received pursuant to the court order in State of Maine v. McGraw-Hill Companies, Inc. and Standard & Poor's Financial Services, LLC, Kennebec County Superior Court Docket No. BCD-CV-14-49. The Attorney General has confirmed that the specified use of the funds to be transferred by this Part is consistent with the terms of the court order.

PART H

Sec. H-1. Transfer of settlement funds; fiscal year 2016-17. Notwithstanding any other provision of law, the State Controller shall transfer \$979,732 of the funds received pursuant to court order in State of Maine v. McGraw-Hill Companies, Inc. and Standard and & Poor's Financial Services, LLC held by the Office of the State Controller to the Office of the Treasurer, Private Trust Fund no later than October 1, 2016. Funds transferred pursuant to this Part must be used solely for consumer and antitrust activities identified in the court decree and approved by the Attorney General with the consent of the President of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives.

PART I

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

FINANCE AUTHORITY OF MAINE

Student Financial Assistance Programs 0653

Initiative: Provides one-time funding to the Maine State Grant Program for scholarships.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$2,000,000
GENERAL FUND TOTAL	\$0	\$2,000,000

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