

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

'Mandate preamble. This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, 2/3 of all of the members elected to each House have determined it necessary to enact this measure.

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. The following appropriations and allocations are made.

PART B

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Accident - Sickness - Health Insurance 0455

Initiative: Reclassifications

ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	2007-08	2008-09
Personal Services	\$14,503	\$17,372
	\$14,503	\$17,372
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	\$14,503	\$17,372

Buildings and Grounds Operations 0080

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$41,166	\$44,141
All Other	(\$41,166)	(\$44,141)
	\$0	\$0
GENERAL FUND TOTAL	\$0	\$0

Central Services - Purchases 0004

Initiative: Reclassifications

POSTAL, PRINTING AND SUPPLY FUND	2007-08	2008-09
Personal Services	\$366	\$371
	\$366	\$371
POSTAL, PRINTING AND SUPPLY FUND TOTAL	\$366	\$371

Information Services 0155

Initiative: Reclassifications

OFFICE OF INFORMATION SERVICES FUND	2007-08	2008-09
Personal Services	\$65,826	\$79,374
	\$65,826	\$79,374
OFFICE OF INFORMATION SERVICES FUND TOTAL	\$65,826	\$79,374

Revenue Services - Bureau of 0002

HP0383, LD 499, item 2, 123rd Maine State Legislature
 'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$9,019	\$11,237
All Other	(\$9,019)	(\$11,237)
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$0	\$0

Workers' Compensation Management Fund Program 0802

Initiative: Reclassifications

WORKERS' COMPENSATION MANAGEMENT FUND	2007-08	2008-09
Personal Services	\$27,314	\$27,564
	<hr/>	<hr/>
WORKERS' COMPENSATION MANAGEMENT FUND TOTAL	\$27,314	\$27,564

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$0
POSTAL, PRINTING AND SUPPLY FUND	\$366	\$371
OFFICE OF INFORMATION SERVICES FUND	\$65,826	\$79,374
WORKERS' COMPENSATION MANAGEMENT FUND	\$27,314	\$27,564
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	\$14,503	\$17,372
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DEPARTMENT TOTAL - ALL FUNDS	\$108,009	\$124,681

AUDIT, DEPARTMENT OF

Audit - Unorganized Territory 0075

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$19,970	\$2,983

HP0383, LD 499, item 2, 123rd Maine State Legislature
 'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General
 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, 2007, June 30, 2008 and June 30, 2009'

OTHER SPECIAL REVENUE FUNDS TOTAL	\$19,970	\$2,983
AUDIT, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS	\$19,970	\$2,983
DEPARTMENT TOTAL - ALL FUNDS	\$19,970	\$2,983

BAXTER STATE PARK AUTHORITY

Baxter State Park Authority 0253

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$14,640	\$15,451
OTHER SPECIAL REVENUE FUNDS TOTAL	\$14,640	\$15,451
BAXTER STATE PARK AUTHORITY DEPARTMENT TOTALS	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS	\$14,640	\$15,451
DEPARTMENT TOTAL - ALL FUNDS	\$14,640	\$15,451

CONSERVATION, DEPARTMENT OF

Boating Facilities Fund 0226

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$11,894	\$14,280
All Other	(\$11,894)	(\$14,280)

HP0383, LD 499, item 2, 123rd Maine State Legislature
 'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General
 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, 2007, June 30, 2008 and June 30, 2009'

OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$0
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Division of Forest Protection 0232

Initiative: Reclassification

GENERAL FUND	2007-08	2008-09
Personal Services	\$2,264	\$2,400
All Other	(\$2,264)	(\$2,400)
GENERAL FUND TOTAL	\$0	\$0

Forest Policy and Management - Division of 0240

Initiative: Reclassifications

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$5,044	\$5,201
All Other	(\$5,044)	(\$5,201)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Geological Survey 0237

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$5,336	\$5,386
All Other	(\$5,336)	(\$5,386)
GENERAL FUND TOTAL	\$0	\$0

Parks - General Operations 0221

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$2,595	\$1,415
All Other	(\$2,595)	(\$1,415)

HP0383, LD 499, item 2, 123rd Maine State Legislature
 'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

	\$0	\$0
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**CONSERVATION, DEPARTMENT OF
DEPARTMENT TOTALS**

	2007-08	2008-09
GENERAL FUND	\$0	\$0
FEDERAL EXPENDITURES FUND	\$0	\$0
OTHER SPECIAL REVENUE FUNDS	\$0	\$0

	\$0	\$0
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CORRECTIONS, DEPARTMENT OF

Administration - Corrections 0141

Initiative: Reclassifications

	2007-08	2008-09
GENERAL FUND		
Personal Services	\$9,677	\$12,031
All Other	(\$9,677)	(\$12,031)

	\$0	\$0
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Correctional Center 0162

Initiative: Reclassifications

	2007-08	2008-09
GENERAL FUND		
Personal Services	\$22,111	\$23,750
All Other	(\$22,111)	(\$23,750)

	\$0	\$0
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Justice - Planning, Projects and Statistics 0502

Initiative: Reclassifications

	2007-08	2008-09
GENERAL FUND		

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Personal Services	\$4,340	\$2,292
All Other	(\$4,340)	(\$2,292)
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GENERAL FUND TOTAL	\$0	\$0

Juvenile Community Corrections 0892

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$4,341	\$2,291
All Other	(\$4,341)	(\$2,291)
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GENERAL FUND TOTAL	\$0	\$0

Long Creek Youth Development Center 0163

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$8,626	\$10,081
All Other	(\$8,626)	(\$10,081)
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GENERAL FUND TOTAL	\$0	\$0

Mountain View Youth Development Center 0857

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$4,986	\$5,031
All Other	(\$4,986)	(\$5,031)
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GENERAL FUND TOTAL	\$0	\$0

State Prison 0144

Initiative: Reclassifications

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

GENERAL FUND	2007-08	2008-09
Personal Services	\$45,762	\$51,362
All Other	(\$45,762)	(\$51,362)
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GENERAL FUND TOTAL	\$0	\$0

CORRECTIONS, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0

**DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF
Military Training and Operations 0108**

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	(\$16,872)	(\$17,028)
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GENERAL FUND TOTAL	(\$16,872)	(\$17,028)

Veterans Services 0110

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$16,872	\$17,028
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GENERAL FUND TOTAL	\$16,872	\$17,028

DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$0

DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0
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ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Business Development 0585

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$18,144	\$22,855
All Other	(\$18,144)	(\$22,855)
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GENERAL FUND TOTAL	\$0	\$0

Maine State Film Office 0590

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$5,638	\$5,692
All Other	(\$5,638)	(\$5,692)
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GENERAL FUND TOTAL	\$0	\$0

**ECONOMIC AND COMMUNITY DEVELOPMENT,
 DEPARTMENT OF
 DEPARTMENT TOTALS**

	2007-08	2008-09
GENERAL FUND	\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0

EDUCATION, DEPARTMENT OF

Learning Systems 0839

Initiative: Reclassifications

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$7,715	\$8,842
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FEDERAL EXPENDITURES FUND TOTAL	\$7,715	\$8,842

EDUCATION, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
FEDERAL EXPENDITURES FUND	\$7,715	\$8,842
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DEPARTMENT TOTAL - ALL FUNDS	\$7,715	\$8,842

ENVIRONMENTAL PROTECTION, DEPARTMENT OF

Land and Water Quality 0248

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$3,619	\$3,652
All Other	(\$3,619)	(\$3,652)
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GENERAL FUND TOTAL	\$0	\$0

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$4,347	\$4,388
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$4,347	\$4,388

Maine Environmental Protection Fund 0421

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$25,502	\$28,617
All Other	\$530	\$596
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$26,032	\$29,213

Performance Partnership Grant 0851

Initiative: Reclassifications

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$26,431	\$30,440
All Other	\$438	\$520
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FEDERAL EXPENDITURES FUND TOTAL	\$26,869	\$30,960

Remediation and Waste Management 0247

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$2,245	\$2,664
All Other	(\$2,245)	(\$2,664)
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GENERAL FUND TOTAL	\$0	\$0

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$10,469	\$10,821
All Other	\$218	\$225
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$10,687	\$11,046

ENVIRONMENTAL PROTECTION, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$0
FEDERAL EXPENDITURES FUND	\$26,869	\$30,960
OTHER SPECIAL REVENUE FUNDS	\$41,066	\$44,647
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DEPARTMENT TOTAL - ALL FUNDS	\$67,935	\$75,607

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Bureau of Child and Family Services - Regional 0452

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$2,496	\$2,517
All Other	(\$2,496)	(\$2,517)
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GENERAL FUND TOTAL	\$0	\$0

Bureau of Medical Services 0129

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$3,981	\$4,013
All Other	(\$3,981)	(\$4,013)
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GENERAL FUND TOTAL	\$0	\$0

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$11,951	\$12,043
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FEDERAL EXPENDITURES FUND TOTAL	\$11,951	\$12,043

Drinking Water Enforcement 0728

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$7,875	\$8,505
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$7,875	\$8,505

Elder and Adult Services - Bureau of 0140

Initiative: Reclassifications

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$5,323	\$5,777
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FEDERAL EXPENDITURES FUND TOTAL	\$5,323	\$5,777

Health - Bureau of 0143

Initiative: Reclassifications

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$9,586	\$9,614
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FEDERAL EXPENDITURES FUND TOTAL	\$9,586	\$9,614

Maternal and Child Health 0191

Initiative: Reclassifications

FEDERAL BLOCK GRANT FUND	2007-08	2008-09
Personal Services	\$4,499	\$5,249
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FEDERAL BLOCK GRANT FUND TOTAL	\$4,499	\$5,249

Office of Integrated Access and Support - Central Office Z020

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$6,642	\$6,702
All Other	(\$6,642)	(\$6,702)
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GENERAL FUND TOTAL	\$0	\$0

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

	2007-08	2008-09
GENERAL FUND	\$0	\$0
FEDERAL EXPENDITURES FUND	\$26,860	\$27,434

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

OTHER SPECIAL REVENUE FUNDS	\$7,875	\$8,505
FEDERAL BLOCK GRANT FUND	\$4,499	\$5,249
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DEPARTMENT TOTAL - ALL FUNDS	\$39,234	\$41,188

INLAND FISHERIES AND WILDLIFE, DEPARTMENT OF

Endangered Nongame Operations 0536

Initiative: Reclassifications

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$6,225	\$6,418
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FEDERAL EXPENDITURES FUND TOTAL	\$6,225	\$6,418

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$2,073	\$2,136
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,073	\$2,136

Public Information and Education, Division of 0729

Initiative: Reclassifications

GENERAL FUND	2007-08	2008-09
Personal Services	\$4,289	\$4,330
All Other	(\$4,289)	(\$4,330)
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GENERAL FUND TOTAL	\$0	\$0

INLAND FISHERIES AND WILDLIFE, DEPARTMENT OF
DEPARTMENT TOTALS

GENERAL FUND	\$0	\$0
FEDERAL EXPENDITURES FUND	\$6,225	\$6,418
OTHER SPECIAL REVENUE FUNDS	\$2,073	\$2,136

DEPARTMENT TOTAL - ALL FUNDS	\$8,298	\$8,554
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LABOR, DEPARTMENT OF

Employment Security Services 0245

Initiative: Reclassifications

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$4,174	\$7,551
All Other	(\$4,174)	(\$7,551)
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FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Safety Education and Training Programs 0161

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$2,873	\$2,900
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,873	\$2,900

LABOR, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
FEDERAL EXPENDITURES FUND	\$0	\$0
OTHER SPECIAL REVENUE FUNDS	\$2,873	\$2,900
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DEPARTMENT TOTAL - ALL FUNDS	\$2,873	\$2,900

LIBRARY, MAINE STATE

Maine State Library 0217

Initiative: Reclassification

GENERAL FUND	2007-08	2008-09
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'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Personal Services	\$24,467	\$16,531
All Other	(\$24,467)	(\$16,531)

GENERAL FUND TOTAL	\$0	\$0
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**LIBRARY, MAINE STATE
DEPARTMENT TOTALS**

2007-08	2008-09
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GENERAL FUND

\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS

\$0	\$0
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MARINE RESOURCES, DEPARTMENT OF

Sea Run Fisheries and Habitat Z049

Initiative: Reclassifications

FEDERAL EXPENDITURES FUND

2007-08	2008-09
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Personal Services

\$3,088	\$3,498
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FEDERAL EXPENDITURES FUND TOTAL

\$3,088	\$3,498
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**MARINE RESOURCES, DEPARTMENT OF
DEPARTMENT TOTALS**

2007-08	2008-09
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FEDERAL EXPENDITURES FUND

\$3,088	\$3,498
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DEPARTMENT TOTAL - ALL FUNDS

\$3,088	\$3,498
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PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

Insurance - Bureau of 0092

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS

2007-08	2008-09
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Personal Services

\$5,475	\$5,529
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HP0383, LD 499, item 2, 123rd Maine State Legislature
 'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General
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 of State Government for the Fiscal Years Ending June 30, 2007, June 30, 2008 and June 30, 2009'

	\$5,475	\$5,529
OTHER SPECIAL REVENUE FUNDS TOTAL		

Licensing and Enforcement 0352

Initiative: Reclassification

	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS		
Personal Services	\$4,778	\$5,009
All Other	(\$4,778)	(\$5,009)
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$0

Nursing - Board of 0372

Initiative: Reclassifications

	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS		
Personal Services	\$7,087	\$7,154
All Other	\$101	\$102
OTHER SPECIAL REVENUE FUNDS TOTAL	\$7,188	\$7,256

Office of Consumer Credit Regulation 0091

Initiative: Reclassifications

	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS		
Personal Services	\$3,465	\$5,609
All Other	(\$3,465)	(\$5,609)
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$0

**PROFESSIONAL AND FINANCIAL REGULATION,
 DEPARTMENT OF
 DEPARTMENT TOTALS**

	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS	\$12,663	\$12,785

DEPARTMENT TOTAL - ALL FUNDS	\$12,663	\$12,785
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PUBLIC SAFETY, DEPARTMENT OF

Fire Marshal - Office of 0327

Initiative: Reclassifications

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$2,400	\$3,202
All Other	(\$2,400)	(\$3,202)

OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$0
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PUBLIC SAFETY, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
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OTHER SPECIAL REVENUE FUNDS	\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0
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SECTION TOTALS	2007-08	2008-09
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GENERAL FUND	\$0	\$0
FEDERAL EXPENDITURES FUND	\$70,757	\$77,152
OTHER SPECIAL REVENUE FUNDS	\$101,160	\$89,407
FEDERAL BLOCK GRANT FUND	\$4,499	\$5,249
POSTAL, PRINTING AND SUPPLY FUND	\$366	\$371
OFFICE OF INFORMATION SERVICES FUND	\$65,826	\$79,374
WORKERS' COMPENSATION MANAGEMENT FUND	\$27,314	\$27,564
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	\$14,503	\$17,372

SECTION TOTAL - ALL FUNDS	\$284,425	\$296,489
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PART C

Sec. C-1. 20-A MRSA §253, sub-§8 is enacted to read:

8. Statewide support for efficiencies. The commissioner may expend and disburse funds for the statewide support of operational efficiencies for school administrative units.

Sec. C-2. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2005, c. 2, Pt. D, §34 and affected by §§72 and 74 and c. 12, Pt. WW, §18, 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 ~~54.44%~~53.51%.

(4) For fiscal year 2008-09 and succeeding years, the target is 55%.

Sec. C-3. 20-A MRSA §15689, sub-§1, ¶B, as affected by PL 2005, c. 12, Pt. WW, §18 and amended by c. 457, Pt. I, §1, 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, ~~95%~~84%; and

(4) In fiscal year 2008-09 and succeeding years, 100%.

Sec. C-4. 20-A MRSA §15689-A, sub-§13 is enacted to read:

13. Jobs for Maine's Graduates. The commissioner may expend and disburse funds for the Jobs for Maine's Graduates in accordance with the provisions of chapter 226.

Sec. C-5. 20-A MRSA §15689-A, sub-§14 is enacted to read:

14. Maine School of Science and Mathematics. The commissioner may expend and disburse funds for the Maine School of Science and Mathematics in accordance with the provisions of chapter 312.

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Sec. C-6. 20-A MRSA §15689-A, sub-§15 is enacted to read:

15. Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf. The commissioner may expend and disburse funds for the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf in accordance with provisions of chapter 304.

Sec. C-7. 20-A MRSA §15689-D, as enacted by PL 2005, c. 2, Pt. D, §61 and affected by §§72 and 74 and affected by c. 12, Pt. WW, §18, is amended to read:

§ 15689-D. Governor's recommendation for funding levels

The Department of Administrative and Financial Services, Bureau of the Budget shall annually certify to the Legislature the funding levels that the Governor recommends under sections 15683, 15683-A, 15689 and 15689-A. The Governor's recommendations must be transmitted to the Legislature within the time schedules set forth in Title 5, section 1666. The commissioner may adjust, consistent with the Governor's recommendation for funding levels, per-pupil amounts not related to staffing pursuant to section 15680 and targeted funds pursuant to section 15681.

Sec. C-8. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2007-08 is 7.44.

Sec. C-9. Limitation of increases. Notwithstanding any other provision of law, for fiscal year 2007-08 a school administrative unit may not receive more than a 15% increase in general purpose aid for local schools from 2006-07 to 2007-08 including transition adjustments and excluding any decline in total debt service allocation. For fiscal year 2007-08, the maximum state and local spending target pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A must exclude the amount resulting from the 15% limitation of increases for those school administrative units affected by this limitation.

Sec. C-10. 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 2007-08 is as follows:

	2007-08 TOTAL
Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 without transition percentage	\$1,351,740,918
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 95% transition percentage	\$1,284,153,872
Transition adjustments pursuant to the Maine Revised Statutes, Title 20-A, section 15686	\$3,264,728

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'
 Total other subsidizable costs pursuant to the Maine Revised Statutes, Title 20-A, section 15681-A \$377,071,968

Total Operating Allocation

Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 95% transition percentage plus transition adjustment pursuant to Title 20-A, section 15686 and total other subsidizable costs pursuant to Title 20-A, section 15681-A \$1,664,490,568

Total Debt Service Allocation

Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A \$90,484,971

Total Adjustments and Miscellaneous Costs

Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A \$72,648,239

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 2007-08 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B \$1,827,623,778

Sec. C-11. 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, 2007 and ending June 30, 2008 is calculated as follows:

	2007-08 LOCAL	2007-08 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	\$846,003,440	\$981,620,338

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Limitation of Increases to the State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12

Limitation of increases to the state contributions to the total cost of funding public education from kindergarten to grade 12	\$0	(\$3,661,953)
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Adjusted Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12

Adjusted 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	\$0	\$977,958,385
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Sec. C-12. Limit of State's obligation. If the State's continued obligation for any individual component contained in sections 10 and 11 of this Part exceeds the level of funding provided for that component, any unexpended balances occurring in other programs may be applied to avoid proration of payments for any individual component. Any unexpended balances from sections 10 and 11 of this Part do not lapse but must be carried forward for the same purpose.

Sec. C-13. Authorization of payments. Sections 1 to 11 of this Part may not be construed to require the State to provide payments that exceed the appropriation of funds for general purpose aid for local schools for the fiscal year beginning July 1, 2007 and ending June 30, 2008.

PART D

Sec. D-1. 20-A MRSA §13013-A, sub-§2, as enacted by PL 2005, c. 519, Pt. AAAA, §1, is amended to read:

2. Local filing; certification. On or before October 15th annually, the superintendent of schools of a school administrative unit or the chief administrative officer of a career and technical education region shall file with the commissioner a certified list of national board-certified teachers eligible to receive the salary supplement pursuant to subsection 1.

Sec. D-2. 20-A MRSA §13013-A, sub-§4, as enacted by PL 2005, c. 683, Pt. H, §1, is amended to read:

4. Expend funds. ~~For fiscal year 2006-07 only, a~~ school administrative unit may expend funds received through the salary supplement under subsection 1 without calling for a special meeting of the local legislative body.

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Sec. D-3. 20-A MRSA §15689, sub-§1-A, as enacted by PL 2005, c. 519, Pt. AAAA, §14, is amended to read:

1-A. Adjustments to state contributions to member municipalities in certain school districts. Beginning in fiscal year 2007-08, the minimum state allocation provisions of subsection 1 are applicable for each case when one or more member municipalities, but not all the district's member municipalities, have a local contribution that is below the mill rate expectation established pursuant to section 15671-A and a member municipality's local contribution pursuant to section 15688 is 5% greater than that municipality's local share would have been under its existing local cost-sharing formula. For each school district eligible under this subsection, the minimum state allocation provisions of subsection 1 are applicable for each member municipality that has a local contribution that is below the mill rate expectation established pursuant to section 15671-A, except that the transition percentages in section 15689, subsection 1, paragraph B must be applied and the results must be multiplied by the percentage of calendar year resident pupils in the member municipality. A school administrative district or community school district that meets the eligibility criteria in this subsection must have its local contribution adjusted as follows.

A. The municipality's local contribution as determined pursuant to section 15688 must be reduced by an amount equal to the municipality's minimum special education allocation as determined in this subsection.

Sec. D-4. 20-A MRSA §15689, sub-§7, ¶A, as enacted by PL 2005, c. 635, §9, is amended to read:

A. As used in this subsection, unless the context otherwise indicates, the following terms have the following meanings.

(1) "Qualifying school administrative unit" means a school administrative unit or a career and technical education region that the commissioner has determined has a locally established salary schedule with a minimum teacher salary of less than \$30,000 in school year 2008-2009.

Sec. D-5. 20-A MRSA §15689, sub-§7, ¶D, as enacted by PL 2005, c. 683, Pt. H, §2, is amended to read:

D. ~~For fiscal year 2006-07 only,~~ a school administrative unit may expend any funds received through the adjustment under this section without calling for a special meeting of the local legislative body.

Sec. D-6. 20-A MRSA §15689, sub-§9 is enacted to read:

9. Regionalization, consolidation and efficiency assistance adjustment. The commissioner may expend and disburse funds limited to the amount appropriated by the Legislature to carry out the purposes of promoting regionalization, consolidation and efficiency. These funds must be an adjustment to the qualifying school administrative unit's state allocation.

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Sec. D-7. 20-A MRSA §15689-A, sub-§5, as enacted by PL 2005, c. 2, Pt. D, §61 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is repealed.

Sec. D-8. 20-A MRSA §15689-A, sub-§10, as amended by PL 2005, c. 519, Pt. J, §2, is further amended to read:

10. Data management and support services for essential programs and services.

The commissioner may pay costs attributed to system maintenance and staff support necessary to implement the requirements of the Essential Programs and Services Funding Act. A transfer of All Other funds from the General Purpose Aid for Local Schools account to Personal Services in the Management Information Systems account for 56.615 positions that provide professional and administrative support to general purpose aid for local schools in the department's management information systems program may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

Sec. D-9. 20-A MRSA §15689-A, sub-§12-A is enacted to read:

12-A. Learning through technology. The commissioner may pay costs attributed to staff support and system maintenance for a program that promotes learning through technology. A transfer of All Other funds from the General Purpose Aid for Local Schools account to Personal Services and All Other line categories in the Learning Through Technology General Fund account sufficient to support the Personal Services and All Other costs of one Education Team and Policy Director position, one Education Specialist III position, one Planning and Research Associate I position and the agreement that provides one-to-one wireless computers for 7th grade, 8th grade and high school students and educators may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

PART E

Sec. E-1. 20-A MRSA §15754, as amended by PL 2005, c. 386, Pt. E, §1, is repealed.

PART F

Sec. F-1. 21-A MRSA §1125, sub-§3, ¶A, as enacted by IB 1995, c. 1, §17, is amended to read:

A. For a gubernatorial candidate, at least 2,5003,250 verified registered voters of this State must support the candidacy by providing a qualifying contribution to that candidate;

Sec. F-2. General Fund transfer to Maine Clean Election Fund. Notwithstanding Title 21-A, section 1124, subsection 2, paragraph B, in lieu of the \$2,000,000 transfer authorized to be made on January 1, 2009, the State Controller shall transfer \$700,000 from the General Fund to the Maine Clean Election Fund on September 1, 2008 in order to ensure that adequate funds will be available to the Commission on Governmental Ethics and Election Practices.

PART G

Sec. G-1. Calculation and transfer; General Fund health insurance savings.

Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in section 2 that apply against each General Fund account for all departments and agencies except legislative branch departments and agencies from savings in the cost of health insurance and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal years 2007-08 and 2008-09. The State Budget Officer shall provide the Joint Standing Committee on Appropriations and Financial Affairs a report of the transferred amounts no later than November 1, 2007.

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and Agencies - Statewide 0016

Initiative: Reduces funding to reflect savings to the State for the cost of health insurance.

GENERAL FUND	2007-08	2008-09
Personal Services	(\$782,570)	(\$1,668,244)
GENERAL FUND TOTAL	(\$782,570)	(\$1,668,244)

Departments and Agencies - Statewide 0016

Initiative: Savings achieved through changes to be adopted by the State Employee Health Commission.

GENERAL FUND	2007-08	2008-09
Personal Services	(\$500,000)	(\$500,000)
GENERAL FUND TOTAL	(\$500,000)	(\$500,000)

**ADMINISTRATIVE AND FINANCIAL SERVICES,
 DEPARTMENT OF
 DEPARTMENT TOTALS**

	2007-08	2008-09
GENERAL FUND	(\$1,282,570)	(\$2,168,244)
DEPARTMENT TOTAL - ALL FUNDS	(\$1,282,570)	(\$2,168,244)

PART H

Sec. H-1. 36 MRSA §4641-B, sub-§4, as amended by PL 2005, c. 644, §4, is further amended to read:

4. Distribution of State's share of proceeds. The State Tax Assessor shall pay all net receipts received pursuant to this section to the Treasurer of State, and shall at the same time provide the Treasurer of State with documentation showing the amount of revenues derived from the tax imposed by section 4641-A, subsection 1 and the amount of revenues derived from the tax imposed by section 4641-A, subsection 2. The Treasurer of State shall credit 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the General Fund and shall monthly pay the remaining 1/2 of such revenues to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853, except that in fiscal year 2003-04, fiscal year 2004-05 and fiscal year 2005-06, \$7,500,000 of the remaining 1/2 of those revenues must be transferred to the General Fund before any payments are made to the Maine State Housing Authority and, in fiscal year 2006-07, \$7,687,067 of the remaining 1/2 of those revenues must be transferred to the General Fund before any payments are made to the Maine State Housing Authority and in fiscal year 2007-08 and fiscal year 2008-09, \$5,000,000 of the remaining 1/2 of those revenues must be transferred to the General Fund before any payments are made to the Maine State Housing Authority. The Treasurer of State shall credit to the General Fund all of the revenues derived from the tax imposed by section 4641-A, subsection 2.

PART I

Sec. I-1. 5 MRSA §935, sub-§1, ¶H, as enacted by PL 1983, c. 729, §4, is repealed.

PART J

Sec. J-1. Transfer of funds; overtime expenses. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the Department of Corrections, upon approval of the Governor, is authorized to transfer, by financial order, Personal Services, All Other or Capital Expenditures funding between accounts within the same fund for the purpose of paying overtime expenses.

PART K

Sec. K-1. 5 MRSA §13110, first ¶, as enacted by PL 2003, c. 673, Pt. M, §8, is amended to read:

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The office, the University of Maine System and the ~~EPSCoR steering committee~~ Governor's Maine Science and Technology Advisory Council are jointly responsible for the administration of the Maine Experimental Program to Stimulate Competitive Research, referred to in this chapter as "the Maine EPSCoR Program," which is established in this section as a partnership effort between the State Government and the Federal Government to strengthen the State's science and engineering infrastructure.

Sec. K-2. 5 MRSA §13110, sub-§2, as enacted by PL 2003, c. 673, Pt. M, §8, is amended to read:

2. Policy recommendation. Through the office, the University of Maine System and the ~~EPSCoR steering committee~~ Governor's Maine Science and Technology Advisory Council, the Maine EPSCoR Program may recommend to the Governor and the Legislature policies and programs essential to the strengthening of the State's science and engineering infrastructure.

Sec. K-3. 5 MRSA §13110-A, sub-§1, ¶C, as enacted by PL 2003, c. 673, Pt. M, §8, is amended to read:

C. "Research capacity committee" means the ~~EPSCoR steering committee~~ Governor's Maine Science and Technology Advisory Council referred to in section 13110.

PART L

Sec. L-1. Program name change. The Maine Small Business Commission program within the Department of Economic and Community Development is renamed the Maine Small Business and Entrepreneurship Commission program.

PART M

Sec. M-1. Voluntary employee incentive programs. Notwithstanding the Maine Revised Statutes, Title 5, section 903, subsections 1 and 2, the Commissioner of Administrative and Financial Services shall offer for use prior to July 1, 2009 special voluntary employee incentive programs for state employees, including a 50% workweek option, flexible position staffing and time off without pay. Employee participation in a voluntary employee incentive program is subject to the approval of the employee's appointing authority.

Sec. M-2. Continuation of health insurance. Notwithstanding the Maine Revised Statutes, Title 5, section 285, subsection 7 and section 903, the State shall continue to pay health and dental insurance benefits for state employees who apply prior to July 1, 2009 to participate in a voluntary employee incentive program under section 1 based upon the scheduled workweek in effect prior to the employee's participation in the voluntary employee incentive program.

Sec. M-3. Continuation of group life insurance. Notwithstanding the Maine Revised Statutes, Title 5, sections 903 and 18056 and the rules of the Maine State Retirement System, the life, accidental death and dismemberment, supplemental and dependent insurance amounts for a state

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employee who applies prior to July 1, 2009 to participate in a voluntary employee incentive program under section 1 are based upon the scheduled hours of the employee prior to the employee's participation in the voluntary employee incentive program.

Sec. M-4. General Fund savings. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, the State Budget Officer shall transfer the General Fund savings resulting from the voluntary employee incentive programs under section 1 to the General Fund Compensation and Benefit Plan account in the Department of Administrative and Financial Services. The State Budget Officer shall submit to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report of the transferred amounts no later than January 15, 2009.

Sec. M-5. Lapsed balances. Notwithstanding any other provision of law, \$350,000 in fiscal year 2007-08 and \$350,000 in fiscal year 2008-09 of savings identified from the voluntary employee incentive programs in this Part lapse to the General Fund.

PART N

Sec. N-1. Transfer of Personal Services appropriation. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, available balances of General Fund appropriations for Personal Services in fiscal year 2007-08 and fiscal year 2008-09 may be transferred by financial order between programs and departments within the General Fund upon recommendation of the State Budget Officer and approval of the Governor to be used for costs associated with collective bargaining agreements for state employees.

PART O

Sec. O-1. 12 MRSA §10202, sub-§9, as amended by PL 2005, c. 12, Pt. Z, §1, is further amended to read:

9. Fiscal Stability Program. The Fiscal Stability Program is established to ensure that the general public and hunters and anglers share the cost of the fish and wildlife conservation programs of the department. To achieve this goal, beginning with the ~~2008-2009~~2010-2011 biennial budget and for each biennial budget thereafter, the biennial budget submitted by the executive branch must include an additional General Fund appropriation of 18% in excess of the department's requested biennial budget.

PART P

Sec. P-1. 35-A MRSA §116, sub-§4, as amended by PL 1997, c. 586, §4, is further amended to read:

4. Use of funds. The Public Utilities Commission may use the revenues provided in accordance with this section to ~~fund 65 employees and~~ to defray the costs incurred by the commission pursuant to this Title, including administrative expenses, general regulatory expenses, consulting fees and all other reasonable costs incurred to administer this Title.

PART Q

Sec. Q-1. Maine Governmental Facilities Authority; issuance of securities.

Pursuant to the Maine Revised Statutes, Title 4, section 1606, the Maine Governmental Facilities Authority is authorized to issue securities in its own name in an amount up to \$11,000,000 in fiscal year 2007-08 and \$6,000,000 in fiscal year 2008-09 for the purpose of paying the cost, including preliminary planning costs, including but not limited to needs assessments and space planning, master planning, capital asset assessments, concept design, design development and final design including construction drawings, associated with capital repairs and improvements to state-owned facilities throughout the State as designated by the Commissioner of Administrative and Financial Services. The authority may also issue additional securities in its own name in an amount up to \$750,000 in fiscal year 2007-08 for preconstruction costs and capital improvements for a Department of Corrections project at the Bangor campus and for other capital improvements at the correctional facilities within the Department of Corrections any part or all of which may be advanced by the Department of Administrative and Financial Services, Bureau of General Services with reimbursement upon issuance of the additional securities.

Sec. Q-2. Proceeds. The proceeds from the sale of the securities issued by the Maine Governmental Facilities Authority pursuant to the Maine Revised Statutes, Title 4, section 1606 must be used solely for the purpose for which the securities were authorized.

Sec. Q-3. Debt Service - Governmental Facilities Authority account; balance carried forward. Notwithstanding any other provision of law, any unexpended balance in the Debt Service - Governmental Facilities Authority, General Fund account in the Department of Administrative and Financial Services on June 30, 2007 must be carried forward for the same purpose until June 30, 2009.

PART R

Sec. R-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, in cooperation with the Treasurer of State, may enter into financing arrangements in fiscal years 2007-08 and 2008-09 for the acquisition of motor vehicles for the Central Fleet Management Division. The financing agreements entered into in each fiscal year may not exceed \$5,000,000 in principal costs, and a financing arrangement may not exceed 4 years in duration. The interest rate may not exceed 8%. The annual principal and interest costs must be paid from the appropriate line category allocations in the Central Fleet Management Division account.

Sec. R-2. 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 2007-08 and 2008-09 for the acquisition of motor vehicles for the State Police. The financing arrangements entered into each fiscal year may not exceed \$1,800,000 in principal costs, and a financing arrangement may not exceed 3 years in duration. The interest rate may not exceed 8%, and total interest costs with respect to the financing arrangements entered into in

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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.

Sec. R-3. 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, Office of Information Technology may enter into financing arrangements on or after January 1, 2009 for the acquisition of hardware, software and systems to support the operations of the Statewide Radio and Network System Reserve Fund, established in Title 5, section 1520. The financial agreements may not exceed 7 years in duration and \$15,000,000 in principal costs. The interest rate may not exceed 7% and interest costs may not exceed \$4,230,000. Annual principal and interest costs must be paid from the Office of Information Technology, Statewide Radio and Network System Reserve Fund.

PART S

Sec. S-1. 30-A MRSA §5681, sub-§5, ¶A, as amended by PL 2005, c. 12, Pt. E, §1, is further amended to read:

A. For months beginning before July 1, ~~2007~~2009, 5.1%; and

Sec. S-2. 30-A MRSA §5681, sub-§5, ¶B, as amended by PL 2005, c. 12, Pt. E, §1, is further amended to read:

B. For months beginning on or after July 1, ~~2007~~2009, 5.2%.

PART T

Sec. T-1. Prepayment of the annual cost of teachers' retirement. The State Controller shall pay the annual cost of teachers' retirement for fiscal year 2008-09 on or before July 15, 2008 if the State Controller determines, after consultation with the State Treasurer, that there is sufficient cash flow in the General Fund to pay the entire amount due. If the State Controller determines insufficient cash flow exists to make the entire payment of the annual cost on or before July 15, 2008, the State Controller shall submit a plan to the Joint Standing Committee on Appropriations and Financial Affairs by January 1, 2008 to accelerate payments in a manner that does not adversely affect the General Fund's operating cash or adversely affect the State Treasurer's cash pool.

Sec. T-2. Savings calculated. The Maine State Retirement System shall calculate the annualized savings to the State by moving the payment date in accordance with any plan developed by the State Controller related to payment of the annual cost of teacher's retirement for fiscal year 2008-09.

Sec. T-3. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

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Teacher Retirement 0170

Initiative: Deappropriates funds due to prepaying of retirement benefits on or before July 15, 2008 for fiscal year 2008-09.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$6,794,273)
GENERAL FUND TOTAL	\$0	(\$6,794,273)

PART U

Sec. U-1. 3 MRSA §753, as enacted by PL 1985, c. 507, §1, is repealed and the following enacted in its place:

§ 753. Expenses

All administrative operating expenses of the Maine Legislative Retirement System must be charged to the assets of the Maine Legislative Retirement System.

Sec. U-2. 3 MRSA §803, sub-§4, as enacted by PL 1985, c. 507, §1, is amended to read:

4. Minimum amount of employer contribution. The aggregate payment by the State into the fund shall must be at least sufficient to provide the benefits payable out of the fund and the administrative operating expenses of the Maine Legislative Retirement System during the current year.

Sec. U-3. 4 MRSA §1253, as enacted by PL 1983, c. 853, Pt. C, §§15 and 18, is repealed and the following enacted in its place:

§ 1253. Expenses

All administrative operating expenses of the Maine Judicial Retirement System must be charged to the assets of the funds of the Maine Judicial Retirement System.

Sec. U-4. 4 MRSA §1303, sub-§4, as enacted by PL 1983, c. 853, Pt. C, §§15 and 18, is amended to read:

4. Minimum amount of employer contribution. The aggregate payment by the State into the fund shall must be at least sufficient to provide the benefits payable out of the fund and the administrative operating expenses of the Maine Judicial Retirement System during the current year.

Sec. U-5. 5 MRSA §17102, sub-§7, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

7. Expenses. The necessary expenses incurred by the board in the operation of the retirement system ~~shall~~must be paid from the funds so allocated ~~according to the purpose for which they are incurred from the assets of the fund or funds established in section 17152.~~

Sec. U-6. 5 MRSA §17154, sub-§6, as amended by PL 2005, c. 2, Pt. D, §1 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

6. Payment of employer charges for teachers. For teachers, percentage rates to be predetermined by the actuary and approved by the board ~~shall~~must be applied to the total earnable compensation of members covering the most recent school year preceding the preparation of the biennial budget.

A. The resulting amount ~~shall~~must be appropriated and credited to the appropriate funds.

B. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement system plans applicable to those teachers whose funding is provided from federal grants or through federal reimbursement ~~shall~~must be paid by local school systems from those federal funds.

C. Notwithstanding this section, the employer retirement ~~costs~~ and administrative operating expenses related to the retirement system plan applicable to those teachers who are permitted to continue to accrue service credit while on a one-year leave of absence and participating in the education of prospective teachers by teaching and supervising students enrolled in college-level teacher preparation programs in this State ~~shall~~must be paid from funds provided by the college employing the teacher during that year.

D. Notwithstanding this section, the employer retirement ~~costs~~ and administrative operating expenses related to the retirement system plan applicable to a teacher who is permitted to continue to accrue service credit while on a leave of absence and serving as President of the Maine Education Association must be paid from funds provided by the Maine Teachers Association. For purposes of this paragraph, in computing the employer cost, "earnable compensation" means the amount that the teacher would have earned if the teacher had remained in a teaching position.

E. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement system plans applicable to those teachers whose funding is provided directly or through reimbursement from private or public grants must be paid by local school systems from those funds. "Public grants" does not include state or local funds provided to school administrative units under Title 20-A, chapters 315 and 606-B.

F. Notwithstanding this section, effective September 1, 1993, the employer retirement ~~costs~~ and administrative operating expenses related to the retirement system plans, less the unfunded liability, that are applicable to a teacher who is permitted to continue to accrue service credit while on released time and serving as president of a recognized or certified collective bargaining agent representing teachers must be paid from funds provided by the collective bargaining agent or school

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Sec. U-7. 5 MRSA §17254, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

§ 17254. Minimum state contribution

The aggregate payment by the State into the Retirement Allowance Fund for state employees and teachers ~~shall~~must be at least sufficient, when combined with the amount in the Retirement Allowance Fund, to provide the benefits payable out of the fund and the administrative operating expenses of the Maine State Retirement System during the current year.

Sec. U-8. Retirement administrative costs. Beginning July 1, 2007, administrative costs and expenses attributable to the administrative operating budget of the Maine State Retirement System's state employee, teacher, legislative and judicial pension funds must be charged against the assets of the applicable fund.

Sec. U-9. Calculation and transfer; General Fund savings; retirement administrative costs. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in section 10 of this Part that applies against each General Fund account for all departments and agencies from reducing funding for the administrative costs of the Maine State Retirement System for state employees and state-funded teachers and shall transfer amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal years 2007-08 and 2008-09. The State Budget Officer shall provide the Joint Standing Committee on Appropriations and Financial Affairs a report of the transferred amounts no later than November 1, 2007. The following General Fund accounts are exempt from these calculations: Disproportionate Share - Riverview and Disproportionate Share - Dorothea Dix Psychiatric Center within the Department of Health and Human Services, all General Fund accounts within the Department of Inland Fisheries and Wildlife and the Education Unorganized Territory account within the Department of Education.

Sec. U-10. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and Agencies - Statewide 0016

Initiative: Deappropriates funds to reflect a different methodology for funding the administrative costs of the Maine State Retirement System.

GENERAL FUND	2007-08	2008-09
Personal Services	(\$1,210,050)	(\$1,210,187)
<hr/>		
GENERAL FUND TOTAL	(\$1,210,050)	(\$1,210,187)

**ADMINISTRATIVE AND FINANCIAL SERVICES,
 DEPARTMENT OF
 DEPARTMENT TOTALS**

	2007-08	2008-09
GENERAL FUND	(\$1,210,050)	(\$1,210,187)
DEPARTMENT TOTAL - ALL FUNDS	(\$1,210,050)	(\$1,210,187)

EDUCATION, DEPARTMENT OF

Teacher Retirement 0170

Initiative: Deappropriates funds to reflect a different methodology for funding the administrative costs of the Maine State Retirement System.

	2007-08	2008-09
GENERAL FUND All Other	(\$5,031,551)	(\$5,031,551)
GENERAL FUND TOTAL	(\$5,031,551)	(\$5,031,551)

**EDUCATION, DEPARTMENT OF
 DEPARTMENT TOTALS**

	2007-08	2008-09
GENERAL FUND	(\$5,031,551)	(\$5,031,551)
DEPARTMENT TOTAL - ALL FUNDS	(\$5,031,551)	(\$5,031,551)

PART V

Sec. V-1. 36 MRSA §5142, sub-§3-A, as enacted by PL 2005, c. 12, Pt. MMMM, §1 and as affected by §3, is amended to read:

3-A. Gain or loss on sale of partnership interest. Notwithstanding subsection 3, the gain or loss on the sale of a partnership interest is sourced to this State in an amount equal to the gain or loss multiplied by the ratio obtained by dividing the original cost of partnership tangible property located in Maine by the original cost of partnership tangible property everywhere, determined at the time of the sale. Tangible property includes property owned or rented and is valued in accordance with section 5211, former subsection 10. If more than 50% of the value of the partnership's assets consist of intangible property, gain or loss from the sale of the partnership interest is sourced to this State in accordance with

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the sales factor of the partnership for its first full tax period immediately preceding the tax period of the partnership during which the partnership interest was sold. For purposes of this subsection, the sales factor of a partnership is determined in accordance with section 5211, subsections 14, 15 and ~~16~~**16-A**. This subsection does not apply to the sale of a limited partner's interest in an investment partnership where more than 80% of the value of the partnership's total assets consists of intangible personal property held for investment, except that such property cannot include an interest in a partnership unless that partnership is itself an investment partnership.

If the apportionment provisions of this section do not fairly represent the extent of the partnership's business activity in this State, the taxpayer may petition for, or the State Tax Assessor may require, in respect to all or any part of the partnership's business activity the employment of any other method to effectuate an equitable apportionment to this State of the partner's income from the sale of the partnership interest.

Sec. V-2. 36 MRSA §5211, sub-§8, as amended by PL 1991, c. 502, §1 and as affected by §2, is further amended to read:

8. Formula for apportionment of income to State. All income shall be apportioned to this State by multiplying the income by a fraction, ~~the numerator of which is the property factor plus the payroll factor plus twice the sales factor, and the denominator of which is 4.~~

Sec. V-3. 36 MRSA §5211, sub-§9, as enacted by P&SL 1969, c. 154, §F, is repealed.

Sec. V-4. 36 MRSA §5211, sub-§10, as amended by PL 1999, c. 708, §43, is repealed.

Sec. V-5. 36 MRSA §5211, sub-§11, as enacted by P&SL 1969, c. 154, §F, is repealed.

Sec. V-6. 36 MRSA §5211, sub-§12, as amended by PL 2001, c. 439, Pt. D, §8 and affected by §9, is repealed.

Sec. V-7. 36 MRSA §5211, sub-§13, as enacted by P&SL 1969, c. 154, §F, is repealed.

Sec. V-8. 36 MRSA §5211, sub-§16, as amended by PL 2005, c. 12, Pt. MMMM, §2 and affected by §3, is repealed.

Sec. V-9. 36 MRSA §5211, sub-§16-A is enacted to read:

16-A. Other sales. Sales other than sales of tangible personal property are sourced as follows.

A. Except as otherwise provided by this subsection, receipts from the performance of services must be attributed to the state where the services are received. If the state where the services are received is not readily determinable, the services are deemed to be received at the home of the customer or, in the case of a business, the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering location cannot be determined, the services are deemed to be received at the home or office of the customer to which the services are billed. In instances in which the purchaser of the service is the Federal Government or the receipts

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are otherwise attributable to a state in which the taxpayer is not taxable, the receipts are attributable to this State if a greater proportion of the income-producing activity is performed in this State than in any other state based on costs of performance.

B. Gross receipts from the license, sale or other disposition of patents, copyrights, trademarks or similar items of intangible personal property must be attributed to this State if the intangible property is used in this State by the licensee or if the taxpayer's commercial domicile is in this State and the taxpayer is not taxable in the state in which the property is used by the licensee. If the intangible personal property is used by the licensee in more than one state, the income must be apportioned to this State according to the portion of use in this State. In instances in which the purchaser or licensee of the intangible personal property is the Federal Government or the receipts are otherwise attributable to a state in which the taxpayer is not taxable, the receipts are attributable to this State if a greater proportion of the income-producing activity is performed in this State than in any other state based on costs of performance.

C. Receipts from the sale, lease, rental or other use of real property is sourced to this State if the real property is located in this State.

D. Receipts from the lease or rental of tangible personal property must be attributed to this State if the property is located in this State.

E. Receipts from items of income described in section 5206-E, subsection 2, paragraphs C to I must be sourced to this State as provided in those paragraphs. For purposes of this paragraph, section 5206-E, subsection 2, paragraphs G and H must include the related payment processing fees.

F. A sale of a partnership interest must be sourced in accordance with the provisions of section 5142, subsection 3-A.

Sec. V-10. 36 MRSA §5211, sub-§17, ¶A, as enacted by P&SL 1969, c. 154, §F, is amended to read:

A. Separate accounting; or

Sec. V-11. 36 MRSA §5211, sub-§17, ¶B, as enacted by P&SL 1969, c. 154, §F, is repealed.

Sec. V-12. 36 MRSA §5211, sub-§17, ¶C, as enacted by P&SL 1969, c. 154, §F, is repealed.

Sec. V-13. 36 MRSA §5212, sub-§2, ¶C, as enacted by PL 1999, c. 754, §1 and affected by §2, is amended to read:

C. Receipts other than from the provision of services described in paragraph B are Maine receipts if they would qualify as Maine sales under section 5211, subsection 15 or ~~16~~16-A.

Sec. V-14. 36 MRSA §5244, as amended by PL 1997, c. 24, Pt. C, §12 and affected by §16, is further amended to read:

§ 5244. Combined report

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The combined report required by section 5220, subsection 5, must include, both in the aggregate and by corporation, a list of the federal taxable income, the modifications provided by section 5200-A, the ~~property, payroll and sales~~ in Maine and everywhere as defined in chapter 821 and the Maine net income of the unitary business. Neither the income nor the ~~property, payroll and sales~~ of a corporation that is not required to file a federal income tax return may be included in the combined report.

Sec. V-15. Application. Those sections of this Part that amend the Maine Revised Statutes, Title 36, sections 5211 and 5244 and apply to tax years beginning on or after January 1, 2007.

PART W

Sec. W-1. 36 MRS §1861-A, as amended by PL 2003, c. 391, §1, is further amended to read:

§ 1861-A. Reporting use tax on individual income tax returns

The assessor shall provide that individuals report use tax on items with a ~~purchase~~sale price of \$5,000 or less on their Maine individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability for the period of the tax return. Alternatively, they may elect to report an amount that is ~~.04%~~.08% of their Maine adjusted gross income. ~~The table amount does not relate to items with a purchase price in excess of \$1,000. Liability arising from such items must be added to the table amount. A taxpayer electing to satisfy a use tax liability by estimating it shall calculate the liability in accordance with the use tax table. The estimated liability is applicable only to purchases of any individual items each having a sale price no greater than \$1,000. For each taxable item with a sale price greater than \$1,000 but no more than \$5,000, the actual use tax liability for each purchase must be added to the amount of the estimated liability derived from the use tax table. Upon subsequent review, if use tax liability for the period of the return exceeds the amount of liability arising from use tax paid with the return, a credit of the that amount of liability arising from the return paid relative to the item or items being supplementarily assessed is allowed subject to the limitation set out in this section. The credit is limited to the amount of liability arising from the return for items with a sale price of \$1,000 or less and may be applied only against a liability determined on review with regard to items with a sale price of \$1,000 or less. Use tax on any item with a purchase~~sale price of more than \$5,000 must be reported in accordance with section 1951-A.

Sec. W-2. Effective date; application. This Part takes effect January 1, 2008 and applies to tax years beginning on or after January 1, 2008.

PART X

Sec. X-1. Carrying balance; Bureau of Medical Services, General Fund account.

Notwithstanding any other provision of law, any All Other line category balance in the Department of Health and Human Services, Bureau of Medical Services, General Fund account remaining on June 30, 2008 may not lapse but must be carried forward to June 30, 2009 to be used for the same purposes.

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Sec. X-2. Transfer of funds. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, available balances of appropriations in MaineCare General Fund accounts may be transferred between accounts by financial order upon the recommendation of the State Budget Officer and approval of the Governor.

Sec. X-3. Authorized MaineCare program transfers defined. The authority to transfer funds pursuant to section 2 of this Part is limited to the following General Fund programs:

1. Medical Care - Payments to Providers;
2. Nursing Facilities;
3. Medicaid Match - Mental Retardation;
4. Mental Health Services - Child Medicaid;
5. Mental Health Services - Community Medicaid;
6. Mental Retardation Waiver - MaineCare Waiver;
7. Office of Substance Abuse - Medicaid Seed;
8. Low-cost Drugs to Maine's Elderly; and
9. Bureau of Medical Services.

Sec. X-4. Available MaineCare balances defined. The authority to transfer funds pursuant to section 2 of this Part is limited to balances determined by the Commissioner of Health and Human Services to be available. Balances may not be determined available if the specific program or MaineCare program expenditures in aggregate are projected to exceed appropriated amounts during the fiscal year. For the purposes of this section, expenditures include expenditures, obligations and any other program costs intentionally deferred for financial reasons.

Sec. X-5. Weekly MaineCare reporting. Until June 30, 2009, the Commissioner of Health and Human Services shall issue a weekly financial summary and report on MaineCare program expenditures. The report must be submitted to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over human services matters and must be presented in a budget to actual format detailing amounts at the program level. This reporting requirement is in addition to the reporting requirements contained in the Maine Revised Statutes, Title 20-A, section 3174-B.

Sec. X-6. Quarterly MaineCare reporting. Until June 30, 2009, the Commissioner of Health and Human Services shall issue a quarterly financial summary and report on MaineCare program expenditures. The report must be submitted to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters within 14 days of certification of the quarterly CMS-64 report to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services. This report must segregate expenditures by fund and by category of service. This reporting requirement is in addition to the reporting requirements contained in the Maine Revised Statutes, Title 22, section 3174-B.

PART Y

Sec. Y-1. Cost-of-living adjustments for nursing facilities. Notwithstanding any other provision of law, any unexpended balance in the Department of Health and Human Services, Nursing Facilities, Other Special Revenue Funds account as of June 30, 2007 and June 30, 2008 carries forward for the purpose of funding cost-of-living adjustments for nursing facilities licensed under the Maine Revised Statutes, Title 22, chapter 405 and residential care facilities as defined in Title 22, section 7852, subsection 14 in fiscal year 2007-08 and fiscal year 2008-09.

Sec. Y-2. Reimbursement rate. Notwithstanding any other provision of law, the Department of Health and Human Services shall provide cost-of-living adjustments to nursing facilities licensed under the Maine Revised Statutes, Title 22, chapter 405 and residential care facilities as defined in Title 22, section 7852, subsection 14 in fiscal year 2007-08 and fiscal year 2008-09 in the amount of 2%, as applied to all components of the reimbursement rate except the fixed cost component, per year per facility. If the Commissioner of Health and Human Services determines as of May 1, 2007, for fiscal year 2007-08, and May 1, 2008, for fiscal year 2008-09, that sufficient funds are not projected to be available pursuant to sections 1 and 4 of this Part to fund a 2% adjustment for fiscal year 2007-08 or fiscal year 2008-09, then the department may reduce the percentage adjustment for that fiscal year to the extent necessary to ensure that the amount available in the Nursing Facilities, Other Special Revenue Funds account is sufficient to fund the adjustment provided. In projecting the amount available, the commissioner shall consider the projected amount to be carried forward pursuant to section 1 of this Part and the department's best reasonable estimate of the expected tax revenue growth in the fiscal year for which the adjustment will be provided. The department shall publish its calculation of the projected available funds and the resulting cost-of-living adjustment no later than May 25, 2007 for fiscal year 2007-08 and May 26, 2008 for fiscal year 2008-09.

Sec. Y-3. Increase for frontline employees. Any facility that accepts the cost-of-living adjustment authorized under this Part for fiscal year 2007-08 and fiscal year 2008-09 must provide an equal percentage increase in wages and benefits to all frontline employees in each of those years in accordance with the Department of Health and Human Services' principles of reimbursement for nursing facilities. For the purposes of this section, "frontline employees" means all employees who work in the facility, excluding the administrator. Notwithstanding any other provision of law, the amount of the cost-of-living adjustment to be recouped for any failure to comply with this section is limited to the portion of the adjustment that:

1. Applies to wage and benefit expense; and
2. Exceeds the percentage increase in wages and benefits actually provided to frontline employees during the applicable fiscal period.

Sec. Y-4. Cost-of-living funding. Except as specifically allocated to other purposes under Part A, any unexpended balances in the Department of Health and Human Services, Nursing Facilities, Other Special Revenue Funds account as of June 30, 2007 and June 30, 2008 must first be used to the extent necessary to fund the cost-of-living adjustments granted in section 2 of this Part.

Sec. Y-5. Department of Health and Human Services quarterly report. The Commissioner of Health and Human Services shall prepare on a quarterly basis a report on balances available in the Nursing Facilities Other Special Revenue Funds account as a result of nursing facility provider tax collections, and on updated projections of balances that will be available for the remainder of the 2008-2009 biennium. This report must be provided on a quarterly basis to the joint standing committee of the Legislature having jurisdiction over health and human services matters and to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs, beginning October 15, 2007.

PART Z

Sec. Z-1. Position transfers; transfer of funds; Department of Health and Human Services. Notwithstanding any other provision of law, in fiscal year 2007-08 and fiscal year 2008-09 the Department of Health and Human Services may transfer up to 30 Intensive Case Manager positions in the Mental Health Services - Community program, as those positions become vacant, to the Office of Integrated Access and Support program to be reorganized as Family Independence Specialist positions upon the recommendation of the State Budget Officer and approval of the Governor. Available balances of Personal Services appropriations resulting from those vacancies may be transferred within the Personal Services line category within the same fund from the Mental Health Services - Community program to the Office of Integrated Access and Support program by financial order upon the recommendation of the State Budget Officer and approval of the Governor. The department is authorized to increase the allocation in the Other Special Revenue Funds in order to allocate the cost of the Family Independence Specialist positions between the General Fund and Other Special Revenue Funds based on the permissible federal match rate. These transfers and allocation increases are considered adjustments to authorized position counts, appropriations and allocations in fiscal year 2007-08 and fiscal year 2008-09, except that General Fund amounts transferred that are not required for Personal Services costs must be transferred to the General Fund.

The Commissioner of Health and Human Services shall provide a report to the joint standing committees of the Legislature having jurisdiction over health and human services matters and appropriations and financial affairs no later than January 15, 2008 and January 15, 2009 on all legislative count and amounts transferred under this section.

PART AA

Sec. AA-1. Calculation and transfer; General Fund appropriations for legal services; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of the appropriations provided in section 2 to the Department of Health and Human Services for legal services that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Departmentwide 0640

Initiative: Provides funding to correct the mechanism of billing the department for legal services by the Department of the Attorney General.

GENERAL FUND	2007-08	2008-09
All Other	\$3,043,258	\$3,184,982
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$3,043,258	\$3,184,982

PART BB

Sec. BB-1. Calculation and transfer; funding for information technology; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of appropriations provided in section 2 to the Department of Health and Human Services for information technology that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)

Departmentwide 0019

Initiative: Adjusts funding to meet the current rates published by the Office of Information Technology for the replacement of desktop and laptop computers.

GENERAL FUND	2007-08	2008-09
All Other	\$112,033	\$112,750
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$112,033	\$112,750

Departmentwide 0019

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Initiative: Adjusts funding for information technology services provided to agency employees based on fiscal year 2007-08 and 2008-09 Office of Information Technology monthly rates. Services include e-mail, file services and desktop and laptop support.

GENERAL FUND	2007-08	2008-09
All Other	\$227,463	\$228,918
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$227,463	\$228,918
HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS) DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$339,496	\$341,668
	<hr/>	<hr/>
DEPARTMENT TOTAL - ALL FUNDS	\$339,496	\$341,668

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Departmentwide 0640

Initiative: Adjusts funding to meet the current rates published by the Office of Information Technology for the replacement of desktop and laptop computers.

GENERAL FUND	2007-08	2008-09
All Other	\$385,685	\$396,963
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$385,685	\$396,963
FEDERAL EXPENDITURES FUND	2007-08	2008-09
All Other	\$112,034	\$112,750
	<hr/>	<hr/>
FEDERAL EXPENDITURES FUND TOTAL	\$112,034	\$112,750

Departmentwide 0640

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Initiative: Adjusts funding for information technology services provided to agency employees based on fiscal year 2007-08 and 2008-09 Office of Information Technology monthly rates. Services include e-mail, file services and desktop and laptop support.

GENERAL FUND	2007-08	2008-09
All Other	\$783,058	\$805,956
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$783,058	\$805,956
FEDERAL EXPENDITURES FUND	2007-08	2008-09
All Other	\$227,462	\$228,918
	<hr/>	<hr/>
FEDERAL EXPENDITURES FUND TOTAL	\$227,462	\$228,918
HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS) DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$1,168,743	\$1,202,919
FEDERAL EXPENDITURES FUND	\$339,496	\$341,668
	<hr/>	<hr/>
DEPARTMENT TOTAL - ALL FUNDS	\$1,508,239	\$1,544,587
SECTION TOTALS	2007-08	2008-09
GENERAL FUND	\$1,508,239	\$1,544,587
FEDERAL EXPENDITURES FUND	\$339,496	\$341,668
	<hr/>	<hr/>
SECTION TOTAL - ALL FUNDS	\$1,847,735	\$1,886,255

PART CC

Sec. CC-1. Calculation and transfer; General Fund savings for managed care; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in section 2 in the Department of Health and Human Services resulting from the implementation of a managed care effort for behavioral health

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

services that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)

Departmentwide 0019

Initiative: Reduces funding by implementing a managed care effort for behavioral health services. The corresponding federal match reductions are reflected in the Medical Care - Payments to Providers program.

GENERAL FUND	2007-08	2008-09
All Other	(\$5,000,000)	(\$6,500,000)
	<hr/>	<hr/>
GENERAL FUND TOTAL	(\$5,000,000)	(\$6,500,000)

Departmentwide 0019

Initiative: Adjusts estimates of savings attributable to implementing a managed care effort for behavioral health services.

GENERAL FUND	2007-08	2008-09
All Other	(\$1,000,000)	(\$2,000,000)
	<hr/>	<hr/>
GENERAL FUND TOTAL	(\$1,000,000)	(\$2,000,000)

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

	2007-08	2008-09
GENERAL FUND	(\$6,000,000)	(\$8,500,000)
	<hr/>	<hr/>
DEPARTMENT TOTAL - ALL FUNDS	(\$6,000,000)	(\$8,500,000)

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Medical Care - Payments to Providers 0147

Initiative: Reduces funding by implementing a managed care effort for behavioral health services. The corresponding state funding reductions are reflected in the Departmentwide program in the former Department of Behavioral and Developmental Services.

FEDERAL EXPENDITURES FUND	2007-08	2008-09
All Other	(\$8,623,978)	(\$11,215,999)
FEDERAL EXPENDITURES FUND TOTAL	(\$8,623,978)	(\$11,215,999)

Medical Care - Payments to Providers 0147

Initiative: Adjusts estimates of savings attributable to implementing a managed care effort for behavioral health services. The corresponding state funding reductions are reflected in the Departmentwide program in the former Department of Behavioral and Developmental Services.

FEDERAL EXPENDITURES FUND	2007-08	2008-09
All Other	(\$1,724,796)	(\$3,516,480)
FEDERAL EXPENDITURES FUND TOTAL	(\$1,724,796)	(\$3,516,480)

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

	2007-08	2008-09
FEDERAL EXPENDITURES FUND	(\$10,348,774)	(\$14,732,479)
DEPARTMENT TOTAL - ALL FUNDS	(\$10,348,774)	(\$14,732,479)

SECTION TOTALS	2007-08	2008-09
GENERAL FUND	(\$6,000,000)	(\$8,500,000)
FEDERAL EXPENDITURES FUND	(\$10,348,774)	(\$14,732,479)
SECTION TOTAL - ALL FUNDS	(\$16,348,774)	(\$23,232,479)

PART DD

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Sec. DD-1. Calculation and transfer; General Fund savings; position reductions; departmentwide reorganization; Department of Health and Human Services.

Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings and the position eliminations in section 2 in the Department of Health and Human Services resulting from a departmentwide reorganization that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Departmentwide 0640

Initiative: Eliminates 2 positions and reduces funding as part of a departmentwide reorganization. The department shall provide a report detailing the new organization structure, the specific positions eliminated and any necessary legislation to implement the reorganization to the Second Regular Session of the 123rd Legislature by December 14, 2007.

GENERAL FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	(2,000)	(2,000)
Unallocated	(\$220,000)	(\$220,000)
	<hr/>	<hr/>
GENERAL FUND TOTAL	(\$220,000)	(\$220,000)

PART EE

Sec. EE-1. Calculation and transfer; General Fund savings; Health and Human Services Service Center. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in section 2 in the Department of Health and Human Services resulting from a reduction in payments to the Health and Human Services Service Center that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Departmentwide 0640

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Initiative: Reduces funding as a result of reduced payments to the Health and Human Services Service Center.

GENERAL FUND	2007-08	2008-09
All Other	(\$71,805)	(\$71,805)
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GENERAL FUND TOTAL	(\$71,805)	(\$71,805)

PART FF

Sec. FF-1. Transfer from General Fund undedicated revenue for fiscal year 2006-07. Notwithstanding any other provision of law, the State Controller may transfer from excess General Fund revenue up to \$2,000,000 of undedicated revenue above the budgeted state cost allocation program revenue estimate for fiscal year 2006-07 to the Office of Information Technology Internal Service Fund, on or before June 30, 2007, as partial funding toward the development and implementation of the state accounting system known as "AdvantageME."

Sec. FF-2. Transfer from General Fund undedicated revenue for fiscal years 2007-08 and 2008-09. Notwithstanding any other provision of law, the State Controller may transfer from excess General Fund revenue up to \$750,000 each year of undedicated revenue above the budgeted state cost allocation program revenue estimate for fiscal year 2007-08 and fiscal year 2008-09 to the Office of Information Technology Internal Service Fund, on or before June 30th of each of those fiscal years, as partial funding toward the development and implementation of a payroll and position management system that is compliant with current federal Internal Revenue Service reporting requirements and accounting standards.

PART GG

Sec. GG-1. Review of transitioning to a fiscal agent model to improve efficiency and cost-effectiveness; Office of MaineCare Services. The Commissioner of Health and Human Services shall review the current organizational structure, systems and operations of the Office of MaineCare Services to transition Maine's current management information system model to a model operated by a fiscal agent. To assist with this review, the commissioner shall use staff resources from the Office of MaineCare Services and the Department of Administrative and Financial Services, Office of Information Technology. The commissioner is authorized to identify position eliminations and identify Personal Services savings available for transfer to All Other from the improvements identified from the review. Notwithstanding any other provision of law, the State Budget Officer shall transfer position counts and available balances between line categories by financial order upon approval of the Governor in order to achieve the position eliminations identified in section 2. These transfers are considered adjustments to authorized position count, appropriations and allocations in fiscal years 2007-08 and 2008-09. The commissioner and the State Budget Officer shall provide the joint standing committees of the Legislature

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having jurisdiction over health and human services matters and appropriations and financial affairs a report outlining the progress towards the new organizational structure and any transferred amounts by December 15th and June 15th in each year of the 2008-2009 biennium.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Bureau of Medical Services 0129

Initiative: Eliminates 21 General Fund positions and 79 Federal Expenditures Fund positions from projected Office of MaineCare savings.

GENERAL FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	0.000	(21.000)
FEDERAL EXPENDITURES FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	0.000	(79.000)

PART HH

Sec. HH-1. 2 MRSA §6, sub-§4, as amended by PL 2005, c. 405, Pt. D, §3, is further amended to read:

4. Range 88. The salaries of the following state officials and employees are within salary range 88:

Director, Bureau of Employee Relations;

Director, Bureau of Air Quality;

Director, Bureau of Land and Water Quality;

Director, Bureau of Remediation and Waste Management;

Deputy Commissioner, Environmental Protection;

Director, Office of Consumer Credit Regulation;

Director, Office of Licensing and Registration;

Administrator, Office of Securities; and

Deputy Chief of the State Police.

Sec. HH-2. 5 MRSA §947-B, sub-§1, ¶C, as enacted by PL 1991, c. 780, Pt. Y, §37, is repealed.

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Sec. HH-3. 5 MRSA §7031, 5th ¶, as enacted by PL 1985, c. 785, Pt. B, §38, is amended to read:

It is the intent of the Legislature to establish the Bureau of Human Resources as the ~~civil-service administrative organization of agency responsible for the administration of the human resources activities of State Government which~~ and that shall act as a service organization to respond quickly and effectively to the needs of state employees and state agencies. It is also the intent of the Legislature that the Bureau of Human Resources operate flexibly to expedite the duties and responsibilities of state employees and state agencies. ~~The primary goal of the Bureau of Human Resources shall be service to state employees and state agencies.~~

Sec. HH-4. 5 MRSA §7033, as enacted by PL 1985, c. 785, Pt. B, §38, is amended to read:

§ 7033. Bureau of Human Resources; established

1. Goals and objectives. The Bureau of Human Resources is established within the Department of ~~Administration~~ Administrative and Financial Services as the administrative agency for state civil service matters and as a service agency to state agencies and departments. In addition to any other goals and objectives established in this chapter, the Bureau of Human Resources shall strive to:

- A. Establish within State Government a high concern for state employees as people;
- B. Provide managers with the skills and knowledge needed to manage people effectively with particular emphasis on "people soundness;"
- C. Establish a civil service system that provides State Government with highly qualified and motivated employees;
- D. Encourage state employees to realize their potential and thereby increase the quality of service;
- E. Establish itself as a service agency to assist other agencies and departments of State Government to perform their duties in an efficient and quality manner;
- F. Preserve the integrity of the civil service system; and
- G. Establish a civil service system with sufficient flexibility to adopt new technologies, procedures and policies in order to respond quickly and effectively to the needs of state agencies and employees; and
- H. Promote effective labor relations.

Sec. HH-5. 5 MRSA §7034, sub-§12 is enacted to read:

12. Represent departments, agencies and commissions. Represent all departments, agencies and commissions of the Executive Branch, as directed by the Governor, pursuant to Title 26, section 979-A, et seq.

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Sec. HH-6. 5 MRSA §7035, as amended by PL 1997, c. 632, §1 is further amended by inserting after the first paragraph a new paragraph to read:

The director may name a designee to conduct employee relations activities set forth in Title 26, chapter 9-B and other proceedings such as negotiations, mediation, fact-finding, arbitration, grievance proceedings, unemployment compensation proceedings, workers' compensation proceedings, human rights proceedings and other labor relations proceedings.

Sec. HH-7. 5 MRSA §7036, first ¶, as enacted by PL 1985, c. 785, Pt. B, §38, is amended to read:

The Director of Human Resources shall be responsible for the administration of this chapter. In carrying out ~~his~~these duties and responsibilities, the director shall:

Sec. HH-8. 5 MRSA §7036, sub-§1-A is enacted to read:

1-A. Conduct employee relations activities. Act as directed by the Governor, through the Commissioner of Administrative and Financial Services, to carry out all employee relations functions as set forth in Title 26, section 979-A, subsection 5, paragraphs A to G.

Sec. HH-9. 5 MRSA §7036, sub-§3, as amended by PL 1999, c. 668, §10, is repealed.

Sec. HH-10. 5 MRSA §7036, sub-§25, as amended by PL 1991, c. 780, Pt. Y, §95, is further amended to read:

25. Administer proactive state employee health and safety program. Work with the ~~Office of Employee Relations~~, other bureaus and departments and state employees and their representatives to establish policies and programs that minimize the risk of injury to and incidence of illness among state employees, to include the administration of a first aid and health service in the State House complex for state employees and State House visitors;

Sec. HH-11. 5 MRSA §7037, as enacted by PL 1985, c. 785, Pt. B, §38, is repealed.

Sec. HH-12. 5 MRSA §7070, sub-§4, as enacted by PL 1987, c. 673, §1, is amended to read:

4. Disclosure of certain information for grievance and other proceedings. The Director of Human Resources may release to the ~~Director of Employee Relations~~ specific information designated confidential by this section which ~~has been requested by the Director of Employee Relations~~ to be used in negotiations, mediation, fact-finding, arbitration, grievance proceedings and other proceedings in which the ~~Director of Employee Relations~~ represents the State as defined in this subsection ~~is a party~~. For the purpose of this subsection, "other proceedings" means unemployment compensation proceedings, workers' compensation proceedings, human rights proceedings and labor relations proceedings.

Confidential information provided under this subsection to the ~~Bureau of Employee Relations~~ shall be governed by the following.

A. The information to be released shall be information only as necessary and directly related to the proceeding as determined by the Director of Human Resources.

~~B. The Director of Employee Relations shall specify in writing the confidential information required in the proceedings and the reasons explaining the need for the information, and shall provide a copy of the written request to the employee or employees.~~

C. The proceeding for which the confidential information is provided shall be private and not open to the public; or, if the proceeding is open to the public, the confidential information shall not be disclosed except exclusively in the presence of the fact finder, the parties and counsel of record, and the employee who is the subject of the proceeding and provisions are made to ensure that there is no public access to the confidential information.

The ~~Director of Employee Relations~~State may use this confidential information in grievance proceedings and provide copies to the employee organization that is a party to the proceedings, provided the information is directly related to those proceedings as defined by the applicable collective bargaining agreement. Confidential personnel records in the possession of the Bureau of ~~Employee Relations~~ Human Resources ~~shall~~ may not be open to public inspection and ~~shall~~ may not be "public records," as defined in Title 1, section 402, subsection 3.

Sec. HH-13. 22 MRSA §3293, as enacted by PL 1987, c. 714, §2, is amended to read:

§ 3293. Confidential information provided to state employees and the Bureau of Human Resources

1. Disclosure to state employees. Confidential information ~~which~~that is relevant to a grievance or a disciplinary procedure within the department shall be provided to the affected employee and the employee's designated representative.

2. Disclosure to the Bureau of Human Resources. Confidential information ~~which~~that is relevant to a grievance or disciplinary procedure within the department ~~shall~~must be provided to the Bureau of ~~Employee Relations~~ Human Resources in cases regarding state employment subject to the State Employee Labor Relations Act, Title 26, chapter 9-B, and to the ~~Bureau of Human Resources~~ for state employees not subject to Title 26, chapter 9-B, when the ~~Bureau of Employee Relations~~ or the Bureau of Human Resources ~~become~~becomes involved in the grievance or disciplinary process, including appeals to an arbitrator or the Civil Service Appeals Board.

3. Procedures governed by contract. If any other procedure relating to the use of confidential information in state employee personnel actions is governed by collective bargaining agreements, the collective bargaining agreements ~~shall~~ control, except as provided in section 3292.

Sec. HH-14. 26 MRSA §979-A, sub-§5, as amended by PL 1997, c. 741, §3 and affected by §12, is further amended to read:

5. Public employer. "Public employer" means, with respect to the executive branch, all the departments, agencies and commissions of the executive branch of the State of Maine, represented by the Governor or the Governor's designee. In the furtherance of this chapter, the State is considered a single employer and employment relations, policies and practices throughout the state service must be

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as consistent as practicable. With respect to state employees, it is the responsibility of the executive branch to negotiate collective bargaining agreements and to administer such agreements. To coordinate the employer position in the negotiation of agreements, the Legislative Council or its designee shall maintain close liaison with the Governor or the Governor's designee representing the executive branch relative to the negotiation of cost items in any proposed agreement. The Governor is responsible for the employer functions of the executive branch under this chapter, and shall coordinate its collective bargaining activities with operating agencies on matters of agency concern. It is the responsibility of the legislative branch to act upon those portions of tentative agreements negotiated by the executive branch that require legislative action.

"Public employer" means, with respect to the legislative branch, all offices or agencies of the Legislature represented by the Legislative Council or its designee. With respect to legislative employees, the Legislative Council shall negotiate and administer collective bargaining agreements. The Legislative Council or its designee is responsible for the employer functions of the legislative branch under this chapter.

With respect to the executive branch, the Bureau of ~~Employee Relations~~Human Resources, through the Commissioner of Administrative and Financial Services, shall act as directed by the Governor to:

- A. Develop and execute employee relations' policies, objectives and strategies consistent with the overall objectives of the Governor;
- B. Conduct negotiations with certified and recognized bargaining agents under applicable statutes;
- C. Administer and interpret collective bargaining agreements, and coordinate and direct agency activities as necessary to promote consistent policies and practices;
- D. Represent the State in all bargaining unit determinations, elections, prohibited practice complaints and any other proceedings growing out of employee relations and collective bargaining activities;
- E. Coordinate the compilation of all data and information needed for the development and evaluation of employee relations' programs and in the conduct of negotiations;
- F. Coordinate the State's resources as needed to represent the State in negotiations, mediation, fact-finding, arbitration and other proceedings; and
- G. Provide staff advice on employee relations to the various departments and agencies of State Government, including providing for necessary supervisory and managerial training.

All state departments and agencies shall provide such assistance, services and information as required by the Governor's office, or the Bureau of ~~Employee Relations~~Human Resources, and shall take such administrative or other action as may be necessary to implement and administer the provisions of any binding agreement between the State and employee organizations entered into under law.

Sec. HH-15. 26 MRSA §979-Q, as amended by PL 1987, c. 673, §2, is repealed.

Sec. HH-16. 37-B MRSA §394, sub-§5, as enacted by PL 2003, c. 646, §9, is amended to read:

5. Employee administration. Notwithstanding the provisions of Title 26, section 979-A, subsection 5, the Governor shall direct the authority to develop and execute employee relations policies, conduct negotiations with certified and recognized bargaining agents for its employees and administer and interpret the collective bargaining agreements applying to the employees of the authority consistent with the overall objectives of the Governor. The Department of Administrative and Financial Services, Bureau of ~~Employee Relations~~Human Resources shall assist and advise the Governor and the authority, in order to ensure compliance with state and federal labor and employment laws consistent with the overall objectives of the Governor. Employees of the authority are essential employees for the purpose of shutdown or furlough days imposed on employees of the State.

Sec. HH-17. Bureau of Employee Relations incorporated into Bureau of Human Resources. The Department of Administrative and Financial Services, Bureau of Employee Relations, as created and established by law, is incorporated into the Department of Administrative and Financial Services, Bureau of Human Resources and the responsibility and authority conferred upon the Bureau of Employee Relations and its predecessors are conferred upon the Bureau of Human Resources. The Bureau of Human Resources is the successor in every way to the powers, duties and functions of the Bureau of Employee Relations.

Sec. HH-18. Maine Revised Statutes amended; revision clause. Wherever in the Maine Revised Statutes the words "Bureau of Employee Relations" or "Director of Employee Relations" appear or reference is made to that entity or position or those words, those words are amended to read or mean, as appropriate, "Bureau of Human Resources" or "Director of Human Resources," and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

PART II

Sec. II-1. Tax expenditures. In accordance with the Maine Revised Statutes, Title 5, section 1666, funding is continued for each individual tax expenditure, as defined in the Maine Revised Statutes, Title 5, section 1664, reported in the budget document submitted by the Governor on January 5, 2007.

PART JJ

Sec. JJ-1. Interest earnings on bonds. Interest accruing to the proceeds of any bonds issued by the Maine Governmental Facilities Authority that are deposited to the construction fund held by the Maine Governmental Facilities Authority for the Bangor court facility must be used by the Judicial Department to offset the cost of any required payments made for interest or principal related to the issuance of these bonds. The interest earnings in the fund must be used for this purpose until exhausted.

Sec. JJ-2. Report on the status of the construction fund interest earnings and balance. Beginning in October 1, 2007, the Administrative Office of the Courts shall report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and

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to the Commissioner of Administrative and Financial Services at the end of each quarter on the status of the construction fund, held by the Maine Governmental Facilities Authority for the Bangor court facility, including draws made for paying invoices and progress payments and interest earned on the balance of the proceeds that are available to be used for interest or principal payments in fiscal years 2007-08 and 2008-09 and any year thereafter.

Sec. JJ-3. Calculation of savings and deallocation of budgeted funds. The Commissioner of Administrative and Financial Services shall deallocate by financial order an equivalent amount from the General Fund account of the Judicial Department that provides for the payment of interest and principal for the Bangor Court House construction to be lapsed to the General Fund unappropriated surplus by June 30th of each fiscal year.

PART KK

Sec. KK-1. Personal Services transfer. Notwithstanding any other provision of law, the State Controller shall transfer unexpended Personal Services balances in the General Fund lapsing accounts on June 30, 2007, June 30, 2008 and June 30, 2009 to the Compensation Salary Plan General Fund account in the Department of Administrative and Financial Services to be used for costs associated with collective bargaining agreements for state employees.

PART LL

Sec. LL-1. 39-A MRS §154, sub-§6, as amended by PL 2003, c. 425, §2, is repealed and the following enacted in its place:

6. Assessment. Assessments levied under this section are subject to the following.

A. The assessments levied under this section may not be designed to produce more than \$6,000,000 in revenues annually beginning in the 1995-96 fiscal year, more than \$6,600,000 annually beginning in the 1997-98 fiscal year, more than \$6,735,000 beginning in the 1999-00 fiscal year, more than \$7,035,000 in the 2001-02 fiscal year, more than \$6,860,000 beginning in the 2002-03 fiscal year, more than \$8,390,000 beginning in the 2003-04 fiscal year, more than \$8,565,000 beginning in the 2004-05 fiscal year, more than \$8,525,000 beginning in the 2005-06 fiscal year, more than \$9,820,178 beginning in the 2007-08 fiscal year, more than \$10,000,000 beginning in the 2008-09 fiscal year, more than \$10,400,000 beginning in the 2009-10 fiscal year, more than \$10,800,000 beginning in the 2010-11 fiscal year or more than \$11,200,000 beginning in the 2011-12 fiscal year. Assessments collected that exceed \$6,000,000 beginning in the 1995-96 fiscal year, \$6,600,000 beginning in the 1997-98 fiscal year, \$6,735,000 beginning in the 1999-00 fiscal year, \$7,035,000 in fiscal year 2001-02, \$6,860,000 beginning in the 2002-03 fiscal year, \$8,390,000 beginning in the 2003-04 fiscal year, \$8,565,000 beginning in the 2004-05 fiscal year, \$8,525,000 beginning in the 2005-06 fiscal year, \$9,820,178 beginning in the 2007-08 fiscal year, \$10,000,000 beginning in the 2008-09 fiscal year, \$10,400,000 beginning in the 2009-10 fiscal year, \$10,800,000 beginning in the 2010-11 fiscal year or \$11,200,000 beginning in the 2011-12 fiscal year by a margin of more than

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10% must be refunded to those who paid the assessment. Any amount collected above the board's allocated budget and within the 10% margin must be used to create a reserve of up to 1/4 of the board's annual budget.

B. The board, by a majority vote of its membership, may use its reserve to assist in funding its Personal Services account expenditures and All Other account expenditures and to help defray the costs incurred by the board pursuant to this Act including administrative expenses, consulting fees and all other reasonable costs incurred to administer this Act. The board shall notify the chairs and members of the joint standing committee of the Legislature having jurisdiction over labor matters whenever the board receives approval from the State Budget Officer and the Governor to use reserve funds to increase its allotment above the allocation authorized by the Legislature. Any collected amounts or savings above the allowed reserve must be used to reduce the assessment for the following fiscal year.

C. The board shall determine the assessments prior to May 1st annually and shall assess each insurance company or association and self-insured employer its pro rata share for expenditures during the fiscal year beginning the immediately following July 1st. Each self-insured employer shall pay the assessment on or before the immediately following June 1st. Each insurance company or association shall pay the assessment in accordance with subsection 3.

Sec. LL-2. Request for proposals for audit services. The Workers' Compensation Board shall draft a request for proposal to be issued by the board to accomplish a comprehensive audit, shall select the auditor from among any qualified bidders and shall negotiate a contract with the successful bidder. Both the request for proposal and the contract must receive approval from the Department of Administrative and Financial Services before they become effective. In the event that the board does not receive approval of the draft request for proposal from the department by July 1, 2007, the department shall undertake the audit. In the event that the department does not approve the contract by September 1, 2007, the bid award must be canceled and the department shall undertake the audit. Approval from the department may not be unreasonably withheld.

The Workers' Compensation Board shall notify the Joint Standing Committee on Labor by letter of the name of the auditor chosen by the Workers' Compensation Board as soon as the auditor is chosen.

PART MM

Sec. MM-1. Transfer from unappropriated surplus at close of fiscal year 2007-08 to the Department of Health and Human Services, Medical Care - Payment to Providers account. Notwithstanding any other provision of law, at the close of fiscal year 2007-08 the State Controller shall transfer up to \$107,500,000 from the unappropriated surplus of the General Fund to the Department of Health and Human Services, Medical Care - Payment 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 and 1511 and before the transfer required pursuant to the Maine Revised Statutes, Title 5, section 1536.

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Sec. MM-2. Priority of transfers. Transfers made in accordance with section 1 of this Part must be expended for the purposes listed in this section in the following amounts.

As the first priority, the Medical Care - Payments to Providers General Fund account must receive up to \$82,000,000 less the transfer amount received from unappropriated surplus at the close of fiscal year 2006-07 for use in fiscal year 2007-08. These transfers made must be expended for prospective interim payments to hospitals.

As the second priority, the Medical Care - Payments to Providers General Fund account must receive \$25,500,000 as the first of equal payments to be made until the sum of \$102,000,000 is reached. Transfers made to the Medical Care - Payments to Providers program must be expended for hospital settlements.

Sec. MM-3. Transfer considered adjustments to appropriations. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, or any other provision of law, amounts transferred pursuant to this Part are considered adjustments to appropriations in fiscal years 2007-08 and 2008-09. These funds may be allotted by financial order upon recommendation of the State Budget Officer and approval of the Governor.

PART NN

Sec. NN-1. 12 MRSA §1802, first ¶, as enacted by PL 1997, c. 678, §13, is amended to read:

There is established within the Department of Conservation the Bureau of Parks and Lands, which shall carry out the responsibilities of State Government relating to parks, historic sites, submerged and intertidal lands, public reserved lands and nonreserved public lands. The bureau shall also carry out all the duties relating to recreation, the Allagash Wilderness Waterway, the Snowmobile Trail Fund, public facilities for boats, the ATV Recreational Management Fund, the Maine Trails System, the Maine Conservation Corps, the State Environmental Resource Volunteer Effort Program and any other responsibilities of the former Bureau of Parks and Recreation, Bureau of Public Lands and Maine State Park and Recreation Commission.

Sec. NN-2. 12 MRSA c. 220, sub-c. 6-A is enacted to read:

SUBCHAPTER 6-A

Maine Conservation Corps

§ 1891. Maine Conservation Corps

There is established within the bureau the Maine Conservation Corps, referred to in this chapter as "the Corps," to provide job training, education and work opportunities for the economically disadvantaged, to improve public property for the increased use and enjoyment of the public, to provide conservation education, to promote and manage volunteer opportunities related to natural resources and to assist public and nonprofit organizations with projects that serve a valid public purpose and have purposes consistent with this subchapter.

§ 1891-A. Participants

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The Corps shall strive to include a diversity of participants. Priority must be given to those whose family income is 150% or less of the nonfarm income official poverty line as defined by the federal Office of Management and Budget and as revised annually in accordance with the United States Omnibus Budget Reconciliation Act of 1981, Section 673, Subsection 2 and to those who are low-income individuals as defined by the federal Workforce Investment Act of 1998, 29 United States Code, Section 2801. A person is not eligible if that person has left a secondary school for the purpose of participating in the Corps. Corps members may be jointly enrolled in any state or local job training program or human resource development program.

§ 1891-B. Projects

1. Types of projects. Projects undertaken by the Corps include, but are not limited to, projects such as:

- A. Forestry, nursery and silvicultural operations;
- B. Wildlife habitat conservation, rehabilitation and improvement;
- C. Recreational area development, management and improvement;
- D. Energy conservation projects;
- E. Fish culture and habitat maintenance and improvement and other fisheries or marine resource assistance;
- F. Trail and campsite development and improvement;
- G. Insect, disease, rodents and fire prevention and control;
- H. Erosion, flood, drought and storm damage assistance and control;
- I. Reclamation and improvement of lands disturbed by erosion, mining or other adverse natural or human-made actions; and
- J. Environmental education programs.

2. Eligible sponsors. All projects must be undertaken and operated under the sponsorship and cooperation of a public agency or a nonprofit organization. A sponsoring public agency or organization shall contribute to a project by, at a minimum, providing tools, supplies, equipment and technical supervision and plans necessary for project completion.

3. Additional criteria. Projects must be of lasting and worthwhile significance to the people of the State or otherwise serve a valid public purpose and provide meaningful work or service experience to the enrollees.

§ 1891-C. Limitations

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Projects to be carried out by the Corps are limited to projects on publicly owned lands or, if not on public lands, under the sponsorship and supervision of a public agency or nonprofit organization.

§ 1891-D. Administration

The director shall employ a director of the Corps and may employ other personnel as are required to accomplish the purposes of this subchapter.

The director of the Corps shall work with other agencies and organizations to design the Corps to provide maximum volunteer and work opportunities, job skills training, education, improvements to publicly owned property and assistance with projects conducted by public agencies and nonprofit organizations.

The director of the Corps shall work with state and local job training agencies, including other service delivery areas and the job service, which may conduct recruitment and referral of individuals interested in participating in the Corps. Agency collaboration with the Corps is on a voluntary basis.

There is established a dedicated account for the use of the Corps. This account must be used to receive funds contributed by private and public agencies, organizations or individuals and to expend those funds to promote the purposes of this subchapter. Notwithstanding any other provision of law, state agencies may transfer money appropriated from the General Fund into this account for purposes of contributing to projects, services or volunteer stipends that benefit the contributing agency. The Corps may enter into an agreement with a private nonprofit organization designated by the director for the purpose of assisting with the management and operation of the Corps. The designated organization may accept federal and state funds and private contributions, directly or through the Corps, for the purpose of developing and operating programs of the Corps.

§ 1891-E. Corps members

Members of the Corps who are paid wages or a living allowance through the General Fund account of the Corps or through its dedicated account must receive personal liability insurance and workers' compensation insurance, and those who meet the income guidelines in section 1891-A must be compensated at least the minimum wage or an annualized living allowance of at least 75% of the minimum wage times 2,080. Notwithstanding other state laws, Corps members are not considered employees of the State for the purposes of Title 5, Part 20.

§ 1891-F. Prohibition against displacement of other employees or involvement in labor disputes

The assignment of members of the Corps may not result in the displacement of existing employees of the sponsor, including any employees who have been temporarily laid off by the sponsor. For purposes of this section, "displacement" means both total and partial displacement, including a reduction in the number of hours, wages or other benefits of employment.

Sec. NN-3. 12 MRSA c. 220, sub-c. 6-B is enacted to read:

SUBCHAPTER 6-B

STATE ENVIRONMENTAL RESOURCE VOLUNTEER EFFORT

§ 1891-K. State Environmental Resource Volunteer Effort Program created

There is established within the Corps the State Environmental Resource Volunteer Effort Program, referred to in this subchapter as "SERVE/Maine," to create, promote and manage volunteer and intern opportunities with public agencies that are responsible for protecting, developing, managing or preserving the State's natural resources.

§ 1891-L. Volunteer insurance

SERVE/Maine shall ensure that volunteers are covered by workplace injury and liability insurance.

§ 1891-M. Types of volunteer or intern services

Volunteers and interns may perform work and services that are described in section 1891-B. Volunteers and interns must be placed in federal, state or local public agencies or in nonprofit organizations and perform work or services that benefit the public. The volunteer and intern positions must be sponsored by natural resource-related agencies or organizations. Volunteers or interns may not attempt to influence legislation, engage in protests, petitions, boycotts, strikes, union organizing or political campaigning or support religious activities or engage in religious proselytizing or fund-raising for private nonprofit organizations as SERVE/Maine volunteers or interns. A sponsoring agency must contribute to a volunteer or intern position by providing all necessary supervision, supplies, equipment and plans required for the position.

§ 1891-N. Stipends

Sponsoring natural resource agencies may provide stipends to volunteers and interns not to exceed the minimum wage and may reimburse volunteers or interns for work-related expenses.

Funds for stipends must be deposited by sponsoring agencies in an account established for the Corps, as authorized by section 1891-D. The Corps will disperse stipends to volunteers and interns eligible for those payments.

§ 1891-O. Monetary contributions to the volunteer and intern program

Private organizations and individuals may donate money to SERVE/Maine for general or specific purposes. The funds must be expended to further the purposes of the program.

Sec. NN-4. 26 MRSA c. 34, as amended, is repealed.

PART OO

Sec. OO-1. 26 MRSA §1412-H, as enacted by PL 2003, c. 673, Pt. WW, §2 and amended by c. 689, Pt. B, §6, is repealed.

Sec. OO-2. 34-B MRSA §5438 is enacted to read:

§ 5438. Program of state-funded consumer-directed personal care assistance services

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Applicant" means a person who has applied or is applying for services through the program.
- B. "Consumer" means a person who has been determined to be eligible under subsection 3.
- C. "Office" means the Office of Adults with Cognitive and Physical Disability Services within the department, which is the lead agency for administering the program.
- D. "Program" means the program of state-funded consumer-directed personal care assistance services.

2. Program administration. The office shall administer the program under this section. Within available funds, the office shall ensure that services are delivered in the most comprehensive manner possible and shall strive to maximize the participation of adults with disabilities.

3. Eligibility. An applicant is eligible for personal care assistance services under the program if the office or its designee determines that the person is an adult who:

- A. Has a severe disability;
- B. Needs personal care assistance services or an attendant at night or both to prevent or remove the adult from inappropriate placement in an institutional setting; and
- C. Has no or insufficient personal income or other support from public services, family members or neighbors.

4. Consumer cost sharing. The office shall establish a sliding scale for consumer cost sharing for services provided under the program. The sliding scale must be based on the net income of the consumer, factoring in the expenses associated with the consumer's disability, and may take assets into consideration.

5. Evaluation teams. The commissioner shall designate evaluation teams to assist the department with evaluations of applicants and consumers.

- A. Each evaluation team must include the applicant or consumer and at least one registered nurse or registered occupational therapist.
- B. For each applicant or consumer evaluated by an evaluation team, the team shall assist the office to:

(1) Determine the eligibility of the applicant or consumer for services under the program;

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(2) Determine the capability of the applicant or consumer, at the time of evaluation or after skills training provided pursuant to subsection 6, to hire and direct a personal care assistant; and

(3) Reevaluate the applicant or consumer periodically to determine continuing need for the services.

6. Skills training. When sufficient funds are available, the commissioner shall arrange for skills training for consumers in the following areas by the following individuals:

A. Personal health management skills to maximize personal well-being in relation to the consumer's disability, including all aspects of prevention, maintenance and treatment techniques, provided by a registered nurse or other qualified person experienced in the rehabilitation of the severely disabled;

B. Personal care assistant management skills, including training in recruiting, hiring and managing a personal care assistant, scheduling and potential problems, provided by a registered nurse or other qualified person experienced in the rehabilitation of the severely disabled; and

C. Functional skills required to maximize the consumer's abilities in activities of daily living, provided by a registered occupational therapist or other qualified person experienced in the rehabilitation of the severely disabled.

7. Relatives as providers. The department may not refuse to pay a relative of a consumer for the provision of services under the program if the relative is qualified to provide the services and payment is not prohibited by law or rule or federal regulation.

8. Review of reimbursement rates. By January 1, 2008 and every 2 years thereafter, the commissioner shall review the rates of reimbursement under the program. As part of the review, the following provisions apply.

A. The commissioner shall:

(1) Ensure the input of consumers, personal assistants and any organization that represents personal assistants regarding providing a livable wage for personal care assistance services. The commissioner may seek input through one or more public hearings or by other means determined reasonable by the commissioner; and

(2) Seek advice and input from the Long-term Care Oversight Committee established in Title 22, section 5107-J to determine whether the rates of reimbursement are sufficient for consumers to recruit, hire and retain personal care assistants.

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B. If the commissioner determines that an increase in one or more of the reimbursement rates is necessary after the review required in this subsection, the commissioner shall adopt rules to accomplish the required rate increase. In making a determination under this subsection, the commissioner shall consider using any savings realized from an expansion of consumer-directed services to increase wages and benefits for personal care assistants.

C. The commissioner shall determine rates of reimbursement that include allowable administrative costs and that use available resources to maximize wages and benefits for personal care assistants and hours of services for consumers.

9. Rulemaking. The commissioner shall adopt rules to implement this section. Rules adopted pursuant to this section are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A, except that rules regarding consumer cost sharing under subsection 4 are major substantive rules as defined by that subchapter.

PART PP

Sec. PP-1. 5 MRSA §1520, sub-§1, as amended by PL 2005, c. 634, §3, is further amended to read:

1. Fund established. The Statewide Radio and Network System Reserve Fund, referred to in this section as the "fund," is established as an internal service fund in the Department of Administrative and Financial Services, Office of Information Technology, referred to in this section as the "office," for the purposes of managing the fund and acquiring, expanding, upgrading and replacing a statewide radio and network system for use by state agencies. The office ~~shall~~may charge a fee to agencies using the statewide radio and network system in accordance with an established rate structure. Revenues derived from operations must be used to pay the costs of the lease-purchase to acquire a system, expand, upgrade and replace the system, and to manage the fund.

A. The office shall work closely with all departments and agencies to identify radio and network requirements for the statewide system to ensure that agency program requirements are met to the maximum extent possible. The office shall:

- (1) Ensure that the annual costs of the lease or lease-purchase are paid in a timely manner and that the financial affairs of the fund are properly managed;
- (2) Maintain records of radio and network system requirements for all agencies using the system and make this information available to state agencies;
- (3) Require state agencies to become part of the statewide radio and network system when replacing their current systems or purchasing new systems;

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(4) Acquire, expand, upgrade or replace the statewide radio and network system in accordance with an established replacement plan; and

(5) Transfer radio equipment and network infrastructure into the fund from agencies using the system, purchase, lease, lease-purchase or enter into other financing agreements, in accordance with section 1587, for the acquisition, expansion, upgrade or replacement of the system or any of its components in accordance with paragraph B when it can be demonstrated that any such action or agreement provides a clear cost or program advantage to the State.

B. The Chief Information Officer, in conjunction with the agencies using the statewide radio and network system, operating as a board that may be referred to as "the Statewide Radio Network Board," shall establish the following:

(1) Standards for statewide radio and network system operations;

(2) Specifications for systems and components to be acquired by the State; and

(3) Standards for the exemption or waiver of state agencies from the requirements of this section.

By January 15, 2002, standards must be developed for statewide radio and network system usage by all state agencies not exempted under subparagraph (3).

C. The office shall establish, through the Department of Administrative and Financial Services, Office of the State Controller, the Statewide Radio and Network System Reserve Fund account. The funds deposited in the account may include, but are not limited to, appropriations made to the account, funds transferred to the account from within the Department of Administrative and Financial Services, funds received from state departments and agencies using the services provided by the office, earnings by the fund from the Treasurer of State's pool and proceeds from the sale of system assets under the administrative control of the fund by the state surplus property program in the Department of Administrative and Financial Services, Bureau of General Services in accordance with paragraph B and other provisions of law.

D. The fund may levy charges according to a rate schedule recommended by the Chief Information Officer and approved by the Commissioner of Administrative and Financial Services against all departments and agencies using the services of the statewide radio and network system.

E. Service charges for the statewide radio and network system must be calculated to provide for system acquisition costs, expansion costs, upgrade costs, necessary capital investment and fund management costs, replacement costs and sufficient working capital for the fund.

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F. Each department or agency using the services of the statewide radio and network system must budget adequate funds to pay for costs described in paragraph E.

PART QQ

Sec. QQ-1. 5 MRSA §12004-G, sub-§20-A, as amended by PL 1999, c. 401, Pt. BB, §1, is further amended to read:

20-A.

	\$25/Day Plus Expenses	12 MRSA §9902-A §6138
Atlantic Salmon Board		
<u>Commission</u>		
Inland Fisheries and Wildlife Department of Marine Resources		

Sec. QQ-2. 12 MRSA §6024, sub-§1-A, as amended by PL 1999, c. 85, §2, is further amended to read:

1-A. Appointment; composition; term; compensation. The Marine Resources Advisory Council, established by Title 5, section 12004-G, subsection 27, consists of ~~15~~16 members. The Chair~~chair~~ of the Lobster Advisory Council and the chair of the Marine Recreational Fishing Advisory Council and the chair of the Sea Run Fisheries and Habitat Advisory Council are ex officio members of the council. Each other member is appointed by the Governor and is subject to review by the joint standing committee of the Legislature having jurisdiction over marine resources and to confirmation by the Legislature. Seven members must be persons who are licensed under this Part to engage in commercial harvesting activities. Those 7 members are selected by the Governor from names recommended to the Governor by groups representing commercial harvesting interests. Each member must represent a different commercial harvesting activity, except that none of those 7 members may represent lobster harvesters. The remaining 6 members must include one public member, 4 persons who hold a nonharvesting-related license under this Part and one person representing the aquaculture industry. The Governor shall select the person to represent the aquaculture industry from among the names recommended by the aquaculture industry. The composition of the council must reflect a geographical distribution along the coast. All appointed members are appointed for a term of 3 years, except a vacancy must be filled in the same manner as an original member for the unexpired portion of the term. An appointed member may not serve for more than 2 consecutive terms. Appointed members serve until their successors are appointed. The Chair~~chair~~ of the Lobster Advisory Council and, the chair of the Marine Recreational Fishing Advisory Council and the chair of the Sea Run Fisheries and Habitat Advisory Council shall serve until a new Chair~~chair~~ of the Lobster Advisory Council or, a new chair of the Marine Recreational Fishing Advisory Council or a new chair of the Sea Run Fisheries and Habitat Advisory Council, respectively. HP0383, LD 499, item 2, 123rd Maine State Legislature as amended by PL 1999, c. 401, Pt. BB, §1, chapter 379.

Sec. QQ-3. 12 MRSA §6071, sub-§4, as amended by PL 1995, c. 406, §5, is further amended to read:

4. Salmon imports prohibited. Except as provided in this subsection ~~and section 9906~~, it is unlawful to import for introduction into any waters of the State any Atlantic salmon, live or as eggs, that originate in any Icelandic or European territorial waters or any other species of salmon, exclusive of rainbow trout, originating west of the North America continental divide. The commissioner may grant an exemption from the provisions of this subsection for a term not to exceed 2 years, renewable upon application, for legitimate aquacultural projects.

Sec. QQ-4. 12 MRSA §6137 is enacted to read:

§ 6137. Atlantic Salmon Commission

1. Commission established; purposes. The Atlantic Salmon Commission, referred to in this subchapter as "the commission," is established to provide policy direction for Atlantic salmon programs within the department. The purposes of the commission are to protect, preserve, enhance, restore and manage the Atlantic salmon and its habitat; to secure a sustainable recreational fishery in the State; and to conduct and coordinate all projects involving research, planning, management, restoration or propagation of the Atlantic salmon. In fulfillment of its purposes, the commission may conduct research, publish and disseminate information and plan, report and implement programs necessary for the purposes of managing Atlantic salmon and its habitat.

2. Commission powers and responsibilities. The commission has the responsibility of working with other agencies in the executive branch of State Government and with the Legislature, federal and international agencies and the private sector in carrying out the purposes under subsection 1. The commission has the sole authority to introduce Atlantic salmon into the inland waters, other than in commercial aquaculture facilities. The commission has the sole authority to limit or prohibit the taking of Atlantic salmon, and may adopt rules establishing the time, place and manner of Atlantic salmon fishing in all waters of the State.

3. Rules. The commission may adopt rules necessary to manage the Atlantic salmon fishery and to promote the conservation and propagation of the Atlantic salmon. Rules adopted by the commission must be enforced by the department, the Department of Inland Fisheries and Wildlife and other public officials authorized by law to enforce marine resource laws or inland fisheries and wildlife laws. The department and the Department of Inland Fisheries and Wildlife retain exclusive jurisdiction over rules pertaining to species other than Atlantic salmon that are designed to promote the conservation and propagation of Atlantic salmon. The departments shall consult with the commission and the Sea Run Fisheries and Habitat Advisory Council, established in section 6139, in adopting such rules.

4. Staff. The department shall provide staff to carry out the purposes of the commission.

Notwithstanding this section, the department has the sole responsibility to regulate Atlantic salmon that are raised by means of aquaculture.

Sec. QQ-5. 12 MRSA §6138 is enacted to read:

§ 6138. Members; appointment; composition; term; compensation; meetings

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The commission consists of 3 members: the commissioner, the Commissioner of Inland Fisheries and Wildlife and an at-large public member who must be well informed on the subject of Atlantic salmon and its conservation. The Governor shall appoint the at-large public member, subject to review by the joint standing committee of the Legislature having jurisdiction over marine resources matters and to confirmation by the Senate. The public member is appointed for a 3-year term and is entitled to compensation as provided in Title 5, chapter 379. An appointed member may not serve for more than 2 consecutive 3-year terms. The appointed member serves until a successor is appointed. A vacancy must be filled in the same manner as for an original member for the unexpired portion of the term. The commission shall select one member as chair. The chair or a majority of the commission may call meetings. A majority of the commission constitutes a quorum to transact business. The commission shall meet at least quarterly to receive reports from staff, to consider and act upon recommendations from the staff and to conduct other business.

Sec. QQ-6. 12 MRSA §6139 is enacted to read:

§ 6139. Sea Run Fisheries and Habitat Advisory Council

1. Appointment; composition; term; compensation. The Sea Run Fisheries and Habitat Advisory Council, referred to in this section as "the council," is established and consists of 7 members appointed by the commissioner. All council members must have a demonstrated interest in the restoration and recovery of diadromous species. A majority of the council members must have interest and experience in the management of Atlantic salmon. One member of the council must represent interests in the southern coastal area, one member must represent interests in the midcoast area, one member must represent interests in the Downeast area, one member must represent interests in the northern part of the State, one member must represent interests from the Penobscot watershed and one member must represent interests in the Kennebec watershed. In addition the council must have one member who represents tribal interests. Members must be appointed to 3-year terms and may serve 2 consecutive terms. Members are compensated as provided in Title 5, chapter 379.

2. Powers and duties; meetings; officers. The council shall give the commissioner information and advice concerning the development of plans and programs for the protection, preservation, enhancement, restoration and management of all diadromous species in each of the river basin complexes that represent the historic range of diadromous fish in the State. The council shall give the commission information and advice concerning the development of plans and programs for the protection, preservation, enhancement, restoration and management of Atlantic salmon. The council shall hold meetings with the commissioner, or the commissioner's designee. The council shall elect one of its members as chair, one as vice-chair and one as secretary, all for a term of one year, at the first regular meeting in each year. The officers have the following duties.

- A. The chair shall call and preside at all meetings of the council.
- B. The vice-chair shall call and preside at all meetings of the council in the chair's absence.
- C. The secretary shall cause records to be taken and preserved of all meetings of the council.

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3. Quorum. A quorum is a majority of the current members of the council.

4. Council actions. An affirmative vote of a majority of the members present at a meeting or polled is required for any action. An action may not be considered unless a quorum is present or, if there is no meeting, a quorum responds to a written poll.

Sec. QQ-7. 12 MRSA §6140 is enacted to read:

§ 6140. Atlantic salmon license

1. License required. Except as otherwise provided in this section, a person may not fish for Atlantic salmon from any state waters without a current Atlantic salmon license.

2. Licensed activity. The holder of an Atlantic salmon license may fish for Atlantic salmon in inland and coastal waters of the State.

3. License fees. The following provisions govern license fees.

A. The fee for an Atlantic salmon license is \$15 for a resident.

B. The fee for an Atlantic salmon license for any nonresident is as follows:

(1) For a season license for a nonresident 16 years of age or older, \$30;

(2) For a 3-day license for a nonresident 16 years of age or older, \$15. This license may not be exchanged for a season license; and

(3) For a license for a nonresident under 16 years of age, \$5.

C. Members of Indian tribes in this State and residents of this State under 16 years of age are exempt from any fee.

4. Atlantic salmon; possession, buying or selling. A person may not possess, buy or sell Atlantic salmon unless each fish is clearly identified by one of the following methods:

A. Tagged with a New Brunswick, Quebec, Nova Scotia, Prince Edward Island or Newfoundland-Labrador Atlantic salmon tag if imported from those Canadian provinces;

B. Identified by a sales receipt less than 24 hours old; or

C. For wholesale and retail seafood dealers, identified by a bill of sale indicating numbers of fish purchased, dates of purchase and point of origin of all fish purchased.

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5. Exceptions. This section does not apply to a person holding a lease that allows that person to engage in the aquaculture of Atlantic salmon in this State while conducting authorized activities on that person's lease site.

6. Agent's fee. Any clerk or agent appointed by the department to issue an Atlantic salmon license shall retain \$2 for each license issued.

7. Use of license fees. All license fees must be used by the commissioner for purposes of conservation and management of the Atlantic salmon in this State.

8. Duplicates. The department or its agents shall issue a duplicate license to any person whose license was accidentally lost or destroyed. The fee for a replacement license is \$1.

9. Fishing in inland waters. When fishing in inland waters, the holder of a license authorized under this section is subject to all the provisions of Part 13.

Sec. QQ-8. 12 MRSA §6140-A is enacted to read:

§ 6140-A. Atlantic salmon; method of fishing; season

Unless more restrictive rules are adopted by the commission, the following restrictions apply to methods of fishing and the season for Atlantic salmon.

1. Catch and release only. All fishing for Atlantic salmon is catch and release, except for Atlantic salmon lawfully raised by means of aquaculture.

2. Method of fishing. A person may not fish for Atlantic salmon in waters of the State by any means other than hook and line with an unweighted artificial fly.

3. Closed season. A person may not fish for Atlantic salmon from waters of the State by any means from October 16th to April 30th.

4. Open season. The commission, after consultation with and advice from the Sea Run Fisheries and Habitat Advisory Council, may establish by rule an open season during which a person may fish for Atlantic salmon. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. QQ-9. 12 MRSA §6140-B is enacted to read:

§ 6140-B. Unlawful fishing, possession or sale of Atlantic salmon

1. Prohibition. A person may not fish for Atlantic salmon in violation of the provisions of this Part.

2. Possession of parts prohibited. A person may not possess any part of an Atlantic salmon taken from the inland or coastal waters of this State.

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3. Sale of Atlantic salmon prohibited. A person may not sell or offer for sale any Atlantic salmon taken from waters of the State, except Atlantic salmon lawfully raised by means of aquaculture.

4. Exemptions. The following are exempt from the possession prohibitions of this section:

- A. Atlantic salmon imported from outside the State;
- B. Atlantic salmon imported by taxidermists solely for taxidermy purposes; and
- C. Atlantic salmon raised by means of aquaculture.

5. Incidental catch. An individual engaged in recreational or commercial fishing for species other than Atlantic salmon does not commit a violation of this section as long as any incidental catch of an Atlantic salmon results in an immediate liberation alive into the adjacent waters of the State.

6. Penalty. A person who violates this section commits a Class E crime, and the court shall impose an additional fine of \$500, none of which may be suspended, for each Atlantic salmon unlawfully possessed.

Sec. QQ-10. 12 MRSA Pt. 12, as amended, is repealed.

Sec. QQ-11. 12 MRSA §10001, sub-§5, as enacted by PL 2003, c. 414, Pt. A, §2 and affected by PL 2003, c. 614, §9, is amended to read:

5. Atlantic salmon. "Atlantic salmon" means the anadromous fish species *Salmo salar* that customarily migrates from inland waters to the ocean as part of its life cycle. ~~This definition also applies to chapter 811.~~

PART RR

Sec. RR-1. 22 MRSA §254-D, sub-§4, ¶H, as enacted by PL 2005, c. 401, Pt. A, §2, is amended to read:

H. Payment must be denied for drugs from manufacturers that do not enter into a rebate agreement with the department.

(1) Each agreement must provide that the manufacturer make rebate payments for both the basic and supplemental components of the program to the department according to the following schedule.

(a) From October 1, 1992 to October 1, 1998, the rebate percentage is equal to the percentage recommended by the federal Center for Medicare and Medicaid Services of the manufacturer's wholesale price for the total number of dosage units of each form and strength of a prescription drug that the department reports as reimbursed to providers of prescription drugs, provided payments are not due until 30 days following

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the manufacturer's receipt of utilization data supplied by the department, including the number of dosage units reimbursed to providers of prescription drugs during the period for which payments are due.

(b) Beginning October 1, 1998, the department shall seek to achieve an aggregate rebate amount from all rebate agreements that is 6 percentage points higher than that required by subdivision (a), provided such rebates result in a net increase in the rebate revenue available to the elderly low-cost drug program.

(2) Upon receipt of data from the department, the manufacturer shall calculate the quarterly payment.

(a) If a discrepancy is discovered, the department may, at its expense, hire a mutually agreed-upon independent auditor to verify the manufacturer's calculation.

(b) If a discrepancy is still found, the manufacturer shall justify its calculation or make payment to the department for any additional amount due.

(c) The manufacturer may, at its expense, hire a mutually agreed-upon independent auditor to verify the accuracy of the utilization data provided by the department. If a discrepancy is discovered, the department shall justify its data or refund any excess payment to the manufacturer.

(d) If the dispute over the rebate amount is not resolved, a request for a hearing with supporting documentation must be submitted to the department's ~~office~~division of administrative hearings. Failure to resolve the dispute may be cause for terminating the drug rebate agreement and denying payment to the manufacturer for any drugs.

(3) A prescription drug of a manufacturer that does not enter into an agreement pursuant to this paragraph is reimbursable only if the department determines the prescription drug is essential.

(4) All prescription drugs of a manufacturer that enters into an agreement pursuant to this paragraph that appear on the list of approved drugs under the program must be immediately available and the cost of the drugs must be reimbursed except as provided in this paragraph. The commissioner may impose prior authorization requirements on drugs under the program. If the commissioner establishes maximum retail prices for prescription drugs pursuant to section 2693, the department shall adopt rules for the program requiring the use of a drug formulary and prior authorization for the dispensing of certain drugs to be listed on a formulary.

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(5) The names of manufacturers who do and do not enter into rebate agreements pursuant to this paragraph are public information. The department shall release this information to health care providers and the public on a regular basis and shall publicize participation by manufacturers that is of particular benefit to the public.

Sec. RR-2. 22 MRSA §256-A, first ¶, as enacted by PL 2005, c. 327, §2, is amended to read:

Beginning in 2006, the Department of Labor, in conjunction with the Office of Health Data and Program Management's Office Division of Data, Research and Vital Statistics, shall compile and annually update a health care occupations report to be completed and presented to the health workforce forum established in section 257 by September 15th. The report must be posted on a publicly accessible site on the Internet maintained by the Department of Labor and provide the following information:

Sec. RR-3. 22 MRSA §256-B, sub-§3, as enacted by PL 2005, c. 327, §2, is amended to read:

3. Submission of surveys. All surveys conducted pursuant to subsection 1 must be submitted to the Office of Health Data and Program Management's Office Division of Data, Research and Vital Statistics for analysis, and survey data from which personally identifiable information has been eliminated must be publicly available.

Sec. RR-4. 25 MRSA §2154-A, sub-§1, ¶C, as enacted by PL 1997, c. 468, §1 and amended by PL 2003, c. 689, Pt. B, §6, is further amended to read:

C. The Vital Records Unit of the ~~Office of Data Research~~ Division of Data, Research and Vital Statistics in the Department of Health and Human Services.

Sec. RR-5. Rename Office of Data, Research and Vital Statistics program.

Notwithstanding any other provision of law, the Office of Data, Research and Vital Statistics program is renamed the Division of Data, Research and Vital Statistics program.

Sec. RR-6. Rename Office of Administrative Hearings program. Notwithstanding any other provision of law, the Office of Administrative Hearings program is renamed the Division of Administrative Hearings program.

Sec. RR-7. Rename Traumatic Brain Injury program. Notwithstanding any other provision of law, the Traumatic Brain Injury program is renamed the Brain Injury program.

PART SS

Sec. SS-1. 22 MRSA §4099-A, sub-§4, as amended by PL 2003, c. 561, §§1 and 2, is further amended to read:

4. Homeless youth. "Youth in need of services" "Homeless youth" means a child under 15 years of age who:

A. Is without proper care or subsistence, education, a home or medical or other care necessary for the child's well-being;

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- B. Is without or beyond the control of the child's parent or legal guardian;
- C. Is in imminent danger of serious physical, mental or emotional injury or at risk of prosecution for a juvenile offense; or
- D. Is abusing alcohol or drugs and is at risk of serious harm as a result.

Sec. SS-2. 22 MRSA §4099-B, as enacted by PL 2003, c. 451, Pt. P, §3, is amended to read:

§ 4099-B. Homeless Youth Program

1. Homeless Youth Program established. The Homeless Youth in Need of Services Program, referred to in this subchapter as "the program," is established within the department to provide preliminary assessments, safety plans and other services as specified in this subchapter to youth and their families and legal guardians.

Sec. SS-3. Rename Youth in Need of Services program. Notwithstanding any other provision of law, the "Youth in Need of Services Program" is renamed the "Homeless Youth Program."

Sec. SS-4. Request for proposal. Consistent with rules adopted pursuant to the Maine Revised Statutes, Title 5, section 1825-C, the Department of Health and Human Services shall issue a request for proposal for all services provided under the Homeless Youth Program and shall distribute all funds appropriated under Part A for fiscal year 2008-09 for the Homeless Youth Program based on contracts awarded as a result of this request for proposal.

Sec. SS-5. Provision of draft request for proposal. The Commissioner of Health and Human Services shall provide a draft of the request for proposal issued as required in this Part to the Joint Standing Committee on Health and Human Services and to the Joint Standing Committee on Appropriations and Financial Affairs for their review prior to releasing a final request for proposal. This draft must include standards and performance expectations of the successful recipient of the contract.

PART TT

Sec. TT-1. 22 MRSA §851, as enacted by PL 1999, c. 731, Pt. SS, §1, is amended to read:

§ 851. Bone Marrow Screening Fund

1. Creation of fund. The ~~Human Leukocyte Antigen~~Bone Marrow Screening Fund, referred to in this section as the "fund," is established as a nonlapsing fund to support bone marrow screening by individuals and organizations determined to be eligible according to rules adopted by the department under subsection 2. Money in the fund must be expended as allocated by the Legislature for the purposes of the fund and may be invested as provided by law. Interest on these investments must be credited to the fund.

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2. Administration. The department shall administer the fund and shall adopt rules as necessary to administer the fund and to determine the criteria for eligible recipients. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter H-A2-A.

3. Income tax checkoff funding. Revenue collected from the income tax checkoff pursuant to Title 36, section 5285-A must be credited to the fund.

4. Other funds. The fund may receive money from any source, including grants, gifts, bequests and donations.

Sec. TT-2. 36 MRSA §5285-A, as enacted by PL 1999, c. 731, Pt. SS, §2, is amended to read:

§ 5285-A. Bone Marrow Screening Fund checkoff

1. Bone Marrow Screening Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Human Leukocyte Antigen Bone Marrow Screening Fund established in Title 22, chapter 250-A. A taxpayer who is not entitled to a refund under this Part may contribute to the Human Leukocyte Antigen Bone Marrow Screening Fund by including with that taxpayer's return sufficient funds to make the contribution. Each individual income tax return form must contain a designation in substantially the following form: "Human Leukocyte Antigen Bone Marrow Screening Fund: () \$5, () \$10, () \$25 or () Other \$."

2. Contributions credited to the Bone Marrow Screening Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Human Leukocyte Antigen Bone Marrow Screening Fund checkoff, but not exceeding \$2,000 annually, and report the remainder to the Treasurer of State, who shall forward that amount to the Human Leukocyte Antigen Bone Marrow Screening Fund.

3. Effective date. This section applies to tax years beginning on and after January 1, 2000.

Sec. TT-3. Application date. That section of this Part that amends the Maine Revised Statutes, Title 36, section 5285-A applies to tax years beginning on or after January 1, 2007.

Sec. TT-4. Rename the Human Leukocyte Antigen Screening Fund and Fund for a Healthy Maine - Human Leukocyte program. The "Human Leukocyte Antigen Screening Fund" is renamed the "Bone Marrow Screening Fund" and the "Fund for a Healthy Maine - Human Leukocyte" program is renamed the "Fund for a Healthy Maine - Bone Marrow Screening" program.

PART UU

Sec. UU-1. 22 MRSA §802, sub-§6 is enacted to read:

6. Acceptance of funds. The department is authorized to accept any public or private funds that may be available to create a supply or stockpile of antiviral medications, influenza vaccines or other items necessary in the event of a severe outbreak of influenza or an outbreak of another infectious disease.

PART VV

Sec. VV-1. 22 MRSA c. 854, as amended, is repealed.

Sec. VV-2. 22 MRSA §8702, sub-§11, as amended by PL 2003, c. 469, Pt. C, §21, is further amended to read:

11. Third-party payor. "Third-party payor" means a health insurer, nonprofit hospital, medical services organization or managed care organization licensed in the State ~~or the plan established in chapter 854.~~ "Third-party payor" does not include carriers licensed to issue limited benefit health policies or accident, specified disease, vision, disability, long-term care or nursing home care policies.

PART WW

Sec. WW-1. 5 MRSA §3360-M, sub-§1, as enacted by PL 1999, c. 719, §1 and as affected by §11, is amended to read:

1. Payment. The board shall pay the costs of forensic examiner training as well as the costs of forensic examinations for alleged victims of gross sexual assault from the Victims' Compensation Fund. The board shall track expenditures for forensic examinations separately from all other expenditures. Forensic examination payments are not subject to any other provision of this chapter.

Sec. WW-2. 5 MRSA §3360-M, sub-§2, as enacted by PL 1999, c. 719, §1 and as affected by §11, is amended to read:

2. Forensic examination; forensic examiner training and education. The board shall determine by rule what a forensic examination may include for purposes of payment. An examination must include at least all services directly related to the gathering of forensic evidence and related testing and treatment for pregnancy and sexually transmitted diseases. The board shall pay a licensed hospital or licensed health care practitioner the actual cost of the forensic examination up to a maximum of \$500.

The cost of sexual assault forensic examiner training and education provided by the sexual assault forensic examiner program must be paid from the Victims' Compensation Fund in an amount that may not exceed \$50,000 per year.

Sec. WW-3. Fair Drug Pricing Contingent Account; lapsed balances. Notwithstanding any other provision of law, \$104,317 of the unencumbered balance in fiscal year 2007-08 in the Fair Drug Pricing Contingent Account in the Department of the Attorney General lapses to the General Fund in fiscal year 2007-08.

PART XX

Sec. XX-1. Issuance of securities; Maine Governmental Facilities Authority.

Pursuant to the Maine Revised Statutes, Title 4, section 1606, subsections 1 and 2, the Maine Governmental Facilities Authority is authorized to issue securities in its own name in an amount up to \$12,000,000 for the purpose of paying the cost of courthouse projects or parts of projects in Dover-Foxcroft, Houlton and other locations designated by the Maine Governmental Facilities Authority.

PART YY

Sec. YY-1. Information technology position transfers. Notwithstanding any other provision of law, the State Budget Officer, based on information provided by the Chief Information Officer, shall transfer position counts and adjust the Personal Services and All Other funds for those affected departments and agencies by financial order upon approval of the Governor in order to complete the consolidation of information technology positions within the Department of Administrative and Financial Services, Office of Information Technology. These transfers are deemed adjustments to authorized position counts, appropriations and allocations in fiscal year 2007-08.

PART ZZ

Sec. ZZ-1. 7 MRSA §4204, sub-§2, ¶B, as enacted by PL 1997, c. 642, §2, is amended to read:

B. A farm that stores or utilizes more than 100 tons of manure per year not generated on that farm;

PART AAA

Sec. AAA-1. Supplemental payments for Supplemental Security Income; lapsed balances. Notwithstanding any other provision of law, \$999,166 of the unencumbered balance in fiscal year 2006-07 in the Supplemental Payments for Supplemental Security Income General Fund account in the Department of Health and Human Services lapses to the General Fund in fiscal year 2006-07.

Sec. AAA-2. General Assistance; lapsed balances. Notwithstanding any other provision of law, \$50,000 of the unencumbered balance in fiscal year 2006-07 in the General Assistance, General Fund account in the Department of Health and Human Services lapses to the General Fund in fiscal year 2006-07.

Sec. AAA-3. Bureau of Child and Family Services - Central; lapsed balances. Notwithstanding any other provision of law, \$75,000 of the unencumbered balance in fiscal year 2006-07 in the Bureau of Child and Family Services - Central, General Fund account in the Department of Health and Human Services lapses to the General Fund in fiscal year 2006-07.

Sec. AAA-4. Purchased Social Services; lapsed balances. Notwithstanding any other provision of law, \$140,000 of the unencumbered balance in fiscal year 2006-07 in the Purchased Social Services, General Fund account in the Department of Health and Human Services lapses to the General Fund in fiscal year 2006-07.

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Sec. AAA-5. Community Services Center; lapsed balances. Notwithstanding any other provision of law, \$65,000 of the unencumbered balance in fiscal year 2006-07 in the Community Services Center, General Fund account in the Department of Health and Human Services lapses to the General Fund in fiscal year 2006-07.

PART BBB

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Homestead Property Tax Exemption Reimbursement 0886

Initiative: Deappropriates funds based on an anticipated level of property tax exemptions.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$301,512)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$301,512)	\$0	\$0

Public Improvements - Planning/Construction - Administration 0057

Initiative: Deappropriates surplus funds not needed for current operations.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$6,600)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$6,600)	\$0	\$0

Tree Growth Tax Reimbursement 0261

Initiative: Deappropriates funds to recognize savings occurring as a result of increasing local property valuations and declining mill rates.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$249,913)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$249,913)	\$0	\$0

Veterans Tax Reimbursement 0407

Initiative: Deappropriates funds based on reduced claims for property tax exemptions.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$26,971)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$26,971)	\$0	\$0

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2006-07	2007-08	2008-09
GENERAL FUND	(\$584,996)	\$0	\$0
<hr/>			
DEPARTMENT TOTAL - ALL FUNDS	(\$584,996)	\$0	\$0

CORRECTIONS, DEPARTMENT OF

Administration - Corrections 0141

Initiative: Transfers one vacant Psychiatric Social Worker II position (Position # 036001647) from the Correctional Center program (0162) to the Department of Corrections - Administration program (0141) to support transitional services to female offenders in the community.

GENERAL FUND	2006-07	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	1.000	0.000	0.000
Personal Services	\$13,465	\$0	\$0
All Other	\$1,421	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	\$14,886	\$0	\$0

Correctional Center 0162

Initiative: Transfers one vacant Psychiatric Social Worker II position (Position # 036001657) from the Correctional Center program (0162) to the Department of Corrections - Administration program (0141) to support transitional services to female offenders in the community.

GENERAL FUND	2006-07	2007-08	2008-09
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'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

POSITIONS - LEGISLATIVE COUNT	(1,000)	0.000	0.000
Personal Services	(\$13,465)	\$0	\$0
All Other	(\$1,421)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$14,886)	\$0	\$0

Correctional Medical Services Fund 0286

Initiative: Reduces the funding in the current year for medical and other health and treatment costs of offenders in the department's custody. The value of these savings will be reflected in an increase in cost over the 2008-2009 biennium.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$2,371,777)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$2,371,777)	\$0	\$0

CORRECTIONS, DEPARTMENT OF	2006-07	2007-08	2008-09
DEPARTMENT TOTALS			
GENERAL FUND	(\$2,371,777)	\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS	(\$2,371,777)	\$0	\$0

DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF

Administration - Maine Emergency Management Agency 0214

Initiative: Adjusts funding levels for disaster assistance for the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$62,757)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$62,757)	\$0	\$0

**DEFENSE, VETERANS AND
EMERGENCY MANAGEMENT,
DEPARTMENT OF**

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

DEPARTMENT TOTALS	2006-07	2007-08	2008-09
GENERAL FUND	(\$62,757)	\$0	\$0
<hr/>			
DEPARTMENT TOTAL - ALL FUNDS	(\$62,757)	\$0	\$0

EDUCATION, DEPARTMENT OF

Adult Education 0364

Initiative: Deappropriates funds currently unobligated at the end of the third quarter.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$10,992)	\$0	\$0
<hr/>			
GENERAL FUND TOTAL	(\$10,992)	\$0	\$0

After-school Program Fund Z023

Initiative: Deappropriates funds currently unobligated at the end of the third quarter.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$25,000)	\$0	\$0
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GENERAL FUND TOTAL	(\$25,000)	\$0	\$0

Education in Unorganized Territory 0220

Initiative: Provides for a one-time deappropriation of funds to the Education in the Unorganized Territory program in fiscal year 2006-07 based on revised estimates of spending needs.

GENERAL FUND	2006-07	2007-08	2008-09
Personal Services	(\$1,022,906)	\$0	\$0
All Other	(\$388,166)	\$0	\$0
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GENERAL FUND TOTAL	(\$1,411,072)	\$0	\$0

Management Information Systems 0838

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Initiative: Deappropriates funds currently unobligated at the end of the third quarter.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$35,000)	\$0	\$0
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GENERAL FUND TOTAL	(\$35,000)	\$0	\$0

Professional Development 0859

Initiative: Deappropriates funds currently unobligated at the end of the third quarter.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$133,667)	\$0	\$0
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GENERAL FUND TOTAL	(\$133,667)	\$0	\$0

EDUCATION, DEPARTMENT OF DEPARTMENT TOTALS	2006-07	2007-08	2008-09
GENERAL FUND	(\$1,615,731)	\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS	(\$1,615,731)	\$0	\$0

EDUCATION, STATE BOARD OF

State Board of Education 0614

Initiative: Deappropriates funds currently unobligated at the end of the third quarter.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$9,155)	\$0	\$0
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GENERAL FUND TOTAL	(\$9,155)	\$0	\$0

EDUCATION, STATE BOARD OF DEPARTMENT TOTALS	2006-07	2007-08	2008-09
GENERAL FUND	(\$9,155)	\$0	\$0

DEPARTMENT TOTAL - ALL FUNDS	(\$9,155)	\$0	\$0
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HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

FHM - Drugs for the Elderly and Disabled Z015

Initiative: Allocates additional funds as a result of increased racino revenue recognized as available to the Fund for a Healthy Maine to be used for the Drugs for the Elderly and Disabled program.

FUND FOR A HEALTHY MAINE	2006-07	2007-08	2008-09
All Other	\$261,319	\$0	\$0
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FUND FOR A HEALTHY MAINE TOTAL	\$261,319	\$0	\$0

FHM - Medical Care 0960

Initiative: Allocates additional funds as a result of an increase in tobacco settlement revenue recognized as available to the Fund for a Healthy Maine to provide seed money for expenses of the MaineCare program.

FUND FOR A HEALTHY MAINE	2006-07	2007-08	2008-09
All Other	\$3,728,051	\$0	\$0
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FUND FOR A HEALTHY MAINE TOTAL	\$3,728,051	\$0	\$0

Medical Care - Payments to Providers 0147

Initiative: Increases funding for state fiscal year 2006-07 for the Medical Care-Payments to Providers account to minimize delays in payment of provider claims.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	\$1,721,236	\$0	\$0
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GENERAL FUND TOTAL	\$1,721,236	\$0	\$0

FEDERAL EXPENDITURES FUND	2006-07	2007-08	2008-09
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'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

All Other	\$2,953,495	\$0	\$0
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FEDERAL EXPENDITURES FUND TOTAL	\$2,953,495	\$0	\$0
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**HEALTH AND HUMAN SERVICES,
DEPARTMENT OF (FORMERLY
DHS)**

DEPARTMENT TOTALS	2006-07	2007-08	2008-09
GENERAL FUND	\$1,721,236	\$0	\$0
FEDERAL EXPENDITURES FUND	\$2,953,495	\$0	\$0
FUND FOR A HEALTHY MAINE	\$3,989,370	\$0	\$0

DEPARTMENT TOTAL - ALL FUNDS	\$8,664,101	\$0	\$0
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LABOR, DEPARTMENT OF

Rehabilitation Services - Home-based Care 0996

Initiative: Deappropriates available funds.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$300,000)	\$0	\$0

GENERAL FUND TOTAL	(\$300,000)	\$0	\$0
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**LABOR, DEPARTMENT OF
DEPARTMENT TOTALS**

	2006-07	2007-08	2008-09
GENERAL FUND	(\$300,000)	\$0	\$0

DEPARTMENT TOTAL - ALL FUNDS	(\$300,000)	\$0	\$0
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PUBLIC SAFETY, DEPARTMENT OF

Administration - Public Safety 0088

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$11,832)	\$0	\$0
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GENERAL FUND TOTAL	(\$11,832)	\$0	\$0

Background Checks - Certified Nursing Assistants 0992

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$8,633)	\$0	\$0
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GENERAL FUND TOTAL	(\$8,633)	\$0	\$0

Capitol Security - Bureau of 0101

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$11,812)	\$0	\$0
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GENERAL FUND TOTAL	(\$11,812)	\$0	\$0

Emergency Medical Services 0485

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$1,464)	\$0	\$0
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GENERAL FUND TOTAL	(\$1,464)	\$0	\$0

Gambling Control Board Z002

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$302,417)	\$0	\$0
Capital Expenditures	(\$15,000)	\$0	\$0
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GENERAL FUND TOTAL	(\$317,417)	\$0	\$0

Liquor Enforcement 0293

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$27,711)	\$0	\$0
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GENERAL FUND TOTAL	(\$27,711)	\$0	\$0

State Police 0291

Initiative: Adjusts funding in the current year to reflect reduced need demonstrated by a balance in allotment reserves.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$147,797)	\$0	\$0
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GENERAL FUND TOTAL	(\$147,797)	\$0	\$0

PUBLIC SAFETY, DEPARTMENT OF DEPARTMENT TOTALS	2006-07	2007-08	2008-09
GENERAL FUND	(\$526,666)	\$0	\$0
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DEPARTMENT TOTAL - ALL FUNDS	(\$526,666)	\$0	\$0

TREASURER OF STATE, OFFICE OF

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Debt Service - Treasury 0021

Initiative: Reduces funding for interest payments on notes to anticipated requirements.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$2,000,000)	\$0	\$0
GENERAL FUND TOTAL	(\$2,000,000)	\$0	\$0
TREASURER OF STATE, OFFICE OF DEPARTMENT TOTALS			
	2006-07	2007-08	2008-09
GENERAL FUND	(\$2,000,000)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$2,000,000)	\$0	\$0
SECTION TOTALS			
	2006-07	2007-08	2008-09
GENERAL FUND	(\$5,749,846)	\$0	\$0
FEDERAL EXPENDITURES FUND	\$2,953,495	\$0	\$0
FUND FOR A HEALTHY MAINE	\$3,989,370	\$0	\$0
SECTION TOTAL - ALL FUNDS	\$1,193,019	\$0	\$0

PART CCC

Sec. CCC-1. 36 MRSA §111, sub-§1-A, as amended by PL 2005, c. 486, §1 and affected by §2, is further amended to read:

1-A. Code. "Code" means the United States Internal Revenue Code of 1986 and amendments to that Code as of December 31, 20052006.

Sec. CCC-2. 36 MRSA §5122, sub-§1, ¶N, as amended by PL 2005, c. 218, §51, is further amended to read:

N. With respect to property placed in service during the taxable year, an amount equal to the net increase in depreciation or expensing attributable to:

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

(1) For taxable years beginning on or after January 1, 2002 but prior to January 1, 2006, a 30% bonus depreciation deduction claimed by the taxpayer pursuant to Section 101 of the federal Job Creation and Worker Assistance Act of 2002, Public Law 107-147 with respect to property placed in service during the taxable year;

(2) For taxable years beginning on or after January 1, 2002 but prior to January 1, 2006, a 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 201 of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27 with respect to property placed in service during the taxable year; and

(3) For taxable years beginning on or after January 1, 2003 ~~but prior to January 1, 2008~~, the increase in aggregate cost used under Section 179 of the Code ~~pursuant to Section 202 of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27 or pursuant to Section 201 of the federal American Jobs Creation Act of 2004, Public Law 108-357~~ arising from amendments to the Code applicable to tax years beginning on or after January 1, 2003;

Sec. CCC-3. 36 MRSA §5200-A, sub-§1, ¶N, as amended by PL 2005, c. 218, §54, is further amended to read:

N. With respect to property placed in service during the taxable year, an amount equal to the net increase in depreciation or expensing attributable to:

(1) For taxable years beginning on or after January 1, 2002 but prior to January 1, 2006, a 30% bonus depreciation deduction claimed by the taxpayer pursuant to Section 101 of the federal Job Creation and Worker Assistance Act of 2002, Public Law 107-147 with respect to property placed in service during the taxable year;

(2) For taxable years beginning on or after January 1, 2002 but prior to January 1, 2006, a 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 201 of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27 with respect to property placed in service during the taxable year; and

(3) For taxable years beginning on or after January 1, 2003 ~~but prior to January 1, 2008~~, the increase in aggregate cost used under Section 179 of the Code ~~pursuant to Section 202 of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27 or pursuant to Section 201 of the federal American Jobs Creation Act of 2004, Public Law 108-357~~ arising from amendments to the Code applicable to tax years beginning on or after January 1, 2003;

Sec. CCC-4. Application. This Part applies to tax years beginning on or after January 1, 2006 and to any prior years as specifically provided by the United States Internal Revenue Code.

PART DDD

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Sec. DDD-1. Transfer of funds; Office of Securities. Notwithstanding any other provisions of law, the State Controller shall transfer \$1,000,000 by June 30, 2007 from the Office of Securities Other Special Revenue Funds account in the Department of Professional and Financial Regulation to the unappropriated surplus of the General Fund.

PART EEE

Sec. EEE-1. Transfer of funds; Profit and Loss account. Notwithstanding any other provision of law, the State Controller shall transfer \$9,500,000 from the Profit and Loss account of the General Fund to the unappropriated surplus of the General Fund no later than June 30, 2007. The amount to be transferred represents funds that have accrued from the collection of accounts receivable that were fully reserved in the Medical Care - Payments to Providers General Fund account in the Department of Health and Human Services and to recognize the availability of a balance that may be used as a current-year resource.

Sec. EEE-2. Transfer of funds; medical care - payments to providers. Notwithstanding any other provision of law, the State Controller shall transfer \$9,500,000 from the unappropriated surplus of the General Fund to the Medical Care - Payments to Providers General Fund account in the Department of Health and Human Services no later than June 30, 2007. This amount must be allotted by financial order upon the recommendation of the State Budget Officer and approved by the Governor.

Sec. EEE-3. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Medical Care - Payments to Providers 0147

Initiative: Reduces funding that must be transferred to the unappropriated surplus of the General Fund.

GENERAL FUND	2006-07	2007-08	2008-09
All Other	(\$9,500,000)	\$0	\$0
GENERAL FUND TOTAL	(\$9,500,000)	\$0	\$0

PART FFF

Sec. FFF-1. Transfer from Other Special Revenue Funds to unappropriated surplus of the General Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$6,000,000 in fiscal year 2007-08 from Other Special Revenue Funds to the unappropriated surplus of the General Fund no later than June 30, 2008. On July 1, 2008, the State Controller shall transfer \$6,000,000 from the General Fund unappropriated surplus along with interest to Other Special

Revenue Funds as repayment. This transfer is considered an interfund advance to be repaid with interest compounded annually at the earnings rate within the Treasurer of State's cash pool on the date of the advance.

PART GGG

Sec. GGG-1. 22 MRSA §3173-C, sub-§2, as amended by PL 2003, c. 20, Pt. K, §6, is further amended to read:

2. Prescription drug services. Except as provided in subsections 3 and 4, a payment of ~~\$2.50~~\$3.00 for each drug is to be collected from the MaineCare member for each drug prescription that is an approved MaineCare service. Copayments must be capped at ~~\$25~~\$30 per month per member. If a member is prescribed a drug in a quantity specifically intended by the provider or pharmacist, for the recipient's health and welfare, to last less than one month, only one payment for that drug for that month is required.

PART HHH

Sec. HHH-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, Office of Information Technology may enter into financing arrangements on or after January 1, 2008 for the acquisition of hardware, software and systems to support the development of new applications and for the enhancement and modification of current application systems. The financial agreements may not exceed 5 years in duration and \$9,100,000 in principal costs. The interest rate may not exceed 7%, and interest costs may not exceed \$1,900,000.

The Office of Information Technology may enter into financing arrangements on or after January 1, 2009 for the acquisition of hardware, software and systems to support the development of new applications and for the enhancement and modification of current application systems. The financial agreements may not exceed 5 years in duration and \$8,300,000 in principal costs. The interest rate may not exceed 7%, and interest costs may not exceed \$1,800,000.

Payment for debt service costs must be made from the available appropriations and allocations in the program accounts of the affected departments to the Office of Information Technology.

Sec. HHH-2. Calculation and transfer; funding for information technology; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of appropriations provided in section 3 to the Department of Health and Human Services for information technology that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2008-09.

Sec. HHH-3. Appropriations and allocations. The following appropriations and allocations are made.

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Departmentwide 0640

Initiative: Adjusts funding for supporting existing information technology agency applications within the agency through a lease-purchase strategy.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$910,622
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$0	\$910,622

Departmentwide 0640

Initiative: Provides funding for fiscal year 2007-08 and 2008-09 enhancements to existing information technology applications through a lease-purchase strategy.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$370,218
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$0	\$370,218

Departmentwide 0640

Initiative: Provides funding for new information technology system development and support through a lease-purchase strategy.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$121,705
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$0	\$121,705

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

	2007-08	2008-09
GENERAL FUND	\$0	\$1,402,545
	<hr/>	<hr/>
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$1,402,545

PART III

Sec. III-1. Transfer of funds from Accident, Sickness and Health Insurance Internal Service Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$2,229,354 by June 30, 2007 from the Accident, Sickness and Health Insurance Internal Service Fund in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund.

PART JJJ

Sec. JJJ-1. 22 MRSA §14, sub-§2-A, as amended by PL 2003, c. 20, Pt. K, §2, is further amended to read:

2-A. Assignment of rights of recovery. The receipt of benefits under the MaineCare program constitutes an assignment by the recipient or any legally liable relative to the department of the right to recover from 3rd parties for the medical cost of injury, disease, disability or similar occurrence for which the recipient receives medical benefits. The department's assigned right to recover is limited to the amount of medical benefits received by the recipient and does not operate as a waiver by the recipient of any other right of recovery against a 3rd party that a recipient may have.

The recipient is also deemed to have appointed the commissioner as the recipient's attorney in fact to perform the specific act of submitting claims to insurance carriers or endorsing over to the department any and all drafts, checks, money orders or any other negotiable instruments connected with the payment of 3rd-party medical claims, making inquiries, requesting information, verifying other previous, current or potential coverage for the recipient or the recipient's spouse or dependents or endorsing over to the department any and all drafts, checks, money orders or any other negotiable instruments connected with the payment of 3rd-party medical claims to 3rd parties, liable parties or potentially liable 3rd parties. The appointment includes complete access to medical expense records and data, insurance policies and coverage and all other information relating to MaineCare's duty to cost-avoid and seek other coverage or payment response.

Sec. JJJ-2. 22 MRSA §14, sub-§2-H, ¶A, as amended by PL 2003, c. 20, Pt. K, §2, is further amended to read:

A. Whenever a participating health care provider or the department submits claims to a health insurer, as defined in Title 24-A, section 4, or to a health maintenance organization included in 42 United States Code, Section 1396a(a)(25)(I), including self-insured plans, group health plans as defined in the federal Employee Retirement Income Security Act of 1974, Section 607(1), service benefit plans, managed care organizations, pharmacy benefit managers or other parties that are, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, on behalf of a current or former recipient under the MaineCare program for whom an assignment of rights has been received, or whose rights have been assigned by the operation of law,

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the health insurer or health maintenance organization doing business in the State must respond to the department within 60 days of receipt of a claim by forwarding payment or issuing a notice of denial directly to the submitter of the claim.and:

(1) Provide information, with respect to individuals who are eligible for or are provided medical assistance under MaineCare, upon the request of the State, to determine during what period the individual or the individual's spouse or dependents may be or may have been covered by a health insurer and the nature of the coverage that is or was provided by the health insurer, including the name, address and identifying number of the plan, in a manner prescribed by the United States Secretary of Health and Human Services;

(2) Accept the State's right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the state plan;

(3) Respond to any inquiry by the State regarding a claim for payment for any health care item or service that is submitted not later than 3 years after the date of the provision of such health care item or service; and

(4) Agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim, the type or format of the claim form or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if:

(a) The claim is submitted by the State within the 3-year period beginning on the date on which the item or service was furnished; and

(b) Any action by the State to enforce its rights with respect to such claim is commenced within 6 years of the State's submission of such claim.

Sec. JJJ-3. 22 MRSA §14, sub-§2-H, ¶B, as amended by PL 2003, c. 20, Pt. K, §2, is repealed.

Sec. JJJ-4. 22 MRSA §14, sub-§3, as amended by PL 2003, c. 20, Pt. K, §2, is further amended to read:

3. Definitions. For purposes of this section, "3rd party" or "liable party" or "potentially liable party" means any entity, including, but not limited to, an insurance carrierany health insurer as included in 42 United States Code, Section 1396a(a)(25)(I) and any other parties that are, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, that may be liable under a contract to provide health, automobile, workers' compensation or other insurance coverage that is or may be liable to pay all or part of the medical cost of injury, disease, disability or similar occurrence of an applicant or recipient of benefits under the MaineCare program. For purposes of this section and

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sections 18 and 19, an "insurance carrier" includes, but is not limited to, health insurers, group health plans as defined in 29 United States Code, Section 1167(1), service benefit plans and health maintenance organizations, as well as any other entity included in 42 United States Code, Section 1396a(a)(25)(I).

"Liable party," "potentially liable party" or "3rd party" also includes the trustee or trustees of any mortuary trust established by the recipient or on the recipient's behalf in which there is money remaining after the actual costs of the funeral and burial have been paid in accordance with the terms of the trust and in which there is no provision that the excess be paid to the decedent's estate. "Liable party," "potentially liable party" or "3rd party" may also include the recipient of benefits under the MaineCare program.

Sec. JJJ-5. 39-A MRSA §209, sub-§4 is enacted to read:

4. MaineCare reimbursement. MaineCare must be paid 100% of any expenses incurred for the treatment of an injury of an employee under this Title.

Sec. JJJ-6. 39-A MRSA §324, sub-§1, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is amended to read:

1. Order or decision. The employer or insurance carrier shall make compensation payments within 10 days after the receipt of notice of an approved agreement for payment of compensation or within 10 days after any order or decision of the board awarding compensation. If the board enters a decision awarding compensation and an appeal is filed with the Law Court pursuant to section 322, payments may not be suspended while the appeal is pending. The employer or insurer may recover from an employee payments made pending appeal to the Law Court if and to the extent that the Law Court has decided that the employee was not entitled to the compensation paid. The board has full jurisdiction to determine the amount of overpayment, if any, and the amount and schedule of repayment, if any. The board, in determining whether or not repayment should be made and the extent and schedule of repayment, shall consider the financial situation of the employee and the employee's family and may not order repayment that would work hardship or injustice. The board shall notify the Commissioner of Health and Human Services within 10 days after the receipt of notice of an approved agreement for payment of compensation or within 10 days after any order or decision of the board awarding compensation identifying the employee who is to receive the compensation.

PART KKK

Sec. KKK-1. Calculation and transfer; General Fund savings for cooperative agreement with University of Maine System and the Maine Community College System; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in the Department of Health and Human Services related to restructuring its cooperative agreement with the University of Maine System and the Maine Community College System that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

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

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Departmentwide 0640

Initiative: Reduces funding for the external contract with the University of Maine System and the Maine Community College System that provides expert support for Department of Health and Human Services activities.

GENERAL FUND	2007-08	2008-09
All Other	(\$1,400,000)	(\$1,400,000)
	<hr/>	<hr/>
GENERAL FUND TOTAL	(\$1,400,000)	(\$1,400,000)

PART LLL

Sec. LLL-1. 32 MRSA c. 1-A, sub-c. 3 is enacted to read:

SUBCHAPTER 3

REPORT

§ 60-N. Report

By December 1st of each even-numbered year, the Commissioner of Professional and Financial Regulation shall conduct a review of the fees assessed by the Department of Professional and Financial Regulation and shall provide a written report to the State Budget Officer and the joint standing committees of the Legislature having jurisdiction over appropriations and financial affairs, insurance and financial services matters and business, research and economic development matters identifying any fee changes the commissioner recommends for the next biennium.

Sec. LLL-2. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$6,500,000 from various accounts within the Other Special Revenue Fund accounts of the Department of Professional and Financial Regulation to the unappropriated surplus of the General Fund no later than June 30, 2007. The amount to be transferred represents available balances. It is the intent of the Legislature that this transfer of funds may not result in an increase in fees assessed.

PART MMM

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Sec. MMM-1. Emergency rule-making authority. The Department of Health and Human Services is authorized to adopt rules on an emergency basis 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 without the necessity of demonstrating that immediate adoption is necessary to avoid a threat to public health, safety or general welfare.

PART NNN

Sec. NNN-1. 30-A MRSA §5681, sub-§5-B, as amended by PL 2005, c. 2, Pt. H, §1, is further amended to read:

5-B. Fund for the Efficient Delivery of Local and Regional Services. For the months beginning on or after July 1, 2004 and before the distributions required by subsections 4-A and 4-B, 2% of all receipts transferred each month pursuant to subsection 5 must be deposited in the Fund for the Efficient Delivery of Local and Regional Services, as established in subsection 3, and distributed to those municipalities and counties that can demonstrate significant and sustainable savings in the cost of delivering local and regional governmental services through collaborative approaches to service delivery, enhanced regional delivery systems, the consolidation of administrative services, the creation of broad-based purchasing alliances or the execution of interlocal agreements. Any amounts transferred to the Fund for the Efficient Delivery of Local and Regional Services in excess of \$500,000 in any fiscal year must be transferred to General Fund undedicated revenue.

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Fund for Efficient Delivery of Local and Regional Services - Administration Z047

Initiative: Provides funding that will be awarded by the Commissioner of Administrative and Financial Services in accordance with Maine Revised Statutes, Title 30-A, chapter 231 to those municipalities and counties that can demonstrate significant and sustainable savings in the cost of delivering local and regional government services.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$500,000	\$500,000
<hr/>		
OTHER SPECIAL REVENUE FUNDS TOTAL	\$500,000	\$500,000

PART OOO

'An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General 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, 2007, June 30, 2008 and June 30, 2009'

Sec. 000-1. 7 MRSA §3153-B, sub-§3, as amended by PL 2005, c. 382, Pt. F, §34, is further amended to read:

3. Determination of target prices. The Maine Milk Commission shall establish 3 tiers of production, each representing a range of annual production. The commission shall use the most recent studies conducted in accordance with section 2952-A, subsection 3, paragraph A to estimate the short-run break-even point within each tier.

The Maine Milk Commission may establish and amend target prices through rulemaking. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 000-2. Interim target prices. Beginning July 1, 2007 and until the Maine Milk Commission updates the Maine producer cost-of-production data and calculates new target prices in accordance with the Maine Revised Statutes, Title 7, section 3153-B, subsection 3, the target prices for milk producers in the State are as follows:

1. For the first 21,355 hundredweight produced per year by each producer, the target price is \$20.70 per hundredweight;
2. For production from 21,356 hundredweight to 49,079 hundredweight per year, the target price is \$18.07 per hundredweight; and
3. For production in excess of 49,079 hundredweight per year, the target price is \$17.29 per hundredweight.

PART PPP

Sec. PPP-1. 36 MRSA §4902, sub-§1, as enacted by PL 2005, c. 396, §8, is amended to read:

1. Fee. Upon notification by the Maine Milk Commission in accordance with Title 7, section 2954, subsection 16, the assessor shall levy and impose a fee at the rate established in subsection ~~22-A~~ on the handling in this State of packaged milk for sale in this State. With respect to the handling in this State of a particular container of packaged milk for sale in this State, the fee must be paid by the handler. There is no fee on the handling in this State of packaged milk for sale in containers of less than one quart or 20 or more quarts in volume, or packaged milk that is sold to an institution that is owned and operated by the State or the Federal Government.

Sec. PPP-2. 36 MRSA §4902, sub-§2, as enacted by PL 2005, c. 396, §8, is repealed.

Sec. PPP-3. 36 MRSA §4902, sub-§2-A is enacted to read:

2-A. Rate. The rate of the fee levied under this chapter is established for each fee period on the basis of the basic price of milk in effect on the Sunday following the first Sunday of the fee period in accordance with this subsection:

A. If the basic price is \$24.00 per hundredweight and above, the rate of the milk handling fee is 0¢ per gallon;

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- B. If the basic price is \$23.00 to \$23.99 per hundredweight, the rate of the milk handling fee is 2¢ per gallon;
- C. If the basic price is \$22.00 to \$22.99 per hundredweight, the rate of the milk handling fee is 4¢ per gallon;
- D. If the basic price is \$21.00 to \$21.99 per hundredweight, the rate of the milk handling fee is 6¢ per gallon;
- E. If the basic price is \$20.00 to \$20.99 per hundredweight, the rate of the milk handling fee is 8¢ per gallon;
- F. If the basic price is \$19.00 to \$19.99 per hundredweight, the rate of the milk handling fee is 10¢ per gallon;
- G. If the basic price is \$18.00 to \$18.99 per hundredweight, the rate of the milk handling fee is 12¢ per gallon;
- H. If the basic price is \$17.50 to \$17.99 per hundredweight, the rate of the milk handling fee is 16¢ per gallon;
- I. If the basic price is \$17.00 to \$17.49 per hundredweight, the rate of the milk handling fee is 20¢ per gallon;
- J. If the basic price is \$16.50 to \$16.99 per hundredweight, the rate of the milk handling fee is 24¢ per gallon;
- K. If the basic price is \$16.00 to \$16.49 per hundredweight, the rate of the milk handling fee is 28¢ per gallon;
- L. If the basic price is \$15.50 to \$15.99 per hundredweight, the rate of the milk handling fee is 32¢ per gallon; and
- M. If the basic price is \$15.00 to \$15.49 per hundredweight, the rate of the milk handling fee is 36¢ per gallon.

If the basic price falls below \$15.00 per hundredweight, for each 50¢ decrease in the basic price, the rate of the milk handling fee increases by 6¢ per gallon.

For any container other than a gallon, the fee is computed on a gallon-equivalent basis.

PART QQQ

Sec. QQQ-1. Initiative established. The Joint Standing Committee on Appropriations and Financial Affairs, referred to in this Part as "the committee," shall serve as the steering committee to streamline State Government, referred to in this Part as "the initiative."

Sec. QQQ-2. Convening of committee. The committee shall convene to begin the initiative no later than August 1, 2007.

Sec. QQQ-3. Duties. The committee, as part of the initiative, shall undertake a comprehensive analysis of State Government with the goals of consolidating functions and eliminating duplication and inefficiencies in programs, in contracted personal services and in the administrative and management positions within the structure of State Government. In carrying out its duties, the committee shall investigate and identify major sources of administrative excess, redundancy, inefficiency and program overlap with other state, local or federal programs. In its report pursuant to section 6, the committee shall identify those administrative and management positions, including positions in the unclassified service and major policy-influencing positions as set out in the Maine Revised Statutes, Title 5, chapter 71, and in contracted personal services that should be reduced, eliminated or consolidated to deliver the optimum services in the most cost-effective manner. The initiative must achieve a targeted spending reduction of a minimum of \$10,100,000 during the 2008-2009 biennium. The committee may establish subcommittees and draw on experts inside and outside of State Government.

Sec. QQQ-4. Staff assistance. The Office of Fiscal and Program Review shall staff the committee. The committee may request additional staff assistance from the Legislative Council. The committee may request that the Legislative Council contract for additional staff to direct the initiative and hire expert staff as it determines necessary within its budgeted resources. The Department of Administrative and Financial Services; the Executive Department, State Planning Office; and the Office of Program Evaluation and Government Accountability may also provide assistance to the committee.

Sec. QQQ-5. Compensation. Members of the committee are entitled to receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, and reimbursement for travel and other necessary expenses related to their attendance at authorized meetings of the committee.

Sec. QQQ-6. Report. The committee shall submit a report of its findings and recommendations to the Legislative Council no later than January 8, 2008. The committee is authorized to submit legislation to the Second Regular Session of the 123rd Legislature. The Commissioner of Administrative and Financial Services may implement those measures identified by the committee to reach the spending reduction target.

Sec. QQQ-7. Commissioner actions. The Commissioner of Administrative and Financial Services may implement those measures identified by the committee to reach the spending reduction target of \$10,100,000. If the committee fails to identify at least \$10,100,000 in savings through legislation submitted to and enacted by the Second Regular Session of the 123rd Legislature, the commissioner shall distribute the undistributed savings through the process of curtailing allotments established in the Maine Revised Statutes, Title 5, section 1667. The State Budget Officer shall determine amounts by financial order upon approval of the Governor.

Sec. QQQ-8. Committee budget. The chairs of the committee, with assistance from the committee staff and the Executive Director of the Legislative Council, shall administer the committee's budget approved by the Legislative Council. The committee may not incur expenses that would result in

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the committee's exceeding its approved budget. Upon request from the committee, the Executive Director of the Legislative Council shall promptly provide the committee chairs and staff with a status report on the committee budget, expenditures incurred and paid and available funds.

Sec. QQQ-9. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and agencies - statewide 0016

Initiative: Deappropriates savings to be achieved through the initiative to streamline State Government. If sufficient savings are not identified through legislation submitted to the Second Regular Session of the 123rd Legislature, the Commissioner of Administrative and Financial Services shall distribute the undistributed savings through the process of curtailing allotments established in the Maine Revised Statutes, Title 5, section 1667. The State Budget Officer shall determine the amounts in this section that apply against each General Fund account and shall transfer those amounts by financial order upon the approval of the Governor. The transferred amounts are considered adjustments to appropriations in fiscal year 2008-09.

GENERAL FUND	2007-08	2008-09
Unallocated	\$0	(\$10,100,000)
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GENERAL FUND TOTAL	\$0	(\$10,100,000)

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	(\$10,100,000)
	<hr/>	
DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$10,100,000)

LEGISLATURE

Legislature 0081

Initiative: Provides funds for the expenses of the Joint Standing Committee on Appropriations and Financial Affairs associated with the initiative to streamline State Government, including contracting for additional staff and experts and contracted services.

GENERAL FUND	2007-08	2008-09
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All Other	\$50,000	\$0
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GENERAL FUND TOTAL	\$50,000	\$0
LEGISLATURE		
DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$50,000	\$0
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DEPARTMENT TOTAL - ALL FUNDS	\$50,000	\$0
SECTION TOTALS	2007-08	2008-09
GENERAL FUND	\$50,000	(\$10,100,000)
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SECTION TOTAL - ALL FUNDS	\$50,000	(\$10,100,000)

PART RRR

Sec. RRR-1. 5 MRSA §286-B is enacted to read:

§ 286-B. Irrevocable Trust Fund for Other Post-employment Benefits

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Retiree health benefits" means health benefits as determined from time to time by the State Employee Health Commission pursuant to section 285.

B. "Investment trust fund" means the Retiree Health Insurance Post-employment Benefits Investment Trust Fund established under section 17432.

C. "Irrevocable trust fund" means the Irrevocable Trust Fund for Other Post-employment Benefits established under subsection 2.

2. Establishment. The Irrevocable Trust Fund for Other Post-employment Benefits is established to meet the State's unfunded liability obligations for retiree health benefits for eligible participants, as described in section 285, subsections 1-A and 11-A and Title 20-A, section 13451, subsections 2, 2-A, 2-B and 2-C, who are the beneficiaries of the irrevocable trust fund. Funds appropriated for the irrevocable trust fund must be held in trust and must be invested or disbursed for the

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exclusive purpose of providing for retiree health benefits and may not be encumbered for, or diverted to, other purposes. Funds appropriated for the irrevocable trust fund may not be diverted or deappropriated by any subsequent action.

Annually, beginning with the fiscal year starting July 1, 2007, the Legislature shall appropriate funds to meet the State's obligations under any group health plan, policy or contract purchased by the State Employee Health Commission to provide retiree health benefits pursuant to section 285, subsection 5 and, if applicable, to meet the State's obligations under any self-insured group health plan pursuant to section 285, subsection 9. Unfunded liabilities may not be created except those resulting from experience losses. Unfunded liability resulting from experience losses must be retired over a period not exceeding 10 years.

Annually, beginning with the fiscal year starting July 1, 2009, 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 as described in this section. 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.

3. Trustees. The Treasurer of State and the State Controller shall serve as trustees of the irrevocable trust fund.

4. Duties of the trustees. The trustees of the irrevocable trust fund have the following duties.

A. The trustees of the irrevocable trust fund shall calculate the funds necessary to fund the state employee health insurance program, including the unfunded liability as determined in accordance with subsection 2, on an actuarially sound basis and transmit those calculations to the State Budget Officer as required by chapter 149. The Legislature shall appropriate and transfer annually those funds the trustees of the irrevocable trust fund determine to be necessary under this subsection to fund the state employee health insurance program on an actuarially sound basis, including a contribution to the irrevocable trust fund.

B. The trustees of the irrevocable trust fund biannually shall make, or cause to be made, valuations of the assets and liabilities of the state employee health insurance program. The trustees of the irrevocable trust fund shall select an independent actuary to make annual valuations of the assets and liabilities of the state employee health insurance program on the basis of actuarial assumptions adopted by the trustees of the irrevocable trust fund. The actuary may not be an officer or employee of the State. The goal of the actuarial assumptions is to achieve a fully funded state employee health insurance program.

C. The trustees of the irrevocable trust fund annually shall conduct, or cause to be conducted, an audit of the irrevocable trust fund. The trustees of the irrevocable trust fund shall select an independent auditor to perform the audit. The auditor may not be an officer or employee of the State.

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D. The trustees of the irrevocable trust fund shall make the final decision on all matters pertaining to administration, actuarial assumptions, actuarial recommendations, funding, payout schedule and long-term time horizon for the irrevocable trust fund.

5. Investment of funds. The trustees of the investment trust fund are responsible for the investment and reinvestment of the funds appropriated to the irrevocable trust fund and transferred to the investment trust fund in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act under Title 18-B, subject to the guidelines set for the investment trust fund in section 17435.

6. Report to Legislature. The trustees of the irrevocable trust fund shall make a written report to the joint standing committee of the Legislature having jurisdiction over appropriations matters and the joint standing committee of the Legislature having jurisdiction over labor matters on or before March 1st of each year that contains a discussion of any areas of policy or administration of the irrevocable trust fund that, in the opinion of the trustees of the irrevocable trust fund, should be brought to the attention of the joint standing committees; a discussion of the progress toward meeting the goals of this section; and a review of the status of the irrevocable trust fund.

Sec. RRR-2. 5 MRSA c. 421, sub-c. 4, art. 9 is enacted to read:

ARTICLE 9

RETIREE HEALTH INSURANCE POST- EMPLOYMENT BENEFITS INVESTMENT TRUST FUND

§ 17431. Definitions

As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

1. Commissioner. "Commissioner" means the Commissioner of Administrative and Financial Services.

2. Investment trust fund. "Investment trust fund" means the Retiree Health Insurance Post-employment Benefits Investment Trust Fund established in section 17432.

3. Assets of the investment trust fund. "Assets of the investment trust fund" means the funds appropriated or otherwise provided to fund the investment trust fund, together with the interest, earnings and returns on the funds.

4. Investment trust fund agreement. "Investment trust fund agreement" means the trust agreement to be entered into by the State and the trustees of the investment trust fund.

5. System. "System" means the Maine State Retirement System.

§ 17432. Establishment

1. Investment trust fund established. The Retiree Health Insurance Post-employment Benefits Investment Trust Fund is established as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the investment trust fund for the benefit of the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B with respect to the State's liabilities for retiree health benefits. The purpose of accumulating assets in this investment trust fund is to provide funding of the State's unfunded liability obligations for retiree health benefits. The Legislature has no authority or power to divert any of the assets of the investment trust fund to use for any other purpose.

2. Date of establishment. The date of establishment of the investment trust fund is July 1, 2007.

3. Trustees. The trustees of the investment trust fund are the members of the Board of Trustees of the Maine State Retirement System.

§ 17433. Statutory references

Notwithstanding that Article 9 is placed in the Maine Revised Statutes in Part 20, chapter 421, subchapter 4, any reference to "Part," "in this Part," "under this Part" or similar wording in Part 20 is inapplicable to every provision in this article. Article 9 stands apart from all other provisions of this Part except by explicit reference.

§ 17434. Administration of investment trust fund

1. Administration. The trustees of the investment trust fund may delegate to the Executive Director, Chief Investment Officer or other staff of the system as appropriate the responsibility to carry out, as directed by the trustees of the investment trust fund, the administration of the investment trust fund and its investment and disbursement activities.

2. Expenses. Associated administrative costs and expenses attributable to the investment trust fund must be charged to the investment trust fund.

§ 17435. Duties of the trustees of the investment trust fund

The trustees of the investment trust fund have the following duties.

1. Manage assets. The trustees of the investment trust fund shall hold, invest, reinvest and manage assets appropriated to the investment trust fund and all other assets of the investment trust fund for the sole benefit of the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B and may not encumber, invest, divest or disburse the funds for any other purpose. The trustees of the investment trust fund have full power to hold, purchase, sell, assign, transfer and dispose of any such assets and investments and will provide for all necessary services with respect to such assets.

The primary goals of the investment trust fund are the preservation and growth of principal in accordance with long-term investment assumptions established from time to time by the Board of Trustees of the Maine State Retirement System for the defined benefits plans of the system, as considered appropriate by the trustees of the investment trust fund.

2. Investment policy. Except as provided in subsection 3, the trustees of the investment trust fund shall determine and revise as necessary an appropriate investment trust fund investment policy, including but not limited to provisions for asset allocation and investment strategy. This policy must take into account the following factors as established by the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B, subsection 2 and as may be revised in the investment trust fund agreement from time to time:

- A. A long-term time horizon for the assets of the investment trust fund;
- B. A funding plan; and
- C. A projected disbursement schedule that does not begin before the year 2027.

3. Transfer of funds before policy established. Any funds transferred to the investment trust fund prior to the establishment of the investment policy in subsection 2 must be held and transitionally invested in a prudent manner as determined by the trustees of the investment trust fund.

4. Investment and management of assets. The trustees of the investment trust fund shall invest and manage the assets of the investment trust fund in accordance with the requirements of subsections 1 and 2 and with the reasonable care, skill and expertise of a prudent investor.

5. Investment expenses. The trustees of the investment trust fund may incur reasonable investment expenses payable from the assets of the investment trust fund, including but not limited to services of investment managers, investment consultants, actuaries, investment counsel, banks and trust companies and other investment professionals or advisors as they consider necessary and prudent in determining investment policy, in investing funds and in liquidating assets.

6. Disbursement of funds. The trustees of the investment trust fund may disburse funds from the investment trust fund only to the Irrevocable Trust Fund for Other Post-employment Benefits as established in section 286-B, subsection 2. The trustees of the Irrevocable Trust Fund for Other Post-employment Benefits must present jointly a lawful payment order. The trustees of the investment trust fund have no responsibility to ensure that the stated use or actual use by the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits of such money is to fund retiree health benefits. The trustees of the investment trust fund's duties under the investment trust fund are discharged by disbursing money under the terms of this subsection.

7. Report. The trustees of the investment trust fund shall provide annually a report to the State, the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B, subsection 2 and the joint standing committee of the Legislature having jurisdiction over the system

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and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. The trustees of the investment trust fund shall provide quarterly to the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits a report of the performance of the investment trust fund.

§ 17436. Liability and immunity of trustees of the investment trust fund

1. Limited liability of trustees of the investment trust fund. A trustee of the investment trust fund is not:

A. Personally liable for any liability, loss or expense suffered by the investment trust fund, unless such a liability, loss or expense arises out of or results from the willful misconduct or intentional wrongdoing of that trustee of the investment trust fund;

B. Responsible for the adequacy of the investment trust fund to meet and discharge any obligation;
or

C. Required to take action to enforce the payment of any contribution or appropriation to the investment trust fund.

2. Immunity of trustees of the investment trust fund. The trustees of the investment trust fund are immune from suit on any and all tort claims seeking recovery of damages to the same extent as governmental entities under the Maine Tort Claims Act.

3. Legal representation and defense of trustees of the investment trust fund. The Attorney General is legal counsel to the trustees of the investment trust fund and shall represent and defend the trustees of the investment trust fund, as a group and individually, in connection with any claim, suit or action at law arising out of the performance or nonperformance of any actions related to the investment trust fund to the same extent as provided for governmental entities in the Maine Tort Claims Act.

4. Performance of essential governmental functions. The exercise of the powers conferred by this article is held to be the performance of essential governmental functions.

§ 17437. Exemption from taxation

The money in the investment trust fund is exempt from any state, county or municipal tax in the State.

§ 17438. Reporting requirements under Governmental Accounting Standards Board

The system and trustees of the investment trust fund have no obligation to comply with reporting requirements related to the investment trust fund under Governmental Accounting Standards Board Statement Number 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, or Governmental Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The State is obligated to comply with the reporting requirements under Governmental Accounting Standards Board Statement Number 43 and Governmental Accounting Standards Board Statement Number 45. The system shall account for the assets of the investment trust fund in its annual financial statements.

§ 17439. Information for administrative or judicial proceedings

If information regarding the investment trust fund is required from the system or the trustees of the investment trust fund for an administrative or judicial proceeding, the party seeking the information must file a written request for that information with the Executive Director of the Maine State Retirement System. The Executive Director or the executive director's designee shall make a certified response to that request within 30 days and the certified response is admissible as evidence in any administrative or judicial proceeding. A subpoena or other form of discovery directed at obtaining the information may not be issued nor may employees of the system be required to testify on the subjects covered by the certified response unless there is an express finding by an administrative agency or a court that there is a compelling necessity to permit further discovery or to require testimony. The Executive Director shall notify the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B, subsection 2 immediately of any request for information, subpoena or other form of discovery.

Sec. RRR-3. Calculation and transfer. Notwithstanding any other provision of law, the State Controller shall calculate the amount remaining at the close of fiscal year 2006-07 in the Retiree Health Insurance Internal Service Fund within the Department of Administrative and Financial Services and determine the amount required to make the State's premium contributions for current retired state employees and retired teachers. The remaining fund balance in the Retiree Health Insurance Internal Service Fund after the State Controller executes all necessary adjustments and closes the State's books for fiscal year 2006-07 must be transferred to the Retiree Health Insurance Post-employment Benefits Investment Trust Fund within the Maine State Retirement System by financial order upon approval of the Governor.

PART SSS

Sec. SSS-1. 5 MRSA §8, as amended by PL 2005, c. 12, Pt. RRR, §1 and affected by §2, is further amended to read:

§ 8. Mileage allowance

The State shall pay for the use of privately owned automobiles for travel by employees of the State in the business of the State such reimbursement as agreed to between the State and their certified or recognized bargaining agent. For employees and state officers and officials not subject to any such agreement, the State shall pay 36¢ per mile effective January 1, 2006 ~~and~~, 38¢ per mile effective January 1, 2007, ~~40¢ per mile effective July 1, 2007,~~ 42¢ per mile effective July 1, 2008 and 44¢ per mile effective January 1, 2009, or the federal rate of reimbursement, whichever is lower, for miles actually traveled on state business. The Governor may suspend the operation of this section and require state officials and employees to travel in automobiles owned or controlled by the State, if such automobiles are available.

Sec. SSS-2. Costs to General Fund. Costs to the General Fund must be provided in all or part through a transfer of personal services appropriations within and between departments and agencies and from the Salary Plan account referred to in this Act to cover the projected costs to the General Fund in the amount of \$9,524,335 for the fiscal year ending June 30, 2008 and in the amount of \$16,554,818 for the fiscal year ending June 30, 2009 to implement the economic terms of the collective bargaining

agreements, including market pay adjustments and benefits, made by the State and the Maine State Employees Association, American Federation of State, County and Municipal Employees, Maine State Troopers Association and Maine State Law Enforcement Association and, notwithstanding the Maine Revised Statutes, Title 26, section 979-D, subsection 1, paragraph E, subparagraph (3), for confidential employees.

Sec. SSS-3. Costs to Highway Fund. Costs to the Highway Fund must be provided in all or part through a transfer of personal services allocations within and between departments and agencies and from the Salary Plan account referred to in this Act to cover the projected costs to the Highway Fund in the amount of \$2,549,978 for the fiscal year ending June 30, 2008 and in the amount of \$5,210,403 for the fiscal year ending June 30, 2009 to implement the economic terms of the collective bargaining agreements, including market pay adjustments and benefits, made by the State and the Maine State Employees Association, American Federation of State, County and Municipal Employees, Maine State Troopers Association and Maine State Law Enforcement Association and, notwithstanding the Maine Revised Statutes, Title 26, section 979-D, subsection 1, paragraph E, subparagraph (3), for confidential employees.

Sec. SSS-4. Lump-sum payment. Employees covered by the collective bargaining agreements described in sections 2 and 3 and employed in a full-time capacity by the State on July 1, 2007 must receive a \$700 lump-sum payment in July 2007. Payment must be prorated for an employee employed less than full-time consistent with the terms of the collective bargaining agreement. This sum may not be considered earnable compensation under the Maine State Retirement System.

Sec. SSS-5. Adjustment of salary schedules for fiscal year 2009. Effective at the beginning of the pay week commencing closest to July 1, 2008, the salary schedules for employees subject to the collective bargaining agreements described in sections 2 and 3 must be adjusted upward by 2%.

Sec. SSS-6. Adjustment of salary schedules for calendar year 2009. Effective at the beginning of the pay week commencing closest to January 1, 2009, the salary schedules for employees subject to the collective bargaining agreements described in sections 2 and 3 must be adjusted by eliminating the first step and creating a new last step that is 4% higher than the previous step.

Sec. SSS-7. New, temporary and seasonal employees; similar and equitable treatment. Employees in classifications included in bargaining units subject to the collective bargaining agreements described in sections 2 and 3 who are excluded from collective bargaining pursuant to the Maine Revised Statutes, Title 26, section 979-A, subsection 6, paragraphs E and F must be given similar and equitable treatment on a pro rata basis to that treatment given employees covered by the collective bargaining agreements.

Sec. SSS-8. Confidential employees; similar and equitable treatment. Confidential employees must be given similar and equitable treatment on a pro rata basis to that given employees covered by the collective bargaining agreements described in sections 2 and 3. For the purposes of this section, "confidential employees" means those employees within the executive branch, including probationary employees, who are in positions excluded from bargaining units pursuant to the Maine Revised Statutes, Title 26, section 979-A, subsection 6, paragraphs B, C, D, I and J.

Sec. SSS-9. Employee salaries subject to Governor's adjustment or approval.

The Governor is authorized to grant to those unclassified employees whose salaries are subject to the Governor's adjustment or approval similar and equitable treatment consistent with this Part as is given to employees covered by collective bargaining agreements.

Sec. SSS-10. Employees of legislative branch. The Legislative Council may approve salary and benefit increases for employees within the legislative branch, including constitutional officers and the State Auditor, not subject to collective bargaining.

Sec. SSS-11. Transfer from General Fund Salary Plan; Maine Community College System. Notwithstanding the Maine Revised Statutes, Title 5, section 1676 or any other provision of law, in fiscal year 2007-08 and fiscal year 2008-09 the Maine Community College System may receive transfers from the General Fund Salary Plan for the costs of collective bargaining agreements for employees of the Maine Community College System in amounts not to exceed \$854,974 in fiscal year 2007-08 and \$1,753,149 in fiscal year 2008-09.

Sec. SSS-12. Transfer from General Fund Salary Plan; Governor Baxter School for the Deaf. Notwithstanding the Maine Revised Statutes, Title 5, section 1676 or any other provision of law, in fiscal year 2007-08 and fiscal year 2008-09 the Governor Baxter School for the Deaf may receive transfers from the General Fund Salary Plan for the costs of collective bargaining agreements for employees of the Governor Baxter School for the Deaf in amounts not to exceed \$76,553 in fiscal year 2007-08 and \$156,934 in fiscal year 2008-09.

Sec. SSS-13. Transfer from General Fund Salary Plan; Judicial Department. Notwithstanding the Maine Revised Statutes, Title 5, section 1676 or any other provision of law, in fiscal year 2007-08 and fiscal year 2008-09 the Judicial Department may receive transfers from the General Fund Salary Plan for the costs of collective bargaining agreements for employees of the Judicial Department in amounts not to exceed \$348,096 in fiscal year 2007-08 and \$711,616 in fiscal year 2008-09.

Sec. SSS-14. Transfer from Salary Plan and special account funding. The Salary Plan account in the Department of Administrative and Financial Services may be made available as needed in allotment by financial order upon the recommendation of the State Budget Officer and approval of the Governor to be used for the implementation of collective bargaining agreements for state employees and for other economic items contained in this Act in fiscal years 2007-08 and 2008-09. Positions supported from sources of funding other than the General Fund and the Highway Fund must be funded from those other sources.

Sec. SSS-15. Authorization for reimbursement of costs associated with contract resolution. The Department of Administrative and Financial Services may be reimbursed from the Salary Plan account for the costs of contract resolution, administration and implementation and other costs required by the process of collective bargaining and negotiation procedures.

Sec. SSS-16. Effective date. That section of this Part that amends the Maine Revised Statutes, Title 5, section 8 takes effect July 1, 2007.

PART TTT

Sec. TTT-1. Education in Unorganized Territory account; lapse balances.

Notwithstanding any other provision of law, \$607,773 of unencumbered balance forward in the personal services line category and \$981,155 of unencumbered balance forward in the all other line category at the close of fiscal year 2006-07 in the Education in Unorganized Territory, General Fund account in the Department of Education lapses to the General Fund at the close of fiscal year 2006-07.

PART UUU

Sec. UUU-1. Study. The Commissioner of Education shall convene a working group to study the current offering of remedial college courses at the University of Maine System and the Maine Community College System. The commissioner shall invite participation from the Maine Compact for Higher Education, the Maine Adult Education Association, the MELMAC Education Foundation, the Maine Community College System, the University of Maine System, the Mitchell Institute and other interested parties. The study must include a review of the process used to determine whether students need to take one or more developmental courses, the number of students that are required to take remedial courses while taking classes within the University of Maine System or the Maine Community College System each year, how much financial aid is used by students to take the remedial courses, what the graduation rate is of those students who have taken remedial courses and what developmental courses are offered by the Maine Community College System and the University of Maine System and whether similar courses are offered or could be offered by Maine's adult education programs.

Sec. UUU-2. Report. The working group shall provide a report to the Joint Standing Committee on Education and Cultural Affairs with findings and recommendations for changes in the delivery of remedial college courses no later than February 1, 2008.

PART VVV

Sec. VVV-1. 20-A MRSA §4771, as amended by PL 2003, c. 20, Pt. OO, §2 and affected by §4, is further amended to read:

§ 4771. Eligible institution and semester; defined

As used in this chapter, unless the context otherwise indicates, "eligible institution" means the institutions of the University of Maine System, the Maine Community College System and the Maine Maritime Academy. "Semester" means the fall, spring or summer term of an academic year.

Sec. VVV-2. 20-A MRSA §4776 is enacted to read:

§ 4776. Distribution of available funding

Not more than 10% of the total funding available to the department for postsecondary education, either through a direct appropriation for postsecondary education under this chapter or as part of the ongoing funds included in the appropriation for general purpose aid for local schools, may be used for secondary students to take a postsecondary course during the summer term.

PART WWW

Sec. WWW-1. Adoption of emergency rules. In implementing the provisions included in Part A related to prior authorization for MaineCare radiology services, the Department of Health and Human Services is authorized to adopt rules on an emergency basis for a 90-day period. During the 90-day period and prior to final adoption of rules, the department shall solicit comments from physicians, hospitals, imaging facilities and other interested parties in order to ensure that the responsibilities for compliance are appropriately assigned.

Sec. WWW-2. Routine technical designation. Rules adopted pursuant to this Part are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

PART XXX

Sec. XXX-1. P&SL 1941, c. 37, §1, 2nd ¶, as amended by P&SL 1993, c. 27, §1 is further amended to read:

The affairs of the school are controlled by a board of ~~13~~¹⁶ trustees, as appointed, at least 11 of whom are residents of the State, who, together with their successors, are appointed by the Governor, subject to review by the ~~Joint Standing Committee on Education~~joint standing committee of the Legislature having jurisdiction over education matters and to confirmation by the Legislature. All trustees ~~appointed after October 7, 1967~~ serve for terms of 5 years and until their successors are duly appointed and qualified. A vacancy on the board must be filled by appointment by the Governor subject to review by the ~~Joint Standing Committee on Education~~joint standing committee of the Legislature having jurisdiction over education matters and to confirmation by the Legislature for the remainder of the unexpired term, but the majority of the board shall carry on business during the existence of a vacancy on the board. A student trustee, who must be a member of the student body at the time of appointment and a permanent resident of the State, must be appointed. To be eligible for appointment as a student member, a student must be enrolled for a minimum of 12 credit hours per semester. The student member is a full voting member of the board of trustees and serves for a one-year term until a successor is qualified. By January 1st of every year, the president of the academy shall solicit a list of 3 eligible students from the student government of the academy. The Governor shall nominate a student trustee from the list of students within 30 days of receiving the list. The nomination is subject to review by the ~~Joint Standing Committee on Education~~joint standing committee of the Legislature having jurisdiction over education matters and to confirmation by the Legislature.

PART YYY

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Sec. YYY-1. 4 MRSA §17, sub-§17, as enacted by PL 1993, c. 675, Pt. C, §9, is amended to read:

17. Statement of fiscal effect on judicial system. Apply the following requirements when the State Court Administrator prepares statements pertaining to the impact that executive orders and proposed legislation have upon judicial system resources, including the cost or savings to the judicial system. The State Court Administrator, in preparing such impact statements, shall make inquiry of the Chief Justice of the Superior Court, the Chief Judge of the District Court, a statewide association of prosecuting attorneys, a statewide association of criminal defense attorneys, a statewide association of trial attorneys and any other parties, as appropriate, in order to provide the most accurate estimate of the judicial branch impact of such legislation, by fiscal year.

A. The State Court Administrator shall furnish the statements to the legislative staff office designated to collect and assemble fiscal information for use of legislative committees under Title 3, section 163-A, subsection 10 and to:

(1) The Governor for judicial impact statements on executive orders; and

(2) The appropriate committee of the Legislature for the information of its members for proposed legislation.

B. The statement on a particular executive order prepared by the State Court Administrator must be included in the executive order if the executive order has a fiscal impact on the judicial system, as determined by the State Court Administrator.

C. The statement on proposed legislation prepared by the State Court Administrator must be considered in the preparation of the fiscal note included in a committee amendment or other amendment if the legislation or amendment has a fiscal impact on the judicial system, as determined by the State Court Administrator.

Sec. YYY-2. 34-A MRSA §1402, sub-§9, as enacted by PL 1989, c. 925, §17, is amended to read:

9. Statement of correctional system impact. The commissioner shall prepare statements pertaining to the impact that proposed legislation has upon correctional system resources, including the cost that the correctional system would bear. The commissioner shall make inquiry of a statewide association of prosecuting attorneys, the judicial branch, a statewide association of county sheriffs and any other parties, as appropriate, in order to provide the most accurate estimates of the correctional system impact, including the number of additional probationers, the number of additional incarcerated individuals and the number of additional jail and prison beds that may reasonably be anticipated from enactment of the legislation, by fiscal year. Whenever practicable, the statements must also include the impact of such legislation in future biennia as well. For purposes of this subsection, the correctional system includes correctional facilities and services operated or funded by the State or by any county government. The statements must be furnished to the appropriate committee of the Legislature for the

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information of its members and for inclusion in bills that receive an "ought to pass" report when reported by the committee to the legislative staff office designated to collect and assemble fiscal information for use of legislative committees under Title 3, section 163-A, subsection 10. The statements must be considered in the preparation of the fiscal note included in a committee amendment or other amendment if the legislation or amendment has a fiscal impact on the correctional system. A statement is not required for any legislation that has no impact upon the correctional system.

PART ZZZ

Sec. ZZZ-1. 25 MRSA §2808-A is enacted to read:

§ 2808-A. Sharing of training costs for corrections officers

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Governmental entity" means the State or any city, town, plantation or county.
- B. "Training" means the basic training provided to a full-time corrections officer by the Maine Criminal Justice Academy, as described in section 2804-D.
- C. "Training costs" means a fixed dollar amount determined by the board. In making the determination, the board shall include the following costs:

- (1) The full cost of the salary, including fringe benefits, paid to the officer while in training;
- (2) The full cost of the tuition charged by the Maine Criminal Justice Academy;
- (3) The full cost of uniforms for training and graduation provided to the officer in training; and
- (4) The full cost of the salary, inclusive of overtime, paid to corrections officers to provide coverage that would otherwise have been lost during the absence of the corrections officer in training.

The board shall review the determination of training costs annually, make any necessary adjustments and provide that determination to the Commissioner of Corrections and to all administrators of county jails in the State.

2. Reimbursement for training costs. Whenever a full-time corrections officer, trained at the Maine Criminal Justice Academy at the expense of a particular governmental entity, is subsequently hired by another governmental entity as a full-time corrections officer or full-time law enforcement officer within 5 years of graduation from the academy, the governmental entity shall reimburse the first governmental entity according to the following formula.

A. If the corrections officer is hired by the other governmental entity during the first year after graduation, that governmental entity shall reimburse the first governmental entity the full cost of the training costs.

B. If the corrections officer is hired by the other governmental entity during the 2nd year after graduation, that governmental entity shall reimburse the first governmental entity 80% of the training costs.

C. If the corrections officer is hired by the other governmental entity during the 3rd year after graduation, that governmental entity shall reimburse the first governmental entity 60% of the training costs.

D. If the corrections officer is hired by the other governmental entity during the 4th year after graduation, that governmental entity shall reimburse the first governmental entity 40% of the training costs.

E. If the corrections officer is hired by the other governmental entity during the 5th year after graduation, that governmental entity shall reimburse the first governmental entity 20% of the training costs.

F. If the corrections officer graduated more than 5 years before subsequently being hired by the other governmental entity, that governmental entity is not obligated to reimburse the first governmental entity.

If the corrections officer is subsequently hired by additional governmental entities within 5 years of graduation from the academy, each of those governmental entities is liable to the governmental employer immediately preceding it for the training costs paid by that governmental entity under this subsection. The extent of financial liability must be determined according to the formula established by this subsection.

Reimbursement is not required when the corrections officer hired by a governmental entity has had employment with a prior governmental entity terminated at the discretion of the governmental entity.

Sec. ZZZ-2. 34-A MRSA §3036-A, sub-§2, as amended by PL 2003, c. 711, Pt. A, §§21 and 22 and affected by Pt. D, §2, is further amended to read:

2. Participation. ~~With the consent of the prisoner the~~The commissioner may ~~permitted~~transfer any prisoner committed to the department to be transferred from a correctional facility to supervised community confinement subject to the following restrictions.

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A. A transfer to supervised community confinement may only be granted subject to rules adopted by the commissioner.

B. A prisoner may not be transferred to supervised community confinement until the prisoner has served at least $\frac{2}{3}$ of the term of imprisonment imposed or, in the case of a split sentence, at least $\frac{2}{3}$ of the unsuspended portion, after consideration of any deductions that the prisoner has received and retained under Title 17-A, section 1253 if the term of imprisonment or, in the case of a split sentence, the unsuspended portion is more than 5 years. A prisoner may not be transferred to supervised community confinement until the prisoner has served at least $\frac{1}{2}$ of the term of imprisonment imposed or, in the case of a split sentence, at least $\frac{1}{2}$ of the unsuspended portion after consideration of any deductions that the prisoner has received and retained under Title 17-A, section 1253 if the term of imprisonment or, in the case of a split sentence, the unsuspended portion is 5 years or less.

C. Except as provided in paragraph C-1, a prisoner may not be transferred to supervised community confinement unless the prisoner has no more than ~~one year~~18 months remaining on the term of imprisonment or, in the case of a split sentence, on the unsuspended portion, after consideration of any deductions that the prisoner has received and retained under Title 17-A, section 1253.

C-1. If the commissioner determines that the average statewide probation case load is no more than 90 probationers to one probation officer, then a prisoner may be transferred to supervised community confinement if that prisoner has no more than 2 years remaining on the term of imprisonment or, in the case of a split sentence, on the unsuspended portion, after consideration of any deductions that the prisoner has received and retained under Title 17-A, section 1253.

D. A prisoner may not be transferred to supervised community confinement if the prisoner has a security classification level higher than minimum.

PART AAAA

Sec. AAAA-1. Administrative burden reduction. The Department of Health and Human Services shall convene the Administrative Burdens Work Group, referred to in this section as "the work group," no later than July 1, 2007. The charge of the work group is to identify potential savings of provider operating expenses in fiscal year 2009 through a reduction of administrative burdens arising from requirements imposed by the department upon contracting mental health agencies. The work group shall also develop a plan to be implemented in fiscal year 2009 for consolidating administrative functions and reducing overhead costs within each of the department's community service network areas. The work group consists of 3 representatives of mental health service providers, 2 designated by the Maine Association of Mental Health Services and one designated by the department; 3 representatives of the interests of consumers of adult and children's mental health services identified by the department; and representatives of the department designated by the Commissioner of Health and Human Services. The department shall provide the information and staff support necessary for the work group to fulfill its responsibilities.

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1. The work group shall review and evaluate the department's current reporting, billing, record-keeping, auditing, operational and other administrative requirements applicable to mental health agencies for the purpose of identifying opportunities to reduce provider costs by reducing the burdens imposed by these requirements. The requirements and costs to be reviewed include, without limitation, the department's rules, practices, expectations and forms in the areas of contracted services, licensing, MaineCare services and other department relationships with providers.

2. Based on its review and evaluation, the work group shall develop recommendations that detail:

A. Specific administrative requirements that are unnecessary, duplicative or of insufficient value to justify the expenditures;

B. Savings that could, in the informed opinion of the provider representatives on the work group, be achieved through elimination or modification of these specific administrative requirements;

C. Specific regulatory, licensing, contractual or other changes that need to occur in order to accomplish each identified reduction of administrative burdens, taking into account all applicable court orders, consent decrees and related documents; and

D. A timetable for implementation of each identified change.

Sec. AAAA-2. System redesign. The Department of Health and Human Services shall convene the Systems Redesign Work Group, referred to in this section as "the work group," no later than July 1, 2007. The charge of the work group is to identify potential savings in General Fund expenditures for mental health care services in fiscal year 2009 to be achieved by redesigning certain elements of the community mental health system as provided in this section. The work group consists of 3 representatives of mental health service providers, 2 designated by the Maine Association of Mental Health Services and one designated by the department; 3 representatives of the interests of consumers of mental health services and their families designated by the department; a representative of the contractor selected by the department for implementation of behavioral health managed care services, once such a selection has been made; and representatives of the department designated by the Commissioner of Health and Human Services. The department shall provide the information and staff support necessary for the work group to fulfill its responsibilities.

1. The work group shall review the continuum of core services in child and adult mental health; consider whether refinements or modifications of the continuum are appropriate, consistent with the requirements of applicable court orders, consent decrees and other legal authorities; identify current system inefficiencies and service redundancies that can be corrected within a reasonable time; and recommend models for expanding flexibility for certain core service areas and other models of service delivery that support quality, access, choice and economy in community-based services.

2. Based on its development of redesign elements as described in subsection 1, the work group shall develop recommendations that detail:

A. The core service components that will address the comprehensive mental health needs of children with serious emotional disturbance and adults who have serious and persistent mental illness and address the serious mental health needs of the general population, including specialty populations and victims of trauma; and

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B. Standardized descriptions of the staffing levels and other resources that are required to deliver each service in order to develop a rate consistent with each description.

Sec. AAAA-3. Rate standardization. The Department of Health and Human Services shall convene the Rate Standardization Work Group, referred to in this section as "the work group," no later than July 1, 2007. The charge of the work group is to create a regulatory framework for the development of standard rates for all behavioral health services for which payment is now made on the basis of provider-specific rates and any additional services affected by system redesign pursuant to section 2. The work group consists of 4 representatives of mental health service providers, 2 designated by the Maine Association of Mental Health Services and 2 designated by the department, and representatives of the department designated by the Commissioner of Health and Human Services. The department shall provide the information and staff support necessary for the work group to fulfill its responsibilities. The department shall establish by rule a methodology for setting standard rates in a manner consistent with those recommendations and section 4. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

1. The work group shall develop a rate-setting methodology that relies on objective benchmarking tools to identify the key cost components, including productivity, of core services, consistent with the administrative savings achievable pursuant to section 1 and the service descriptions developed pursuant to section 2. The methodology recommended by the work group must be designed to produce rates that are adequate to cover the costs incurred by efficiently and economically operated service providers to deliver services consistent with the descriptions developed pursuant to section 2.

2. The work group shall develop recommendations concerning:

A. The regulatory framework for developing rates;

B. The data to be used and methods to be applied to establish standard rates; and

C. Whether alternative rate structures for certain services should be established.

3. The work group shall provide its recommendations in draft form to representatives of the interests of consumers of mental health services and their families, designated by the department, and to the court master in the Augusta Mental Health Institute consent decree proceedings. The comments of these representatives must be considered in developing final recommendations.

Sec. AAAA-4. Implementation of rate and system changes. The Department of Health and Human Services shall report and implement the agreed-upon recommendations of the work groups established in this Part in accordance with this section.

1. Beginning in July 2007, the department shall report monthly to the Joint Standing Committee on Health and Human Services on the progress of the work groups established in this Part.

2. No later than October 31, 2007, the Commissioner of Health and Human Services shall present to the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Appropriations and Financial Affairs the department's proposals for actions to be taken and savings to be realized on the basis of the recommendations of the work groups established in sections 1 and 2. No later

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than January 7, 2008, the commissioner shall present to those committees the department's proposals for actions to be taken and potential savings to be realized on the basis of the recommendations of the work group established in section 3.

3. The department, with the concurrence of the work groups established in this Part, shall prepare and provide to the Joint Standing Committee on Health and Human Services, no later than January 7, 2008, drafts of all regulatory, licensing, contractual or other language changes required to accomplish the proposals presented pursuant to subsection 2, including any implementing legislation.

4. The Joint Standing Committee on Health and Human Services is authorized to introduce any legislation necessary to implement the changes recommended by the commissioner pursuant to this section.

5. No later than March 31, 2008, the department shall give notice pursuant to the Maine Revised Statutes, Title 5, section 8053 of any amendment or adoption of rules that may be necessary to implement the changes identified pursuant to this Part. The timetable provided in such notice or notices must provide for the necessary rules to take effect no later than June 30, 2008. To the extent that all parties concur, the department shall implement identified changes that do not require legislation as promptly as practicable.

Sec. AAAA-5. Net rate standardization target. If the savings described in section 6 are not achieved through the actions taken pursuant to sections 1, 2 and 4, the department may not achieve the savings by further reducing rates or expanding rate standardization beyond the amounts recommended pursuant to section 3 and reflected in section 7 without first reporting its recommendations to the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Appropriations and Financial Affairs pursuant to section 4, subsection 2 and providing adequate opportunity for public comment on these recommendations to those joint standing committees.

Sec. AAAA-6. Calculation and transfer; General Fund savings from adjusting rates and redesigning behavioral health services; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in section 7 in the Department of Health and Human Services resulting from adjusting rates, including adjustments resulting from reducing administrative burdens, and resulting from redesigning services and from other measures described in this Part that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

Sec. AAAA-7. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)

Departmentwide 0019

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Initiative: Reduces funding from savings achieved by adjusting rates, including adjustments resulting from reducing administrative burden, and by redesigning services and other measures that the department may take within its existing authority pursuant to this Part. The corresponding federal match reductions are reflected in the Medical Care - Payments to Providers program.

GENERAL FUND	2007-08	2008-09
All Other	(\$5,000,000)	(\$14,000,000)
	<hr/>	<hr/>
GENERAL FUND TOTAL	(\$5,000,000)	(\$14,000,000)

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS) DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	(\$5,000,000)	(\$14,000,000)
	<hr/>	<hr/>
DEPARTMENT TOTAL - ALL FUNDS	(\$5,000,000)	(\$14,000,000)

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Medical Care - Payments to Providers 0147

Initiative: Reduces funding from savings achieved by adjusting rates, including adjustments resulting from reducing administrative burden, and by redesigning services and other measures that the department may take within its existing authority pursuant to this Part. The corresponding state funding reductions are reflected in the Departmentwide program in the former Department of Behavioral and Developmental Services.

FEDERAL EXPENDITURES FUND	2007-08	2008-09
All Other	(\$8,623,978)	(\$24,157,536)
	<hr/>	<hr/>
FEDERAL EXPENDITURES FUND TOTAL	(\$8,623,978)	(\$24,157,536)

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS) DEPARTMENT TOTALS	2007-08	2008-09
FEDERAL EXPENDITURES FUND	(\$8,623,978)	(\$24,157,536)
	<hr/>	<hr/>

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DEPARTMENT TOTAL - ALL FUNDS **(\$8,623,978)** **(\$24,157,536)**

SECTION TOTALS	2007-08	2008-09
GENERAL FUND	(\$5,000,000)	(\$14,000,000)
FEDERAL EXPENDITURES FUND	(\$8,623,978)	(\$24,157,536)
<hr/>		
SECTION TOTAL - ALL FUNDS	(\$13,623,978)	(\$38,157,536)

PART BBBB

Sec. BBBB-1. Legislative account; lapsed balances at close of fiscal year 2006-07; Legislature, General Fund. Notwithstanding any other provision of law, \$350,000 of unencumbered balance forward in the Personal Services line category in the Legislature, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2006-07.

Sec. BBBB-2. Legislative account; lapsed balances at close of fiscal year 2006-07; Office of Program Evaluation and Government Accountability, General Fund. Notwithstanding any other provision of law, \$150,000 of unencumbered balance forward in the Personal Services line category in the Office of Program Evaluation and Government Accountability, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2006-07.

Sec. BBBB-3. Legislative account; lapsed balances at close of fiscal year 2006-07 and fiscal year 2007-08; Legislature, General Fund. Notwithstanding any other provision of law, \$250,000 of unencumbered balance forward in the Personal Services line category in the Legislature, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2006-07. In addition, \$225,000 of unencumbered balance forward in the Personal Services line category in the Legislature, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2007-08.

Sec. BBBB-4. Legislative account; lapsed balances; Law and Legislative Reference Library, General Fund. Notwithstanding any other provision of law, \$150,000 of unencumbered balance forward in the Personal Services line category in the Law and Legislative Reference Library, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2006-07. In addition, \$100,000 of unencumbered balance forward in the Personal Services line category in the Law and Legislative Reference Library, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2007-08.

Sec. BBBB-5. Legislative account; lapsed balances at close of fiscal year 2006-07 and fiscal year 2007-08; Office of Program Evaluation and Government Accountability, General Fund. Notwithstanding any other provision of law, \$75,000 of unencumbered balance forward in the Personal Services line category in the Office of Program Evaluation

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and Government Accountability, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2006-07. In addition, \$50,000 of unencumbered balance forward in the Personal Services line category in the Office of Program Evaluation and Government Accountability, General Fund account in the Legislature lapses to the General Fund at the close of fiscal year 2007-08.

PART CCCC

Sec. CCCC-1. Transfer; Emergency Services Communications Bureau.

Notwithstanding any other provision of law, the State Controller shall transfer \$3,700,000 of surplus funds not needed for current operations by June 30, 2007 from the Emergency Services Communications Bureau Other Special Revenue Funds account in the Public Utilities Commission to the unappropriated surplus of the General Fund consistent with past practice.

Sec. CCCC-2. Transfer; Conservation Program Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$250,000 of surplus funds not needed for current operations by June 30, 2007 from the Conservation Program Fund Other Special Revenue Funds account within the Public Utilities Commission to the unappropriated surplus of the General Fund consistent with past practice.

PART DDDD

Sec. DDDD-1. Maintenance of freestanding day habilitation services. Beginning July 1, 2007, the Department of Health and Human Services shall transition day habilitation services to a new support services Medicaid waiver for those persons who cannot receive services under the waiver program as those freestanding day habilitation services will be eliminated as an entitlement under the MaineCare state plan. For those persons receiving such services on January 1, 2007, the department shall within available resources maintain day habilitation services at the level at which they were provided on January 1, 2007 until a satisfactory person-centered transition plan is in effect.

PART EEEE

Sec. EEEE-1. Transfer from Other Special Revenue Funds; Department of Public Safety, Maine Criminal Justice Academy. Notwithstanding any other provision of law, the State Controller shall transfer \$50,000 of surplus funds not needed for current operations by June 30, 2007 from the Maine Criminal Justice Academy Other Special Revenue Funds account in the Department of Public Safety to the unappropriated surplus of the General Fund consistent with past practice.

Sec. EEEE-2. Transfer from Other Special Revenue Funds; Department of Public Safety, Office of the State Fire Marshal. Notwithstanding any other provision of law, the State Controller shall transfer \$50,000 of surplus funds not needed for current operations by June 30, 2007 from the Office of the State Fire Marshal Other Special Revenue Funds account in the Department of Public Safety to the unappropriated surplus of the General Fund consistent with past practice.

Sec. EEEE-3. Transfer from Other Special Revenue Funds; Department of Public Safety, Licensing and Enforcement. Notwithstanding any other provision of law, the State Controller shall transfer \$20,000 of surplus funds not needed for current operations by June 30, 2007 from the Licensing and Enforcement Other Special Revenue Funds account in the Department of Public Safety to the unappropriated surplus of the General Fund consistent with past practice.

PART FFFF

Sec. FFFF-1. Transfer from Other Special Revenue Funds; Department of Agriculture, Food and Rural Resources, Division of Quality Assurance and Regulations. Notwithstanding any other provision of law, the State Controller shall transfer \$127,176 of the unencumbered balance in fiscal year 2007-08 in the Federal-State Inspection Fund Other Special Revenue Funds account of the Division of Quality Assurance and Regulations program within the Department of Agriculture, Food and Rural Resources to the General Fund in fiscal year 2007-08.

PART GGGG

Sec. GGGG-1. Transfer from State's share of multistate settlement. The State Controller shall transfer \$719,000 to the unappropriated surplus of the General Fund by June 30, 2008 from the State's share of a multistate settlement deposited pursuant to the Maine Revised Statutes, Title 5, section 203-A in the Administration - Attorney General Other Special Revenue Funds account.

PART HHHH

Sec. HHHH-1. Transfer from Other Special Revenue Funds; Baxter Compensation Authority. Notwithstanding any other provision of law, the State Controller shall transfer \$18,000 of surplus funds not needed for current operations by June 30, 2007 from the Baxter Compensation Authority Other Special Revenue Funds account to the unappropriated surplus of the General Fund consistent with past practice.

PART IIII

Sec. IIII-1. Increase pro hac vice fees. The State Court Administrator shall increase pro hac vice fees from \$200 to \$600. The projected increase in the collection of General Fund revenue is \$71,160 annually beginning in fiscal year 2007-08.

Sec. IIII-2. Increase general civil filing fees. The State Court Administrator shall increase general civil filing fees from \$120 to \$150. The projected increase in the collection of General Fund revenue is \$420,000 annually beginning in fiscal year 2007-08.

PART JJJJ

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Sec. JJJJ-1. Calculation and transfer; General Fund savings through increased efficiencies. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amounts of savings from increased efficiencies that result from this Part that apply against each General Fund account for all departments and agencies except legislative branch departments and agencies and shall transfer the amounts by financial order upon approval of the Governor. These transfers are considered adjustments to appropriations in fiscal years 2007-08 and 2008-09. The State Budget Officer shall provide the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report of the transferred amounts not later than November 5, 2008.

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Executive Branch Departments and Independent Agencies - Statewide 0017

Initiative: Reduces the funding to be realized through increased efficiencies.

GENERAL FUND	2007-08	2008-09
Unallocated	(\$1,400,000)	(\$1,400,000)
<hr/>		
GENERAL FUND TOTAL	(\$1,400,000)	(\$1,400,000)

PART KKKK

Sec. KKKK-1. 36 MRS §2513, first ¶, as amended by PL 2005, c. 218, §30, is further amended to read:

Every insurance company or association that does business or collects premiums or assessments including annuity considerations in the State, including surety companies and companies engaged in the business of credit insurance or title insurance, shall, for the privilege of doing business in this State, and in addition to any other taxes imposed for such privilege pay a tax upon all gross direct premiums including annuity considerations, whether in cash or otherwise, on contracts written on risks located or resident in the State for insurance of life, annuity, fire, casualty and other risks at the rate of 2% a year. Every surplus lines insurer that does business or collects premiums in the State shall, for the privilege of doing business in this State, and in addition to any other taxes imposed for such privilege, pay a tax upon all gross direct premiums, whether in cash or otherwise, on contracts written on risks located or resident in the State at the rate of 3% a year. The tax must be paid by the insurer's licensed producer with surplus lines authority pursuant to Title 24-A, section 2016. For purposes of this section, the term "annuity considerations" includes amounts paid to an insurance company when received for the purchase of a contract that may result in an annuity, even when the annuitization never occurs or does not occur until some time in the future and the amounts are in the meantime applied to an investment vehicle other

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than an annuity. This section does not apply to mutual fire insurance companies under section 2517 or to captive insurance companies ~~incorporated~~formed or licensed under Title 24-A, chapter 83 or under the laws of another state.

Sec. KKKK-2. 36 MRSA §2513-B, as amended by PL 1997, c. 583, §6, is repealed.

Sec. KKKK-3. 36 MRSA §2515, as amended by PL 2003, c. 20, Pt. CC, §2 and affected by §3, is further amended to read:

§ 2515. Amount of tax

In determining the amount of tax due under section 2513 ~~or 2513-B~~, each company shall deduct from the full amount of gross direct premiums the amount of all direct return premiums on the gross direct premiums and all dividends paid to policyholders on direct premiums, and the tax must be computed by those companies or their agents. Except when direct return premiums are returned in the same tax year that the premium was paid, the deduction allowed in this section may be taken only if the tax under this Part has been paid.

Sec. KKKK-4. 36 MRSA §2518, as amended by PL 1997, c. 435, §4, is further amended to read:

§ 2518. Neglect to make return; assessment; failure to pay

If any insurance company, ~~captive insurance company~~ or association fails to pay on demand a tax assessed under section 141, subsection 2, paragraph C, the State Tax Assessor shall certify that failure to the Superintendent of Insurance who shall give notice to the company or association that it may not do any more business in the State. Whoever, after such notice, does business for such company or association is guilty of a Class E crime.

Sec. KKKK-5. 36 MRSA §2521-A, as amended by PL 2005, c. 218, §31, is further amended to read:

§ 2521-A. Returns; payment of tax

Every insurance company, ~~captive insurance company~~, association, producer or attorney-in-fact of a reciprocal insurer subject to tax as imposed by this chapter shall on or before the last day of each April, the 25th day of each June and the last day of each October file with the State Tax Assessor on forms prescribed by the ~~State Tax Assessor~~assessor a return for the quarter ending the last day of the preceding month, except for the month of June, which is for the quarter ending June 30th. These returns may be on an estimated basis, as long as each April and June installment equals at least 35% of the total tax paid for the preceding calendar year or 35% of the total tax to be paid for the current calendar year. The remaining installments must equal 15% of the total tax to be paid for the preceding calendar year or 15% of the total tax to be paid for the current year. An authorized company official shall affirm which elective is selected. Such elective can not be changed during the current calendar year. The final return must be filed on or before March 15th covering the prior calendar year.

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At the time of filing such returns, each insurance company, ~~captive insurance company~~, association or attorney-in-fact of a reciprocal insurer shall pay to the ~~State Tax Assessor~~assessor the amount of tax shown due.

Insurance companies, ~~captive insurance companies~~, associations or attorneys-in-fact of a reciprocal insurer with annual tax liability not exceeding \$500 may with approval of the ~~State Tax Assessor~~assessor file an annual return with payment on or before March 15th covering the prior calendar year.

Sec. KKKK-6. 36 MRSA §5102, sub-§6, as amended by PL 2001, c. 439, Pt. D, §1 and affected by §9, is further amended to read:

6. Corporation. "Corporation" means any business entity subject to income taxation as a corporation under the laws of the United States, except the following:

A. A corporation that is subject to tax under chapter 357 or that would be subject to tax under chapter 357 if the insurance business conducted by such corporation were conducted in this State;

B. A corporation subject to tax under section 5206; ~~or~~

C. A business entity referred to in Title 24-A, section 1157, subsection 5, paragraph B, subparagraph (1); or

D. A person that is engaged solely in the business of reinsuring risks of one or more affiliated insurance companies that are not captive insurance companies formed or licensed under Title 24-A, chapter 83 or under the laws of another state. "Insurance companies" means companies that are subject to tax under chapter 357 or that would be subject to tax under chapter 357 if the insurance business conducted by such companies were conducted in this State.

For purposes of this subsection, a corporation described in paragraph A is an "insurance company," and a health maintenance organization to the extent operated under authority of a certificate issued by the Superintendent of Insurance pursuant to Title 24-A, section 4204 is a "Maine health maintenance organization." Notwithstanding paragraph A, an insurance company is subject to the tax imposed by this Part with respect to income it receives from a Maine health maintenance organization, except where the Maine health maintenance organization is separately organized and subject to income taxation. The provisions of this Part pertaining to the taxation and reporting obligations of a unitary business, including section 5200, section 5220, subsection 5 and section 5244, apply to the income, factors and affiliations of an insurance company arising from a Maine health maintenance organization as though the Maine health maintenance organization were a separate corporation, but do not otherwise apply to such insurance company.

Sec. KKKK-7. Application. This Part applies to tax years beginning on or after January 1, 2007.

PART LLLL

Sec. LLLL-1. 12 MRSA §10261 is enacted to read:

§ 10261. Boat Launch Facilities Fund

The Boat Launch Facilities Fund, referred to in this section as "the fund," is established within the department as a nonlapsing fund to be used by the commissioner to fund or assist in funding the establishment, improvement and maintenance of publicly owned boat launch facilities on inland waters. The commissioner may accept and deposit into the fund any monetary gifts, donations or other contributions from public or private sources. Funds deposited in the fund must be used for the purposes specified in this section.

Sec. LLLL-2. 29-A MRSA §456-C, as amended by PL 2005, c. 405, Pt. N, §1, is further amended to read:

§ 456-C. Sportsman registration plates

The Secretary of State shall issue sportsman registration plates pursuant to section 468.

1. Sportsman registration plates. The Secretary of State, upon receiving an application and evidence of payment of the registration fee required by section 501 and the excise tax required by Title 36, section 1482, shall issue a registration certificate and a set of sportsman plates to be used in lieu of regular registration plates. These plates must bear identification numbers and letters. Vanity plates may not duplicate vanity plates issued in another class of plate. The Secretary of State shall begin issuing sportsmen registration plates by April 1, 2008.

2. Initial registration fee. A person may apply for the special registration plates by paying a sum of \$20 credited to the ~~Lifetime License Fund~~Boat Launch Facilities Fund established in Title 12, section ~~10251~~10261.

3. Renewal fee. In addition to the regular motor vehicle registration fee prescribed by law, the annual renewal contribution for sportsman registration plates is \$20 ~~to be~~. Fifty percent of that sum is credited to the ~~Lifetime License Fund~~fish hatchery maintenance fund established in Title 12, section ~~10251~~10252, 15% is credited to the Boat Launch Facilities Fund established in Title 12, section 10261, 10% is credited to the Maine Endangered and Nongame Wildlife Fund established in Title 12, section 10253 and 25% is credited to the Support Landowners Program in Title 12, section 10108, subsection 4, paragraph A.

4. Issuance. The Secretary of State shall issue a sportsman registration plate in a number or letter sequence or a combination of a number and letter sequence.

5. Design and approval. Notwithstanding section 468, subsection 5, the Commissioner of Inland Fisheries and Wildlife shall submit a new proposed design for the sportsman registration plate every 6 years for approval or modification by the Secretary of State.

6. Transfer of fees. The Secretary of State shall transfer the revenue from the issuance of the sportsman registration plates as provided in subsections 2 and 3 on a quarterly basis.

Sec. LLLL-3. 29-A MRSA §468, sub-§6, as enacted by PL 2001, c. 623, §5, is amended to read:

6. Numbering, lettering and duplicate plates. ~~The~~Except as provided in section 465-C, the Secretary of State shall issue a specialty license plate in a 3-number and 3-letter combination sequence. Vanity plates may not duplicate vanity plates issued in another class of plate.

Sec. LLLL-4. Transfer; Department of Inland Fisheries and Wildlife carrying account. On or before June 20, 2008, the State Controller shall transfer \$650,000 from the Department of Inland Fisheries and Wildlife carrying account to the Administrative Services - Inland Fisheries and Wildlife program for the construction of a departmental regional headquarters in Aroostook County.

PART MMMM

Sec. MMMM-1. Transfer of funds; Maine Coast Environmental Trust Fund. Notwithstanding any other provision of law, on or before October 1, 2007, the State Controller shall transfer \$27,300 from the unappropriated surplus of the General Fund to the Maine Coast Environmental Trust Fund account established pursuant to the Maine Revised Statutes, Title 12, section 6136.

PART NNNN

Sec. NNNN-1. 36 MRSA §5219-R, sub-§3 is enacted to read:

3. Credit for certain local historic landmark developers; Lockwood Mill Historic District. Notwithstanding subsection 1, a taxpayer that is entitled to a credit under Section 47 of the Code for 2 or more buildings located in the Lockwood Mill Historic District in the City of Waterville is allowed a refundable credit in an amount equal to the credit determined by the taxpayer under Section 47 of the Code for the taxable year. The refundable credit allowed by this subsection is in lieu of the credit that is allowed to the taxpayer by subsection 1 or that would otherwise be passed through to its partners or shareholders, if any. The credit is allowed only for tax years that begin on or after January 1, 2007 but before January 1, 2012. The credit allowed for a calendar year must be prorated among tax years based on the respective number of days of the tax year in the calendar year and may not exceed \$1,000,000 annually. A taxpayer's unused credit amounts may be carried forward only through the 2011 tax year. In the event that more than one taxpayer qualifies for the refundable credit allowed by this subsection, the maximum annual credit amount and credit carry-forward limitations established by this subsection apply to all such taxpayers collectively, and if necessary the State Tax Assessor shall prorate the credits among those taxpayers based on their respective shares of incurred qualified rehabilitation expenditures.

PART OOOO

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Sec. OOOO-1. Air ambulance accounts receivable defined. For the purpose of this Part, "air ambulance accounts receivable" means the State's accounting entries made as a direct result of a Maine Revenue Services notice of assessment on an air ambulance organization exemption disallowance that was related to use tax liability.

Sec. OOOO-2. Certification of air ambulance accounts receivable balance. The State Controller shall monitor the air ambulance accounts receivable balance and certify to the Secretary of State and the Revisor of Statutes when the balance is \$200,000 or less.

Sec. OOOO-3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

State Controller - Office of 0056

Initiative: Provides funds for certain air ambulance organizations. These funds do not lapse in fiscal year 2007-08 and must be carried forward to fiscal year 2008-09 to be used for the same purpose.

GENERAL FUND	2007-08	2008-09
All Other	\$200,000	\$0
	<hr/>	
GENERAL FUND TOTAL	\$200,000	\$0

Sec. OOOO-4. Contingent effective date. That section of this Part that makes appropriations and allocations takes effect 90 days after the certification by the State Controller that the air ambulance accounts receivable balance is \$200,000 or less.

PART PPPP

Sec. PPPP-1. 36 MRSA §653, sub-§1, ¶C, as amended by PL 2005, c. 519, Pt. MMM, §1 and affected by §2, is further amended to read:

C. The estates up to the just value of ~~\$5,000~~\$6,000, having a taxable situs in the place of residence, of veterans who served in the Armed Forces of the United States:

- (1) During any federally recognized war period, including the Korean Campaign, the Vietnam War, the Persian Gulf War and the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, or who were awarded the Armed Forces Expeditionary Medal, when they have reached the age of 62 years or when they are receiving any form of pension or compensation from the United States Government for total disability, service-connected or nonservice-connected, as a veteran. A veteran of the Vietnam War must have served on active

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duty for a period of more than 180 days, any part of which occurred after February 27, 1961 and before May 8, 1975 unless the veteran died in service or was discharged for a service-connected disability after that date. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period; or

(2) Who are disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or compensation from the United States Government for total, service-connected disability.

The exemptions provided in this paragraph apply to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

Sec. PPPP-2. 36 MRSA §653, sub-§1, ¶D, as amended by PL 2003, c. 702, §1, is further amended to read:

D. The estates up to the just value of ~~\$5,000~~\$6,000, having a taxable situs in the place of residence, of the unremarried widow or widower or minor child of any veteran who would be entitled to the exemption if living, or who is in receipt of a pension or compensation from the Federal Government as the widow or widower or minor child of a veteran.

The estates up to the just value of ~~\$5,000~~\$6,000, having a taxable situs in the place of residence, of the parent of a deceased veteran who is 62 years of age or older and is an unremarried widow or widower who is in receipt of a pension or compensation from the Federal Government based upon the service-connected death of that parent's child.

The exemptions provided in this paragraph apply to the property of an unremarried widow or widower or minor child or parent of a deceased veteran, including property held in a revocable living trust for the benefit of that unremarried widow or widower or minor child or parent of a deceased veteran.

PART QQQQ

Sec. QQQQ-1. 30-A MRSA c. 206, sub-c. 6 is enacted to read:

SUBCHAPTER 6

Pine Tree Development Zone Exceptions

§ 5250-R. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Commissioner. "Commissioner" means the Commissioner of Economic and Community Development.

2. Department. "Department" means the Department of Economic and Community Development.

3. Manufacturing. "Manufacturing" has the same meaning as in section 5250-I, subsection 11.

4. Pine Tree Development Zone. "Pine Tree Development Zone" has the same meaning as in section 5250-I, subsection 13.

5. Pine Tree Development Zone benefits. "Pine Tree Development Zone benefits" has the same meaning as in section 5250-I, subsection 14.

§ 5250-S. Exceptions for manufacturing businesses

1. Expansion by manufacturing business. The commissioner may certify a business that does not otherwise qualify as a qualified Pine Tree Development Zone business pursuant to section 5250-I, subsection 17 or that does not locate in a Pine Tree Development Zone as qualified to receive Pine Tree Development Zone benefits if the business:

A. Is a for-profit business that has been engaged in the business of manufacturing in the State for at least 3 years;

B. Makes a written commitment to expand its business at one of its current locations in the State by adding at the location of expansion a minimum of 20 net new, full-time employees for whom a retirement program subject to the federal Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 1001 to 1461, as amended, and group health coverage are provided and whose income derived from employment at the business's location of expansion, calculated on a calendar-year basis, is greater than the most recent annual per capita personal income in the county in which the employee is employed; and

C. Makes a written commitment to invest a minimum of \$2,000,000 in its expansion at one of its current locations.

2. Application for tax benefits. A manufacturing business may apply to the commissioner for certification to receive Pine Tree Development Zone benefits pursuant to subsection 1. An application must include, but is not limited to, a detailed narrative description of the manufacturing business's plans for expansion and goals for achieving the requirements listed under subsection 1 and a description of resources to be committed at the location of expansion, including a related timeline for achieving these goals. Upon review and determination by the commissioner that the business satisfies the criteria under subsection 1, the commissioner shall issue a certificate to the manufacturing business for qualification for Pine Tree Development Zone benefits.

3. Sunset. Applications for Pine Tree Development Zone benefits under this subchapter must be received by the commissioner by December 1, 2009.

§ 5250-T. Rules

The department shall adopt rules to implement this subchapter. Rules adopted pursuant to this section are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

PART RRRR

Sec. RRRR-1. 5 MRSA §12004-G, sub-§7-F, as enacted by PL 2003, c. 704, §1, is repealed.

Sec. RRRR-2. 5 MRSA c. 389, as amended, is repealed.

Sec. RRRR-3. 10 MRSA §917-A, sub-§6 is enacted to read:

6. Attract and retain youth in the State. The Maine Development Foundation shall establish and oversee an initiative to develop, recommend and implement specific strategies and efforts to attract and retain youth in this State. For the purposes of this subsection, "youth" means persons 20 to 40 years of age. The initiative must be guided by an independent steering committee selected by the Maine Development Foundation Board of Directors that is composed of youth with a diverse representation of gender, race, geography, professional sector and education and including representation from regional young persons groups and networks across the State. The Maine Development Foundation shall perform activities to advance this initiative, including but not limited to:

A. The support of regional efforts in this State to connect, attract and retain youth. Areas of support include professional and leadership development, social networking and community building and collaboration between regional groups for the purpose of promoting best practices;

B. The support and promotion of existing and emerging economic development, public policy and community initiatives that expand opportunities for youth in this State; and

C. The development and oversight of a comprehensive website linking youth to professional, educational, social, recreational, cultural and civic opportunities in this State.

Sec. RRRR-4. 30-A MRSA §4722, sub-§1, ¶Y, as amended by PL 2005, c. 644, §1, is further amended to read:

Y. Expand access to housing for young professionals and young families. The Maine State Housing Authority shall develop recommendations to create or modify programs with the goal of expanding access to housing for young professionals and young families. The Maine State Housing Authority shall specifically consider strategies to assist renters and first-time home buyers who are under 35 years of age and explore options for linking assistance levels to student loan obligations. The Maine State Housing Authority shall collaborate with the Maine Community College System, vocational high schools and community action programs to encourage the development of affordable housing in high-cost housing areas of the State.

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(1) The Maine State Housing Authority shall report its findings and recommendations regarding expanded access to housing for young professionals and young families to the ~~Future for Youth in Maine State Work Action Tactics Team established in Title 5, section 13161~~ Maine Development Foundation and to the joint standing committee of the Legislature having jurisdiction over housing matters no later than January 15, 2005 and annually thereafter;

Sec. RRRR-5. Report. By February 1, 2009, the Maine Development Foundation shall report to the joint standing committee of the Legislature having jurisdiction over business, research and economic development matters on the progress made pursuant to the Maine Revised Statutes, Title 10, section 917-A, subsection 6 to attract and retain young people in this State and to support regional efforts in this State to connect, attract and retain people 20 to 40 years of age and the foundation's use of any state funds appropriated to support these efforts across the State.

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

DEVELOPMENT FOUNDATION, MAINE

Development Foundation 0198

Initiative: Provides funds to support and increase activities, programs and outreach to attract and retain young people in the State within the Maine Development Foundation's responsibilities pursuant to the Maine Revised Statutes, Title 10, section 917-A, subsection 6. The foundation may use the appropriated funds to support any of these efforts as long as at least 50% of the funds are used to support regional efforts across the State.

GENERAL FUND	2007-08	2008-09
All Other	\$35,000	\$40,000
<hr/>		
GENERAL FUND TOTAL	\$35,000	\$40,000

PART SSSS

Sec. SSSS-1. Women's transitional corrections facility. Notwithstanding any of the requirements in the Maine Revised Statutes, Title 5, section 1742-B, the Department of Administrative and Financial Services, Bureau of General Services may make renovations or other public improvements to house a women's transitional corrections facility on state-owned property in Bangor.

PART TTTT

Sec. TTTT-1. Transfer; Other Special Revenue Funds elderly tax deferral.

Notwithstanding any other provision of law, the State Controller shall transfer \$300,000 from the Other Special Revenue Funds elderly tax deferral program within the Department of Administrative and Financial Services in fiscal year 2007-08 to the General Fund unappropriated surplus.

PART UUUU

Sec. UUUU-1. Administrative savings group. On or before September 1, 2007, the Chancellor of the University of Maine System, the President of the Maine Community College System and the President of the Maine Maritime Academy shall form an administrative savings group, referred to in this Part as "the group," to review potential savings in noninstructional costs for the 3 systems by combining administrative services to the extent practicable. The group shall review the feasibility of joint purchasing; joint contractual services; sharing of administrative personnel; coordinating payroll services, facilities management and food services; and cooperative use of human resources services and information technology. The group shall report to the respective boards of trustees and to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Education and Cultural Affairs on or before January 1, 2008 with proposed savings for the current biennial budget and for future state budgets.

PART VVVV

Sec. VVVV-1. 12 MRSA §6037 is enacted to read:

§ 6037. Marine Fisheries Stock Enhancement Fund

1. Fund established. The Marine Fisheries Stock Enhancement Fund, referred to in this section as "the fund," is established as a nonlapsing fund within the department to improve the marine economy in this State. Unexpended balances in the fund at the end of the fiscal year do not lapse and must be carried forward to the next fiscal year and used for the purposes of this section.

2. Uses of fund. Money in the fund must be administered by the department for commercial marine stock enhancement to improve the marine economy in this State through applied research, development, production of harvested marine species, infrastructure, monitoring and assessment. Money in the fund may be used as federal matching funds.

3. Department may accept contributions to fund. The department may accept money from any public or private source to augment state contributions to the fund.

PART WWWW

Sec. WWWW-1. 36 MRSA §1752, sub-§1-H is enacted to read:

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1-H. Commercial groundfishing boat. "Commercial groundfishing boat" means a boat that is federally permitted to harvest northeast multispecies operated by a person who holds a commercial fishing license issued by the State and used for harvesting northeast multispecies. As used in this subsection, "northeast multispecies" has the same meaning as in 50 Code of Federal Regulations, Section 648.2 (2006).

Sec. WWW-2. 36 MRSA §1760, sub-§8, ¶D is enacted to read:

D. Diesel internal combustion engine fuel bought and used from July 1, 2007 to June 30, 2008 for the purpose of operating or propelling a commercial groundfishing boat.

PART XXXX

Sec. XXXX-1. 20-A MRSA §1, sub-§20-A is enacted to read:

20-A. Previous education unit. "Previous education unit" means a state-approved unit of school administration that was responsible for operating or constructing public schools prior to the reorganization of school administrative units pursuant to chapter 103-A.

Sec. XXXX-2. 20-A MRSA §1, sub-§23-B is enacted to read:

23-B. Publicly supported secondary school. "Publicly supported secondary school" means:

A. A public secondary school; or

B. A private secondary school approved for the receipt of public funds under chapter 117, subchapter 2 that enrolls 60% or more publicly funded students.

Sec. XXXX-3. 20-A MRSA §1, sub-§24-B is enacted to read:

24-B. Regional school unit. "Regional school unit" means the state-approved unit of school administration as established pursuant to chapter 103-A.

Sec. XXXX-4. 20-A MRSA §1, sub-§24-C is enacted to read:

24-C. Regional school unit board. "Regional school unit board" means the board of directors that is the governing body with statutory powers and duties of a regional school unit.

Sec. XXXX-5. 20-A MRSA §1, sub-§26, as corrected by RR 1993, c. 1, §44 and amended by PL 2003, c. 545, §5, is further amended to read:

26. School administrative unit. "School administrative unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, community school district, regional school unit or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except that it does not include a career and technical education

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region. Beginning July 1, 2009, "school administrative unit" means the state-approved unit of school administration and includes only a municipal school unit and a regional school unit formed pursuant to chapter 103-A.

Sec. XXXX-6. 20-A MRSA §1201, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-7. 20-A MRSA §1202, as amended by PL 1993, c. 608, §1, is repealed.

Sec. XXXX-8. 20-A MRSA §1203, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-9. 20-A MRSA §1204, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-10. 20-A MRSA §1205, as amended by PL 2001, c. 588, §18, is repealed.

Sec. XXXX-11. 20-A MRSA §1305-C is enacted to read:

§ 1305-C. Mandatory budget validation and cost center summary budget form

Notwithstanding any other law, school administrative district budgets developed after January 1, 2008 must conform to the format and referendum procedures set forth in sections 1305-A and 1305-B.

Sec. XXXX-12. 20-A MRSA c. 103, sub-c. 6, as amended, is repealed.

Sec. XXXX-13. 20-A MRSA c. 103-A is enacted to read:

CHAPTER 103-A

REGIONAL SCHOOL UNITS

SUBCHAPTER 1

General provisions

§ 1451. Regional school units

It is declared the policy of the State to provide sufficient resources to support the reorganization of school administrative units into regional, state-approved units of school administration to provide:

1. Opportunity. Equitable educational opportunity for all students to demonstrate achievement of the content standards of the State's system of learning results established in section 6209;

2. Programs. Rigorous academic programs that meet the requirements of the system of learning results established in section 6209 and that prepare students for college, careers and citizenship;

3. Delivery. Uniformity in the delivery of academic programs that meet the requirements of the system of learning results established in section 6209;

4. Tax rates . A greater uniformity of tax rates for the support of schools;

5. Sustainability. The efficient use of limited resources in order to achieve long-term sustainability and predictability in the support of public schools;

6. Public funds. Effective use of the public funds expended for the support of public schools by means of:

A. The creation of cost-efficient organizational structures; and

B. Administrative structures and efficiencies that permit the organized and regular delivery of uniform state-sponsored professional development programs to promote coherence and consistency in the understanding and application of the State's standards-based system for continuous improvement in student achievement;

7. School choice. The preservation of opportunities for choice of schools; and

8. Services. The maximization of opportunities to deliver services that can more effectively be provided in larger districts than from within smaller units or individual schools.

Regional school units shall provide kindergarten to grade 12 public education, in accordance with this Title, and shall develop and implement policies that address efficiencies in administration, educational programming and the sharing of community resources for the continuous improvement of student achievement and the preparation of students for college, careers and citizenship.

§ 1452. Application of general law

Notwithstanding any provision of law to the contrary, schools operated by the regional school units established in accordance with this chapter are the official schools of the participating municipalities. The provisions of general law relating to public education apply to these schools. State funds for public schools must be paid directly to the treasurer of a regional school unit.

§ 1453. Status of regional school unit

For purposes of the Constitution of Maine, Article IX, Section 8, Subsection 3, a regional school unit is a school administrative district.

§ 1454. Rules

The state board may adopt rules to carry out this chapter. Rules adopted under this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUBCHAPTER 2

FORMATION OF REGIONAL SCHOOL UNIT

§ 1461. Formation of a regional school unit; reorganization planning and approval

The residents of 2 or more school administrative units may form a regional school unit that is a body politic and corporate pursuant to this section.

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1. Notice of intent. Each school administrative unit shall file with the commissioner a notice of intent to engage in planning and negotiations with other school administrative units for the purpose of developing a reorganization plan to form a regional school unit under this chapter. The commissioner shall respond to each notice of intent providing information regarding the process and whether the intended action complies with the requirements of this chapter.

2. Reorganization planning committee. The school administrative units that intend to engage in planning and negotiation to create a regional school unit shall form a reorganization planning committee.

A. For each proposed regional school unit, the commissioner shall provide guidelines for the formation of a reorganization planning committee including representation from the school administrative units included in the notice of intent, member municipalities and members of the general public who are residents of the proposed regional school unit. The guidelines must include roles and responsibilities of the committee, timelines for submission of the plan, the format for reporting the reorganization plan and evaluation criteria for approval of the plan.

B. Reorganization planning committees shall hold one or more public meetings to gather input from community members and to determine the sentiment of the public.

3. Submission of plans. Each school administrative unit shall submit to the commissioner its proposed reorganization plan for consolidation into a regional school unit that meets the requirements of paragraphs A and B.

A. A reorganization plan must include:

(1) The units of school administration to be included in the proposed reorganized regional school unit;

(2) The size, composition and apportionment of the governing body;

(3) The method of voting of the governing body;

(4) The composition, powers and duties of any local school committees to be created;

(5) The disposition of real and personal school property;

(6) The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of section 1506 regarding the disposition of debt obligations;

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(7) The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations;

(8) The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes;

(9) A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies;

(10) Documentation of the public meeting or public meetings held to prepare or review the reorganization plan;

(11) An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan;

(12) An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved; and

(13) Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary.

B. In order for the plan to be approved by the commissioner, the governing bodies of school administrative units shall work within the following parameters.

(1) The proposed regional school unit must serve not fewer than 2,500 students, except where circumstances relating to the following factors justify an exception:

(a) Geography, including physical proximity and the size of the current school administrative unit;

(b) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;

(c) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;

(d) Transportation;

(e) Population density; or

(f) Other unique circumstances including the need to preserve existing or developing relationships, meet the needs of students, maximize educational opportunities for students and ensure equitable access to rigorous programs for all students.

When circumstances justify an exception to the size requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for coastal islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

(2) The plan must provide comprehensive programming for all students from kindergarten to grade 12 and must include at least one publicly supported secondary school.

(3) The plan must be consistent with the policies set forth in section 1451.

(4) The plan may not displace teachers or students or close any schools existing and operating during the school year immediately preceding reorganization, except as permitted under section 1512.

4. Review and approval of plans. If the commissioner finds that a plan for reorganization meets the requirements of this chapter, the commissioner shall notify the municipalities and school administrative units, and they shall proceed with referendum.

5. Referendum on reorganization plan. The municipal officers of each municipality in a proposed reorganized school administrative unit shall place a warrant article substantially as follows on the ballot of a municipal referendum in accordance with the referendum procedures applicable to the school administrative unit of which the municipality is a member.

"Article: Do you favor approving the school reorganization plan prepared by the (insert name) Reorganization Planning Committee to reorganize (insert names of affected school administrative units) into a regional school unit, with an effective date of (insert date)?

Yes No"

The following statement must accompany the article:

"Explanation:

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A "YES" vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit. The financial penalties under the Maine Revised Statutes, Title 20-A, section 15696 to the existing school administrative units will no longer apply to the proposed regional school unit."

6. Results of referendum. Each school administrative unit shall report the results of the referendum to the department following the referendum election.

A. A reorganization plan is approved by a kindergarten to grade 12 school administrative district or kindergarten to grade 12 community school district if the majority of votes cast in the district is in favor of approval of the plan.

B. A reorganization plan is approved by the member municipalities of a community school district that does not provide public education for the entire span of kindergarten to grade 12 if the majority of votes cast in the member municipalities is in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten to grade 12.

C. A municipal school unit, including a municipal school unit that is a member of a school union, approves a reorganization plan if the majority of the votes cast in that municipality is in favor of approval of the plan.

D. If a reorganization plan is approved by all of the affected school administrative units, or by the school administrative units considered sufficient under the proposed units' reorganization plan, the commissioner shall file notice of approval of the unit with the state board.

7. Certificate of organization. If a plan or revised plan for reorganization has been approved by the commissioner and approved by voters at the referendum, the state board shall issue a certificate of organization to the school administrative units that are reorganized into a regional school unit.

§ 1462. Transfer of property and assets

Upon the formation of a regional school unit pursuant to this subchapter, the transfer of school property and assets is governed by this section.

1. Board of directors. The directors of the board of each regional school unit established in this chapter shall determine what school property of the municipal school units in existence prior to the operational date of the new regional school unit and of the school administrative units in existence prior to the operational date of the new regional school unit is necessary to carry out the functions of the regional school unit and shall request in writing that the board of each such school administrative unit or the municipal officers transfer title of their school property and buildings to the regional school unit board of directors.

2. Transfer. The municipal officers and boards contacted pursuant to subsection 1 shall make the transfer of property and assets notwithstanding any other provision in the charter of the school administrative unit or municipality.

3. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to the operational date of the new regional school unit for school construction projects approved for subsidy under chapter 609 and pursuant to section 1506. If a regional school unit board of directors has assumed the outstanding indebtedness of a school administrative unit in existence prior to the operational date of the new regional school unit, the directors of the regional school unit board may, notwithstanding any other statute or any provision of any trust agreement, use any sinking fund or other money set aside by the school administrative unit in existence prior to the operational date of the new regional school unit to pay off the indebtedness for which the money was dedicated. A regional school unit board of directors is not required to assume the outstanding indebtedness of a school administrative unit in existence prior to the operational date of the new regional school unit in its regional school unit for nonstate-funded projects pursuant to section 15905-A and pursuant to section 1481.

§ 1463. Operational date and transfer of authority

1. Operational date. A regional school unit board of directors becomes operational on the date set by the state board as provided in this chapter.

2. Transfer of governing authority. The regional school unit board of directors, on the date established pursuant to subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to the operational date of the new regional school unit that are within the regional school unit. Those school administrative units in existence prior to the operational date of the new regional school unit on the date established in subsection 1 have no further responsibility for the operation or control of the public schools and programs within the school administrative unit except those pursuant to section 1481.

3. Transfer of school accounts. Notwithstanding section 15004 or any charter of a municipal school unit, school administrative district, community school district or regional school unit, the balance remaining in the school accounts of the former municipal school unit, school administrative district, community school district or regional school unit within the new regional school unit must be paid to the treasurer of the new regional school unit and verified through the annual audit process pursuant to chapter 221, subchapter 2. The balance from each of the former municipal school unit, school administrative district, community school district or regional school unit must be used to reduce that unit's or district's local contribution to the regional school unit. Payment may be made in equal monthly installments during the implementation year.

4. Transfer of teachers and employees. Except as limited by paragraph A, all teachers and school employees who are employed by a participating school administrative unit on the day prior to the date established pursuant to subsection 1 must be transferred to and employed by the regional school unit as of the date established pursuant to subsection 1. Except as limited by subsection 2, the regional school unit shall assume all of the legal obligations and duties that the participating school administrative units owed to their employees, including but not limited to those obligations and duties arising under federal law, state law, collective bargaining agreements and individual employment contracts. It is the intent of this chapter to neither decrease nor increase the rights and benefits of transferred employees

or the employer. The regional school unit shall also maintain and honor any agreements, contracts or policies regarding the rights and benefits of retirees and former employees created by a participating school administrative unit that is dissolved as a result of its inclusion within a regional school unit.

A. Teachers or other employees whose employment terminates by application of law or contract or by action of a participating school administrative unit before the date in subsection 1 may not be transferred.

B. Teachers and other employees who are transferred to the regional school unit prior to the completion of the applicable probationary period for their position have the length of their probationary period calculated from the date of their most recent date of employment by the participating school administrative unit.

5. Superintendent contracts. The contracts between the superintendents and school administrative units within the regional school unit are transferred on the date established pursuant to subsection 1 to the regional school unit board of directors. The regional school unit board of directors shall determine the superintendents' duties within the regional school unit.

§ 1464. Collective bargaining

1. Assumption of obligations, duties, liabilities and rights. On the operational date established pursuant to section 1463, subsection 1, the regional school unit board of directors shall assume all of the obligations, duties, liabilities and rights of the participating school administrative units for all purposes under Title 26, chapter 9-A. The regional school unit is considered a single employer. Notwithstanding any other provision of law, the responsibilities of the regional school unit include:

A. Continued recognition of all bargaining agents that represented any bargaining units of employees who were employed by a participating school administrative unit, pending completion of merger proceedings described in this section;

B. Assumption and continued observance of all collective bargaining agreements between such bargaining agents and a participating school administrative unit, which agreements continue in effect for the remainder of their unexpired terms unless the bargaining agent and regional school unit mutually agree otherwise; and

C. Collective bargaining for an initial or successor collective bargaining agreement in any bargaining unit in which a collective bargaining agreement is not in effect on the operational date and for any interim agreement that may be required to align expiration dates in a regional school unit-wide bargaining unit, as described in this section.

2. Structure of bargaining units. As early as possible after reorganization, all bargaining units must be structured on a regional school unit-wide basis. Bargaining units that existed in the participating school administrative units shall merge in accordance with the procedures and criteria in this section. Merger into regional school unit-wide bargaining units is not subject to approval or disapproval of employees.

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A. Merger into regional school unit-wide bargaining units must be completed according to the schedule contained in this section and no later than the latest expiration date of any collective bargaining agreement that was in effect on the operational date established pursuant to section 1463, subsection 1 that covered any employees in the merged unit.

B. There must be one unit of teachers and, to the extent they are on the effective date of this section included in bargaining units, other certified professional employees, excluding principals and other administrators.

C. Any additional bargaining units in a regional school unit must be structured as follows:

(1) In the initial establishment of such units, units must be structured primarily on the basis of the existing pattern of organization, maintaining the grouping of employee classifications into bargaining units that existed prior to the creation of the regional school unit and avoiding conflicts among different bargaining agents to the extent possible; and

(2) In the event of a dispute regarding the classifications to be included within a regional school unit-wide bargaining unit, the current bargaining agent or agents or the regional school unit may petition the Maine Labor Relations Board to determine the appropriate unit in accordance with this section and Title 26, section 966, subsections 1 and 2.

D. When there is the same bargaining agent in all bargaining units that will be merged into a regional school unit-wide bargaining unit, the units must be merged as of the operational date established pursuant to section 1463, subsection 1, and the regional school unit shall recognize the bargaining agent as the representative of the merged unit.

E. When all bargaining units that will be merged into a regional school unit-wide bargaining unit are represented by separate local affiliates of the same state labor organization, the units must be merged as of the operational date established pursuant to section 1463, subsection 1. The identity of the single affiliate that will be designated the bargaining agent for the merged unit must be selected by the existing bargaining agents and the state labor organization. Upon completion of the merger and designation of the bargaining agent and notification by the state labor organization to the regional school unit, the regional school unit shall recognize the designated bargaining agent as the representative of employees in the merged unit. If necessary, the parties will then execute a written amendment to any collective bargaining agreement then in effect to change the name of the bargaining agent to reflect the merger.

F. When there are bargaining units that will be merged into a regional school unit-wide bargaining unit in which there are employees who are not represented by any bargaining agent and other employees who are represented either by the same bargaining agent or separate local affiliates of the same state labor organization, the units must be merged as of the operational date pursuant to section 1463, subsection 1 as long as a majority of employees who compose the merged unit were represented by the bargaining agent prior to the merger. The procedures for merger of separate local affiliates of the same state labor organization described in paragraph E must be followed if

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applicable. If prior to the merger a bargaining agent did not represent a majority of employees who compose the merged unit, a bargaining agent election must be conducted by the Maine Labor Relations Board pursuant to paragraph H.

G. When there are unexpired collective bargaining agreements with different expiration dates in the merged bargaining units described in paragraphs D, E and F, all contracts must be honored to their expiration dates unless mutually agreed to otherwise by the public employer and the bargaining agent. Collective bargaining agreements must be bargained on an interim basis in any merged bargaining unit so that all collective bargaining agreements expire on the same date.

H. When bargaining units with different bargaining agents must be merged into a single regional school unit-wide bargaining unit pursuant to this section, the bargaining agent of the merged bargaining unit must be selected in accordance with Title 26, section 967 except as modified in this section.

(1) A petition for an election to determine the bargaining agent must be filed with the Maine Labor Relations Board by any of the current bargaining agents or the regional school unit.

(2) The petition must be filed not more than 90 days prior to the expiration date of the agreement having the latest expiration date among the bargaining units that will be merged into the regional school unit-wide bargaining unit.

(3) The election ballot may contain only the names of the bargaining agents of bargaining units that will be merged into the regional school unit-wide bargaining unit and the choice of "no representative," but no other choices. No showing of interest is required from any such bargaining agent other than its current status as representative.

(4) The obligation to bargain with existing bargaining agents continues from the operational date established pursuant to section 1463, subsection 1 until the determination of the bargaining agent of the regional school unit-wide bargaining unit under this section; but in no event may any collective bargaining agreement that is executed after the operational date extend beyond the expiration date of the agreement having the latest expiration date among the bargaining units that will be merged into the regional school unit-wide bargaining unit that was in effect on the operational date.

(5) The Maine Labor Relations Board shall expedite to the extent practicable all petitions for determination of the bargaining agent in the regional school unit-wide bargaining unit filed pursuant to this section.

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(6) The bargaining units must be merged into a regional school unit-wide bargaining unit as of the date of certification of the results of the election by the Maine Labor Relations Board or the expiration of the collective bargaining agreements in the unit, whichever occurs later.

3. Agent to engage in collective bargaining. After the merger of bargaining units into a regional school unit-wide bargaining unit, the bargaining agent of a regional school unit-wide bargaining unit and the regional school unit shall engage in collective bargaining for a collective bargaining agreement for the regional school unit-wide bargaining unit. In the collective bargaining agreement for each regional school unit-wide bargaining unit, the employment relations, policies, practices, salary schedules, hours and working conditions throughout the regional school unit must be made uniform and consistent as soon as practicable.

In the event that the parties are unable to agree upon an initial regional school unit-wide collective bargaining agreement, the parties must use the dispute resolution procedures pursuant to Title 26, section 965 to resolve their differences.

§ 1465. Addition of a school administrative unit to an existing regional school unit

A school administrative unit not originally a member of a regional school unit may be included in the regional school unit in accordance with this section.

1. Notice of intent. A school administrative unit shall file with the commissioner a notice of intent to engage in planning and negotiations to join with a regional school unit under this chapter. The commissioner shall respond to each notice of intent and provide information regarding the process and whether the intended action complies with the requirements of this chapter.

2. Process to join a regional school unit. A school administrative unit may join an existing regional school unit in the same manner required for the formation of a regional school unit under section 1461, except that section 1461, subsections 5, 6 and 7 do not apply.

3. Referendum for a school administrative unit to join an existing regional school unit. The municipal officers of each municipality in a proposed reorganized school administrative unit shall place a warrant article substantially as follows on the ballot of a municipal referendum in accordance with the referendum procedures applicable to the school administrative unit of which the municipality is a member.

"Article: Do you favor approving the school reorganization plan prepared by the (insert name) Reorganization Planning Committee for school administrative unit (insert name of affected school administrative unit) to join the regional school unit (name of regional school unit), with an effective date of (insert date)?

Yes No"

The following statement must accompany the article:

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"Explanation:

A "YES" vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit. The financial penalties under the Maine Revised Statutes, Title 20-A, section 15696 to the existing school administrative unit will no longer apply to the proposed regional school unit."

4. Referendum on the admission of an additional school administrative unit to an existing regional school unit. If the vote to join a regional school unit under subsection 3 was in the affirmative, the existing regional school unit shall call a regional school unit referendum to vote on the following article.

"Article: Do you favor approving the school reorganization plan prepared by the (insert name) Reorganization Planning Committee for school administrative unit (insert name of affected school administrative unit) to join the regional school unit (name of regional school unit), with an effective date of (insert date)?

Yes No"

The following statement must accompany the article:

"Explanation:

A "YES" vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit. The financial penalties under the Maine Revised Statutes, Title 20-A, section 15696 to the existing school administrative unit will no longer apply to the proposed regional school unit."

5. Results of referendum. A school administrative unit shall report the results of the referendum to the department following the referendum election.

A. For a referendum conducted pursuant to subsection 3:

(1) A reorganization plan is approved by a kindergarten to grade 12 school administrative district or kindergarten to grade 12 community school district if the majority of votes cast in the district is in favor of approval of the plan;

(2) A reorganization plan is approved by a regional school unit if the majority of votes cast in the regional school unit is in favor of approval of the plan;

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(3) A reorganization plan is approved by the member municipalities of a community school district that does not provide public education for the entire span of kindergarten to grade 12 if the majority of votes cast in the member municipalities is in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten to grade 12; and

(4) A municipal school unit, including a municipal school unit that is a member of a school union, approves a reorganization plan if the majority of the votes cast in that municipality is in favor of approval of the plan.

B. For a referendum conducted pursuant to subsection 4, a reorganization plan is approved by a regional school unit if the majority of votes cast in the regional school unit is in favor of approval of the plan.

If a reorganization plan is approved by the affected school administrative unit, the commissioner shall file notice of approval of the unit with the state board.

6. Amended certificate of organization. If a plan for reorganization has been approved by the commissioner and approved by voters at the referendum under subsections 3 and 4, the commissioner shall issue an amended certificate of organization to the reorganized regional school unit.

SUBCHAPTER 3

school governance; program

§ 1471. Regional school unit board

A regional school unit board must be established in accordance with this section.

1. Size. Following the initial certification of a regional school unit, any change in the size, composition or apportionment of the regional school unit board must be determined by a joint meeting of all the municipalities within the regional school unit. Unless determined otherwise pursuant to section 1472, each regional school unit board must include at least one director from each municipality or subdistrict.

2. Term of office. In municipalities with annual elections, directors serve 3-year terms. In municipalities with biennial elections, directors serve 4-year terms. A director serves until a successor is elected and qualified.

3. Compensation. Compensation for attendance at a regional school unit board meeting must be between \$10 and \$25 per meeting for each director. Whenever the directors recommend increasing their compensation, they shall submit their recommendation to the voters in the regional school unit for approval.

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A. On notification by the regional school unit board, the municipal officers shall, at the next regular or special town meeting or city election, prepare a warrant or ballot for the purpose of voting on the proposed increase. The question must be in the following form.

"Do you favor paying a member of the regional school unit board of directors compensation at the rate of \$.... for each meeting that member attends?"

B. An increase in compensation is not effective unless approved by a majority of the voters voting on the question set out in paragraph A.

4. Secretary and treasurer . The superintendent serves as secretary and treasurer of the regional school unit board and shall give a bond to the regional school unit board of a sum and with the sureties as the regional school unit determines. The bond must be deposited with the chair of the regional school unit board. The expense of that bond must be paid by the regional school unit. The bond premium, compensation paid directors for attendance at meetings and expenses of the regional school unit must be paid from funds of the regional school unit by the treasurer on vouchers presented and certified by the superintendent and approved by a majority of the regional school unit board or a finance committee duly elected annually by that board.

5. Oath of office . Before a newly elected director's first regional school unit board meeting, that director must take the following oath or affirmation before a dedimus justice or notary public.

"I do swear that I will faithfully discharge to the best of my abilities the duties incumbent on me as a regional school unit board director of (name of regional school unit) according to the Constitution of Maine and laws of this State, so help me God."

A. A director shall take the oath or affirmation and return a certificate documenting that the oath or affirmation has been taken to the secretary of the regional school unit to place in the regional school unit board records.

B. If a director is conscientiously scrupulous of taking an oath, the word "affirm" may be used instead of "swear" and the words "this I do under the pains and penalty of perjury" may be used instead of the words "so help me God."

6. Election of officers. The regional school unit board shall elect a chair and vice-chair and other officers as may be necessary.

§ 1472. Methods of apportionment

1. Method A: subdistrict representation. Under the method of representation referred to as "Method A," directors represent subdistricts.

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A. The subdistricts, as far as practicable, must be whole municipalities. If the municipalities are divided into subdistricts, then they must be divided into subdistricts of approximately equal size as determined by the latest Federal Decennial Census or Federal Estimated Census. The municipal officers shall provide a separate voting place for each subdistrict of the municipality.

B. The boundaries of each subdistrict must be determined by a majority vote of the reapportionment committee under section 1475. Each subdistrict must have one director, except that in a municipality composed of 2 or more subdistricts, the joint meeting may authorize the election of directors-at-large.

2. Method B: weighted votes. Under the method of representation referred to as "Method B," directors cast weighted votes.

A. The reapportionment committee under section 1475 shall apportion 1,000 votes among all the members of the board. The ratio of the number of votes cast by the directors representing a municipality in relation to the number 1,000 must be the same ratio to the nearest whole number as the population of the municipality is in relation to the population of all municipalities in the regional school unit, as determined by the latest Federal Decennial Census or Federal Estimated Census.

B. To ensure the use of whole numbers, the 1,000 votes apportioned among the board members may not be increased or decreased by more than 5 votes.

C. A plan may not permit the voting power of any director to exceed by more than 2% the percentage of voting power the director would have if all 1,000 votes were apportioned equally among the directors.

D. In a municipality served by 2 or more directors, the votes cast by them must be divided equally among them. The directors are elected at large within the municipality unless otherwise provided by municipal charter.

3. Method C: at-large voting . Under the method of representation referred to as "Method C," directors are elected at large by all of the voters in the regional school unit.

4. Method D: other. Under the method of representation referred to as "Method D," directors are elected by any method other than those set forth in subsections 1, 2 and 3 that meets the requirements of the one-person, one-vote principle.

§ 1473. Election

For the purpose of nominations, regional school unit board directors are considered municipal officials and must be nominated in accordance with Title 30-A, chapter 121 or with a municipal charter, whichever is applicable.

1. Initial meeting on regional school unit formation. On the election of the regional school unit board of directors, the clerk of each municipality within the regional school unit shall forward the names and addresses of the directors elected for that municipality to the state board with other data

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with regard to their election as the state board may require. On receipt of the names and addresses of all of the directors, the state board shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the addresses provided by the municipalities.

2. Special provisions. In the election for representation under the methods provided under section 1472, the provisions of this subsection apply.

A. In an election under Method A pursuant to section 1472, subsection 1:

(1) Within 60 days, but no earlier than 45 days after notification by the regional school unit board of the approval of the reapportionment plan under section 1475, the municipal officers shall call a special election to elect directors to serve under the plan for the regional school unit;

(2) Nomination papers must be furnished by the secretary of the regional school unit at least 10 days before the deadline for filing nomination papers. Notwithstanding any other section of this Title, directors must be nominated by obtaining a minimum of 25 and a maximum of 50 signatures of registered voters residing within a subdistrict. The secretary shall notify the municipal officers of the names of candidates in each subdistrict;

(3) The ballots must be prepared in accordance with subparagraph (7);

(4) The clerks of each municipality shall forward to the secretary of the regional school unit the results of the vote by subdistrict;

(5) The regional school unit board shall meet and total the votes cast for each candidate within each subdistrict and shall immediately notify the clerks in each municipality, the candidates and the commissioner of the results of the vote;

(6) The terms of the directors elected under the original municipal representation system cease on the date that the newly elected directors are sworn into office; and

(7) Notwithstanding any other provision of statute, directors must be elected by secret ballot. The ballots must be prepared for and distributed to the municipalities or subdistricts by the secretary of the regional school unit.

B. In an election under Method B pursuant to section 1472, subsection 2, a reduction in the number of directors, the addition of directors and the terms of office of additional directors must be in accordance with this chapter.

C. In an election under Method C pursuant to section 1472, subsection 3:

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(1) Nominations for directors must be made on petitions provided by the regional school unit secretary. The petitions must be signed as provided in Title 30-A, section 2528, subsection 4 or, if the candidate is a voting resident in a municipality having a population of less than 200, signed by at least 20% of the registered voters of that municipality;

(2) The petitions must be submitted to the registrar of voters in the respective municipalities for certification of the voting residence of the nominee and of the voters signing the petition;

(3) The registrar of voters must return the certified petitions to the regional school unit secretary not later than 30 days prior to the date of the annual election to be held in the municipality;

(4) The ballots must be prepared and distributed by the regional school unit secretary. It must give the number of offices to be filled and list the candidates by the municipality or subdistrict in which they are resident;

(5) Notwithstanding any other provision of law, regional school unit board directors must be elected by secret ballot;

(6) If member municipalities do not all conduct the election for directors on the same date, then all ballots cast in the elections must be impounded by the clerk of each municipality:

(a) After all municipalities have voted, the clerks and one or more election supervisors designated by the municipal officers of each municipality shall meet at an agreed-upon location and tally the ballots;

(b) The tally must be completed within one day of the last member municipality election;

(c) The election supervisors shall select from among their members a chair, who shall supervise the tally of ballots; and

(d) The clerk of each municipality shall as promptly as possible after the election certify to the regional school unit board the result of the voting in that municipality; and

(7) Any recount petitions must be filed with the secretary of the regional school unit, and recounts must be conducted in each member municipality in accordance with the applicable laws.

§ 1474. Vacancies

1. Definition of vacancy. A vacancy on a regional school unit board occurs:

A. When the term of office of a regional school unit board director expires;

B. When a regional school unit board director changes residency from the municipality or subdistrict from which elected. Evidence that an individual is registered to vote in a municipality is prima facie evidence of that individual's residency;

C. On the death of a regional school unit board director; or

D. When a regional school unit board director resigns.

In addition to paragraphs A, B, C and D, except in municipalities having a municipal charter, when a director is absent without excuse from 3 consecutive regular board meetings, the regional school unit board may declare that a vacancy exists.

2. Regional school unit board. The regional school unit board shall notify the municipal officers of the municipalities within the regional school unit of a vacancy before the annual town meeting or before the regular municipal election.

3. Filling vacancies. A vacancy on a regional school unit board must be filled according to this subsection.

A. The municipal officers of the municipality in which the director resided shall select an interim director for the municipality or subdistrict to serve until the next annual municipal election. The interim director shall serve until a successor is elected and qualified.

B. The municipal officers shall provide at the next municipal or subdistrict election for the election of a director to fill the vacancy.

§ 1475. Reapportionment

The commissioner shall determine the necessity for reapportionment.

1. Duties of commissioner. The commissioner shall determine if a regional school unit is apportioned in accordance with the one-person, one-vote principle if:

A. The commissioner receives a request by the regional school unit board; or

B. The commissioner receives a petition signed by a number of regional school unit voters equal to at least 10% of the voters who voted in the last gubernatorial election in the regional school unit.

In addition to a determination initiated by a request pursuant to paragraph A or a petition pursuant to paragraph B, the commissioner may, of the commissioner's own accord, determine that a regional school unit is not apportioned according to the one-person, one-vote principle.

The commissioner shall make a determination under paragraph A or B within 30 days of receiving the request or the petition.

2. Awaiting census results. If the commissioner receives a request within 12 months before a Federal Decennial Census or Federal Estimated Census, the commissioner may wait until after the new census figures are available to make a determination under subsection 1.

3. Findings and order. If the commissioner finds the regional school unit representation is not apportioned in accordance with the principle of one person, one vote, the commissioner, within 7 days of that decision, shall notify the superintendent of the regional school unit of the finding and order the superintendent to notify the municipal officers in each municipality in the regional school unit and the regional school unit board to create a reapportionment committee. The superintendent's notification must include the commissioner's notification, the information provided pursuant to subsection 6 and the time and place for the first meeting of the committee, which must be held not later than 20 days after the notification.

4. Reapportionment committee membership. The reapportionment committee consists of one municipal officer and one citizen from each member municipality, chosen by the respective municipal officers, and one director from each municipality, chosen by the board of directors. The appointments must be made prior to the first meeting of the committee.

5. Quorum. A majority of the reapportionment committee constitutes a quorum.

6. Duties of commissioner . The commissioner shall provide the superintendent of the regional school unit with the most recent Federal Decennial Census or Federal Estimated Census figures for each municipality in the regional school unit and at least one recommended apportionment plan.

7. Duties of the reapportionment committee. The reapportionment committee shall:

A. Elect a chair and secretary and may adopt suitable rules of procedure;

B. Consider and by majority vote adopt a reapportionment plan including the method of representation, total number of directors and number of directors representing each municipality or subdistrict; and

C. Within 90 days of the first meeting, send a report of its reapportionment plan to the state board for approval. It may, within the 90-day limit, submit alternative plans for apportionment.

8. Commissioner approval. The commissioner shall approve or disapprove the reapportionment committee plan under subsection 7 within 30 days of receiving it.

9. Failure to gain commissioner approval. If a reapportionment plan has not been adopted by the reapportionment committee or approved by the commissioner within the time limits of subsection 7, the commissioner shall prepare a suitable plan.

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10. Putting the approved plan into effect. On approval of a reapportionment plan, the commissioner shall send a certified copy to the municipal officers and regional school unit board. The original reapportionment plan must be retained in the department files.

A. The reapportionment plan takes effect immediately upon approval. The reapportionment committee shall determine the terms of the directors to be elected at the next annual municipal elections so as to comply with this chapter.

B. If the approved reapportionment plan requires a reduction of the number of directors to be elected in a municipality, the reduction must be achieved in accordance with this paragraph.

(1) If possible, the reduction must be achieved by the voluntary resignation of one or more of the directors.

(2) If the reduction cannot be achieved in accordance with subparagraph (1) and the plan is approved and filed less than 30 days prior to the annual municipal election, the number of open positions to be filled by the election process must be reduced to the number required by the approved plan.

(3) If the reduction cannot be achieved in accordance with subparagraph (1) or (2), or a combination of the 2, all of the remaining existing directors representing the municipality shall choose by lot which directors' terms must terminate.

C. If the approved reapportionment plan requires that additional directors be elected in a municipality, the municipal officers shall fill the vacancies by appointment. A new director serves until a successor is elected and qualified at the next annual municipal election.

D. The reapportionment committee is dissolved after the approved reapportionment plan is implemented.

11. Duties of present directors during reapportionment. The regional school unit board, during the reapportionment of its membership, serves as the legal representative of the regional school unit until the reapportionment is completed. The board shall carry out all business of the regional school unit, including the borrowing of funds that may be required during the period of reapportionment.

12. State board review of commissioner's decisions. A regional school unit board or interested parties may request that the state board reconsider decisions made by the commissioner under this section. The state board has the authority to overturn a decision made by the commissioner. In exercising this power, the state board is limited by this section.

§ 1476. Powers and duties

The regional school unit board:

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- 1. Regional school unit name.** May select an unofficial name for the regional school unit;
- 2. Finance committee.** May elect a finance committee of 3 or more members, who must be directors;
- 3. Operating schools.** Shall authorize and oversee the operation of schools within the regional school unit;
- 4. Purchase land outside the regional school unit.** May purchase land outside of the geographical limits of the regional school unit and erect a school on that land if, because of the location of other schools within the regional school unit or transportation difficulties, a school within the geographical limits of the regional school unit would not be in the best interests of the regional school unit community;
- 5. Bylaws.** Shall adopt bylaws for the regulation of the affairs of the regional school unit board and the conduct of its business; and
- 6. Gifts.** May accept and receive money or other property, outright or in trust, for any specified benevolent or educational purpose. The regional school unit board shall comply with this subsection in accepting gifts.
 - A.** If the regional school unit board receives written notice from a prospective donor or a representative of the donor of a proposed gift, the regional school unit board shall submit the matter to its next regular meeting or shall call a special meeting and shall, within 10 days after the meeting, send written notice to the prospective donor or representative of its acceptance or rejection.
 - B.** If the gift is in trust, the regional school unit board shall cause the trust funds to be deposited or invested according to Title 30-A, chapter 223, subchapter 3-A.
 - (1)** Unless prohibited by a trust instrument, the regional school unit may treat any 2 or more trust funds as a single fund for the purposes of investment.
 - (2)** After deduction for management expenses, any interest earned or capital gains realized must be prorated among the various trust funds.
 - (3)** Property or securities included in the corpus of a trust fund must be retained where the trust instrument so provides.
 - (4)** Unless otherwise specified in the trust instrument, only the annual income from the trust fund may be spent.
 - (5)** If the regional school unit fails to comply with the terms of the trust instrument, the trust fund reverts to the donor or the donor's heirs.

C. If the money or other property is a conditional gift for any specified benevolent or educational purpose, this paragraph applies.

(1) Prior to the acceptance of a gift, the regional school unit board must obtain approval of the legislative body of the regional school unit.

(2) When the donor's part of the agreement respecting the execution of the conditional gift has been completed, the regional school unit shall perpetually comply with, and may raise money to carry into effect, the conditions upon which it was made.

(3) Unless otherwise specified by its terms, a conditional gift of money must be deposited or invested according to Title 30-A, chapter 223, subchapter 3-A.

§ 1477. Quorum

A majority of the regional school unit board directors in number and voting power constitutes a quorum.

§ 1478. Local school committees

A regional school unit board may create local school committees and specify their powers and duties not in conflict with this Title.

§ 1479. Program

A regional school unit shall maintain a program that includes kindergarten to grade 12.

1. Secondary school. A secondary school facility may be operated as a 4-year school, as a 6-year school for grades 7 to 12 or as 2 or more 3-year schools, except that students living in an area remote from a public school may be provided for under section 5204.

2. Contracts for secondary school programs. In addition to the provisions for a secondary school facility set forth in subsection 1, a regional school unit may contract with a nearby regional school unit or with a private school approved for tuition purposes for all or some of its secondary school students. The contract may run from a period of 2 to 10 years. The contract must also comply with section 2703 and may provide for the formation of a joint committee in accordance with section 2704. A regional school unit in which a previous education unit has contracted for secondary school programs is bound by the terms of that contract, unless otherwise negotiated by the parties.

3. Expiration of contract. After July 1, 2008, if a contract between a previous education unit and another previous education unit or a private school approved for tuition purposes expires, and the previous education unit that was the sending unit is a member of a regional school unit under this chapter, the provisions of this subsection apply.

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A. If the option of attending a public school in another school administrative unit or a private school approved for tuition purposes subject to chapter 219 was available to students in the previous education unit, that option continues to be available to students who reside in the municipalities that composed the previous education unit after the municipality's inclusion in the regional school unit.

B. The regional school unit may negotiate the contract pursuant to chapter 115.

4. Absence of contract; maintenance of school choice opportunities. A student who resides in a school administrative unit that does not maintain that student's grade from kindergarten to grade 12, and that does not enter into a contract for the education of its students pursuant to this chapter, has the option of attending a public school in another school administrative unit or private school approved for tuition purposes subject to the provisions of chapter 219 if that option was available from the previous school unit for the area in which that student resides.

5. Additional expense. If, pursuant to subsection 4, a student attends a public school in another school administrative unit or private school approved for tuition purposes subject to the provisions of chapter 219, and the number of secondary school students from one or more municipalities in a regional school unit that attend a public school in a different school administrative unit or an approved private school is less than all the secondary school students in the regional school unit, the sending municipality of the regional school unit is responsible for the additional expense calculated under this subsection.

A. For each secondary school student who attends a public school in another school administrative unit, the sending regional school unit is responsible for an amount equal to the number of secondary school students from that regional school unit multiplied by the amount that the receiving regional school unit's tuition rate pursuant to section 5805 exceeds the amount of the sending regional school unit's tuition rate pursuant to section 5805.

B. For each secondary school student who attends a private school approved for tuition purposes subject to the provisions of chapter 219, the sending regional school unit is responsible for an amount equal to the number of secondary school students from the regional school unit attending the private school multiplied by the amount that the private school's tuition rate pursuant to section 5806, or the tuition rate per the contract, if less, exceeds the amount of the sending regional school unit's tuition rate pursuant to section 5805.

Any additional expense may not be included in the regional school unit budget when determining each member municipality's local contribution.

Any additional expense must be paid by the responsible municipality in equal monthly amounts unless the regional school unit and the member municipality agree to another payment schedule.

SUBCHAPTER 4

financing

§ 1481. Finances

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A regional school unit may raise money, in addition to the local contribution pursuant to section 15690, subsection 1, for establishing and maintaining public schools, erecting buildings and providing equipment for educational purposes. The additional costs of operating a regional school unit must be shared among all municipalities within the regional school unit by the same local share percentages for each municipality resulting from the determination of the local contribution under section 15688, except that cost-sharing agreements in existence on the effective date of this section that were adopted pursuant to Public Law 2005, chapter 2 or pursuant to a private and special law remain in existence unless the agreement is modified or eliminated:

- 1. Reorganization.** As part of a reorganization to regional school units under this chapter; or
- 2. Negotiated agreement.** As a result of a negotiated agreement between the parties to the cost-sharing agreement.

Notwithstanding any provision of law to the contrary, a cost-sharing agreement in existence on the effective date of this section that was adopted pursuant to Public Law 2005, chapter 2 or pursuant to a private and special law may not be construed to preempt the formation of a regional school unit under this chapter.

Notwithstanding any provision of law to the contrary, a cost-sharing agreement between 2 or more municipalities in existence on the effective date of this section that was adopted prior to the effective date of this section may not be construed to preempt the formation of a regional school unit under this chapter.

§ 1482. Budget preparation

1. Preparation by regional school unit board. A regional school unit board shall annually prepare a budget for:

- A. Operational costs;
- B. Bonds falling due;
- C. Interest on bonds or other obligations;
- D. Rentals and other charges in a contract; and
- E. Temporary loans.

2. Distribution. At least 7 days before a regional school unit budget meeting, the regional school unit board shall make available to the legislative body responsible for final budget approval and residents of the regional school unit a detailed budget document. The detailed budget document must include a summary of anticipated revenues and estimated school expenditures.

§ 1483. Regional school unit budget; budget formats

1. Content. Beginning with the budget for the 2008-2009 school year, a regional school unit shall include in its budget document:

- A. The regional school unit's total cost of funding public education from kindergarten to grade 12, its non-state-funded debt service, if any, and any additional expenditures authorized by law;
- B. A summary of anticipated revenues and estimated school expenditures for the fiscal year; and
- C. The following statement, including the estimated dollar amount of state retirement payments: "This budget does not include the estimated amount of \$..... in employer share of teacher retirement costs that is paid directly by the State."

§ 1484. Checklist required

Beginning with the budget for the 2008-2009 school year, prior to a vote on articles dealing with regional school unit appropriations, the moderator of a regular or special regional school unit budget meeting shall require the clerk or secretary of the regional school unit board to make a checklist of the registered voters present. The number of voters listed on the checklist is conclusive evidence of the number present at the meeting.

§ 1485. Cost center summary budget format

After January 31, 2008, the format of the annual budget of a regional school unit must be in accordance with this section.

1. Cost center summary budget format. The regional school unit budget must consist of the following cost centers and supporting data:

A. Expenditures:

(1) Regular instruction;

(2) Special education;

(3) Career and technical education;

(4) Other instruction, including summer school and extracurricular instruction;

(5) Student and staff support;

(6) System administration;

(7) School administration;

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(8) Transportation and buses;

(9) Facilities maintenance;

(10) Debt service and other commitments; and

(11) All other expenditures, including school lunch;

B. Revenue sources:

(1) Total education costs appropriated pursuant to section 15690, subsection 1;

(2) Non-state-funded debt service costs approved pursuant to section 15690, subsection 2, if any; and

(3) Additional local funds, if any, approved pursuant to section 15690, subsection 3, paragraph A;

C. A summary of total regional school unit expenditures;

D. Other optional local data showing the amount and percentage of changes proposed in the state allocation, the local share and the total regional school unit budget and related information determined appropriate by the regional school unit board of directors;

E. Data similar to that provided in paragraph A for a high-performing regional school unit of a size and demographic profile determined by the department that is comparable to the regional school unit; and

F. For fiscal year 2008-09, data documenting state and local savings from the reorganization to regional school units and the resulting mill rate reduction for each municipality.

2. Budget warrant. The warrant articles presented to the legislative body of the regional school unit for approval of the regional school unit budget must correspond to the categories of the cost center summary budget described in subsection 1. In addition to expenditure and revenue cost center summary totals, the regional school unit board shall provide to voters a reasonably detailed breakdown for each major subcategory within each budget category. The department shall adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A defining and establishing the content of those informational subcategories.

3. Budget approval. A regional school unit's cost center summary budget must be approved at a regional school unit budget meeting and by a budget validation referendum as provided in section 1486.

4. Transfer between budget cost center lines. During the year for which the budget is approved using the cost center summary budget format, the regional school unit board may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval.

§ 1486. Budget validation referendum

After January 31, 2008, the procedure for approval of the annual budget of a regional school unit must be in accordance with this section and section 1485.

1. Budget validation. Following development of the annual regional school unit budget and approval at a regional school unit budget meeting as provided in section 1485, a referendum must be held in the regional school unit as provided in this section to allow the voters to validate or reject the total budget adopted at the regional school unit budget meeting.

Every 3 years, the voters in a regional school unit shall consider continued use of the budget validation referendum process. The warrant at the budget validation referendum in the 3rd year following adoption or continuation of the referendum process must include an article by which the voters of the school administrative district may indicate whether they wish to continue the process for another 3 years. A vote to continue retains the process for 3 additional years. A vote to discontinue the process ends its use beginning with the following budget year and prohibits its reconsideration for at least 3 years.

2. Validation referendum procedures. The budget validation referendum must be held on or before the 10th day, other than Saturday, Sunday or a legal holiday, following the scheduled date of the regional school unit budget meeting. The vote at referendum is for the purpose of approving or rejecting the total regional school unit budget approved at the regional school unit budget meeting. The regional school unit board shall provide printed information to be displayed at polling places to assist voters in voting. That information is limited to the total amounts proposed by the regional school unit board for each cost center summary budget category article, the amount approved at the regional school unit budget meeting, a summary of the total authorized expenditures and, if applicable because of action on an article under section 15690, subsection 3, paragraph A, a statement that the amount approved at the regional school unit budget meeting includes locally raised funds over and above the regional school unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act.

3. Budget validation referendum voting. The method of calling and voting at a budget validation referendum is as provided in sections 1503 and 1504, except as otherwise provided in this subsection or as is inconsistent with other requirements of this section.

A. A public hearing is not required before the vote.

B. The warrant for a regional school unit budget meeting to be followed by a budget validation referendum may be a consolidated warrant covering both.

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C. The warrant and absentee ballots must be delivered to the municipal clerk at least 7 days before the date of the regional school unit budget meeting.

D. Absentee ballots received by the municipal clerk may not be processed or counted unless received after the conclusion of the regional school unit budget meeting and before the close of the polls.

E. All envelopes containing absentee ballots received before the conclusion of the regional school unit budget meeting or after the close of the polls must be marked "rejected" by the municipal clerk.

F. If the school budget does not exceed the maximum state and local spending target pursuant to section 15671-A, subsection 5, the article to be voted on must be in the following form:

(1) "Do you favor approving the (name of regional school unit) budget for the upcoming school year that was adopted at the latest regional school unit budget meeting?"

Yes No"

G. If the school budget exceeds the maximum state and local spending target pursuant to section 15671-A, subsection 5, the article to be voted on for a budget that includes locally raised funds over and above the regional school unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act must be in the following form:

(1) "Do you favor approving the (name of regional school unit) budget for the upcoming school year that was adopted at the latest regional school unit budget meeting and that includes locally raised funds that exceed the required local contribution as described in the Essential Programs and Services Funding Act?"

Yes No

A YES vote allows additional funds to be raised for K-12 public education.

A NO vote means additional funds cannot be raised for K-12 public education ."

4. Failure to approve budget. If the voters do not validate the budget approved in the regional school unit budget meeting at the budget validation referendum vote, the regional school unit board shall hold another regional school unit budget meeting in accordance with this section and section 1485 at least 10 days after the referendum to vote on a budget approved by the regional school unit board. The budget approved at the regional school unit budget meeting must be submitted to the voters for validation at referendum in accordance with this section. The process must be repeated until a budget is approved at a regional school unit budget meeting and validated at referendum. If a budget is not approved and validated before July 1st of each year, section 1487 applies.

§ 1487. Failure to pass budget

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If a budget for the operation of a regional school unit is not approved prior to July 1st, the latest budget as submitted by the regional school unit board is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved, except that, when the regional school unit board delays the regional school unit budget meeting, the operating budget must be approved within 30 days of the date the commissioner notifies the regional school unit board of the amount allocated to the regional school unit under section 15689-B, or the latest budget submitted by the regional school unit board becomes the operating budget for the next school year.

§ 1488. Special budget meeting

The regional school unit board may call a special budget meeting when it declares that an emergency exists. The voters of the regional school unit may authorize the regional school unit board at a special regional school unit budget meeting to expend additional funds from the regional school unit's undesignated fund balance or to pledge the credit of the regional school unit to obtain additional money for the operation of schools. A special budget meeting held on or after July 1, 2008 must be conducted in accordance with sections 1485 and 1486.

§ 1489. Regional school unit assessments

Regional school unit assessments must follow the procedures set out in this section.

1. Warrant. In accordance with the budget approved by the voters at an annual budget meeting and in substantially the same form as the warrant of the Treasurer of State for taxes, the regional school unit board shall issue its warrants to the assessors of each member municipality requiring them to assess upon the taxable estates within the municipality an amount that is that municipality's share of the regional school unit's costs.

2. Commitment. The municipal assessors shall commit the assessment to the constable or collector. Constables and collectors have the authority and powers to collect the regional school unit's taxes as is vested in them by law to collect state, county and municipal taxes.

3. Installments. The regional school unit board shall notify the member municipalities of the monthly installments that will become payable during the fiscal year.

4. Payment. A municipal treasurer shall pay the amount of the tax assessed in the fiscal year against the municipality to the treasurer of the regional school unit. The payments must be paid in monthly installments on or before the 20th of each month.

5. Gifts. A municipality may use the proceeds from gifts or trust funds allocated for educational purposes to pay its share of the assessment.

6. Enforcement. If a municipal treasurer fails to pay the installment due, or any part, on the dates required, to initiate collection procedures, the treasurer of the regional school unit may notify the municipal treasurer of the failure to pay. Interest accrues on each unpaid installment at the rate established under Title 36, section 186 beginning on the 60th day after the date the installment is due under subsection 4. If payment of an installment is not made within 60 days after the due date, the treasurer of the regional

school unit may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the municipality to the regional school unit and shall order the municipal treasurer to pay all delinquent installments, accrued interest and any court costs and reasonable attorney's fees incurred by the regional school unit. To ensure prompt payment of the delinquent installments, the court may require that amounts due to the municipality from the State under Title 30-A, section 5681 and Title 36, sections 578 and 685 be paid to the regional school unit until the amount determined by the court is satisfied. The court shall promptly notify the disbursing state agency of the determination and direct the agency to make the required change in payee and the amounts to be paid. If additional funds are needed to satisfy the amount determined by the court to be paid to the regional school unit, the court may order the attachment or trustee process and sale of real or personal property owned by the municipality or the attachment of the municipality's bank accounts or require property tax payments to the municipality to be turned over to the court and may pay the amount owed the regional school unit from the proceeds and return any excess to the municipality.

§ 1490. Power to borrow money

1. Regional school unit board. A regional school unit board may borrow money to pay for:

A. Current operating expenses of the regional school unit if the loans are repaid within 13 months of the date of borrowing and are limited to an amount reasonably required for current operating expenses;

B. School construction projects as defined in section 15901; and

C. Minor capital costs as defined in section 15672, subsection 20-A.

2. Voter approval. Bonds or notes for school construction purposes must first be approved by a majority of voters of the regional school unit voting at an election called by the regional school unit board and held as provided in this chapter, except as is otherwise provided in this section.

A. Each bond or note must have inscribed upon its face the name of the regional school unit, the date it was issued, the amount of the bond or note and the annual interest rate, payable semiannually. Each bond or note must be in the form and be sold in the manner, at public or private sale, as the regional school unit board determines in accordance with state law. Bonds may not be sold for less than par.

B. Notes or bonds issued by a regional school unit must be signed by the treasurer or assistant superintendent and countersigned by the chair of the regional school unit board. If coupon bonds are issued, each coupon must be attested by a facsimile signature of the treasurer.

C. Each issue of bonds must mature in substantially equal annual installments so that the first installment is payable not later than 2 years and the last installment not later than 25 years after the date of issue.

3. Temporary notes. Prior to issuing authorized school construction bonds or notes, the regional school unit board may borrow in anticipation of their sale by issuing temporary notes and renewal notes subject to this subsection.

- A. The total face value amount of the temporary notes and renewal notes may not exceed at any one time the authorized outstanding amount of the school construction bonds or notes.
- B. If the proceeds of an issue of bonds are used in whole or in part to fund temporary notes, the period during which the issue of bonds is outstanding plus the period of the loan represented by the temporary notes or renewal notes may not exceed 25 years.
- C. Temporary notes mature not later than 3 years from the date the first temporary note is issued.
- D. Temporary notes and renewal notes are legal obligations of the regional school unit.
- E. A regional school unit board that has received a certificate of approval of a school construction project pursuant to Title 20, section 3458 to be paid in accordance with the alternate method prescribed in Title 20, section 3460 may borrow in anticipation of unpaid portions of state aid and may issue temporary and renewal notes.
- F. If the temporary or renewal notes in anticipation of state aid exceed the aggregate amount of state aid actually received by the regional school unit, the unexpended balance of those notes must be used for the repayment. If an outstanding balance remains, it must be included in the next annual budget and is not subject to change at the regional school unit budget meeting.

4. Early redemption. Bonds or notes issued on behalf of a regional school unit may be made subject to call for redemption, with or without premium, at the election of the regional school unit board before the date fixed for final payment of those bonds or notes. When these bonds or notes are issued, they must contain provisions setting forth the method by which the option to call may be exercised, the procedure for payment in the event of call and the legal effect of making the call.

5. Regional school unit status. Notes and bonds, and loans to pay current operating expenses and contracts, are legal obligations of the regional school unit. The regional school unit is a quasi-municipal corporation within the meaning of Title 30-A, section 5701, and all the provisions of that section apply to it.

6. Debt limit. The aggregate principal amount of outstanding bonds or notes issued by a regional school unit for school construction purposes may not exceed, at any one time, 10% of the total of the last preceding state valuation of all the municipalities within the regional school unit plus an amount not to exceed 4% of that total regional school unit valuation set by the state board at the time of the initial approval of the school construction project.

- A. Indebtedness in excess of 10% incurred under the law as it existed prior to April 1, 1974 is validated.
- B. Outstanding school indebtedness assumed by the regional school unit must be included in its limit of indebtedness, excluding contracts and notes in anticipation of state aid issued pursuant to subsection 3.

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C. The percentage limit of the indebtedness for bonds or notes for school construction purposes authorized after April 27, 1967 must be fixed as of the time of authorization by the voters or, if no regional school unit meeting is held to authorize those bonds or notes, upon the expiration of 35 days following passage of a resolution of the regional school unit board as described in subsection 7.

D. If the issuance of bonds or notes together with all outstanding indebtedness included within the regional school unit's limit of indebtedness would cause the regional school unit's indebtedness to exceed 10% of the total of the last preceding state valuation of all the municipalities within the regional school unit, the regional school unit board may not issue those bonds or notes until it has received a certificate of approval pursuant to Title 20, section 3458.

E. If a certificate of approval under Title 20, section 3458 indicates that the state board has authorized state aid to be paid in accordance with the alternate method prescribed by Title 20, section 3460, the total estimated amount of state aid payable on account of the school construction project described in the certificate of approval must be treated as outstanding school indebtedness for the purpose of computing the borrowing capacity of the regional school unit to finance that project by issuing its bonds or notes. State aid is determined by applying the applicable percentage of state aid to the total estimated cost of the project, as set forth in the certificate of approval.

7. Bonds and notes under 1% of valuation. The regional school unit board may issue bonds or notes not to exceed 1% of the last preceding state valuation of all the municipalities within the regional school unit:

- A. By calling a regional school unit meeting to approve the issuance of those bonds or notes; or
- B. By passing a resolution to that effect, setting forth the amount of the proposed issue and the purposes for which the proceeds will be used and meeting the following requirements.

(1) The secretary of the regional school unit board shall, within 5 days of the date of the passage of the resolution, cause attested copies of the resolution to be posted in 3 public and conspicuous places within each of the municipalities within the regional school unit. The secretary shall make a return of the posting stating its time and place. The return must be kept with the records of the regional school unit, and a copy of the return must be mailed to each of the municipal officers of each municipality within the regional school unit.

(2) If, within 35 days of the date of the passage of the resolution, petitions with signatures of at least 10% of the residents in the regional school unit eligible to vote on the date that the resolution was adopted are filed with the secretary requesting a vote of the regional school unit to approve or disapprove the issuance of the bonds or notes, the secretary of the regional school unit board shall immediately notify the regional school unit board. The regional school unit board shall call a referendum for that purpose as set forth in this chapter.

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(3) The regional school unit board may not authorize bonds or notes by resolution if the amount of the proposed issue, together with the amount of any other bonds or notes authorized solely by resolution and that are for the same purpose, exceeds 1% of the total of the last state valuation of all the participating municipalities.

§ 1491. Reserve fund

1. Establishment. A regional school unit may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement or financing the acquisition of a specific item or type of capital equipment by including a request in the regional school unit budget and receiving voter approval. The regional school unit board is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer of the regional school unit under the direction of the regional school unit board.

2. Deposit or investment. All regional school unit funds, including reserve funds and trust funds to the extent not prohibited by the terms of the instrument or vote creating the fund, must be deposited or invested by the treasurer of the regional school unit under the direction of the regional school unit board according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, chapter 223, subchapter 3-A.

3. Expending money from reserve funds. The regional school unit board may expend the sum in the reserve fund when authorized to do so by a vote of the regional school unit at a regional school unit meeting or a regional school unit budget meeting when an article for that purpose is set out in the warrant calling the meeting.

§ 1492. Bid procedure

1. Written bids. Bids must be in writing, sealed with the outside envelope or wrapper plainly marked "Bid, not to be opened until (appropriate date)" and mailed to or filed with the superintendent.

2. Time of opening . A director on the regional school unit board or an employee of the regional school unit may not open a bid until the appointed time.

3. Public opening. At the time and place stated in the public notice, and open to the public, all bids must be opened by the superintendent or, in the superintendent's absence or disability, by any director designated for the purpose by the chair of the regional school unit board.

4. Reading. If any citizens who are not directors or employees of the regional school unit are present or if any representatives of the press are present, bids must at the time of opening either be made available for examination by them or must be read aloud in a manner to be heard plainly by those in attendance.

§ 1493. Void contracts

A contract made by the regional school unit board during the term of a member who is pecuniarily interested in that contract, either directly or indirectly, is void, unless the regional school unit board has advertised for sealed bids for that contract and that advertisement for sealed bids has been published at least 5 days prior to the date set for closing of bids in a newspaper having general circulation within the regional school unit.

SUBCHAPTER 5

referendum

§ 1501. Regional school unit referendum

1. Authority to call a regional school unit referendum. The regional school unit board shall initiate a regional school unit referendum:

- A. To approve the issuance of bonds or notes for school construction projects;
- B. To approve a change in the selection of a school building site;
- C. To authorize the regional school unit board to contract for the schooling of secondary pupils;
- D. To accept or reject a prospective gift; and
- E. To borrow funds for minor capital costs as defined in section 15672, subsection 20-A.

§ 1502. Method of calling a regional school unit referendum

A regional school unit referendum must be initiated by a warrant prepared and signed by a majority of the regional school unit board directors. The warrant must be countersigned by the municipal officers in the municipality where the warrants are posted.

1. Municipal officers. The warrant must direct the municipal officers within the regional school unit to call a referendum on a date and time determined by the regional school unit board. A warrant must be prepared and distributed at least 30 days prior to the date of the referendum, except that a warrant for a regional school unit budget referendum held in accordance with this chapter must be prepared and distributed at least 14 days prior to the date of the referendum.

- A. The warrant must be directed to a resident of the regional school unit by name, ordering the resident to notify the municipal officers of each of the municipalities within the regional school unit to call a town meeting or city election on the date specified by the regional school unit board. No other date may be used. The person who serves the warrant shall make a return on the warrant stating the manner of services and the time when it was given.

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B. The warrant must be served on the municipal clerk of each of the municipalities within the regional school unit by delivery of an attested copy of the warrant in hand within 3 days of the date of the warrant. The municipal clerk, on receipt of the warrant, shall immediately notify the municipal officers within the municipality. The municipal officers shall forthwith meet, countersign and have the warrant posted.

C. The warrants and other notices for the referendum must be in the same manner as provided in Title 21-A, except that the regional school unit board shall hold a public hearing at least 7 days before the referendum vote. At least 7 days before the public hearing, the regional school unit board shall give notice of the public hearing by having a copy of the proposed referendum, together with the time and place of hearing, posted in the same manner required for posting a warrant under this section.

2. Content of the warrant. The warrant must set forth the articles to be acted on in each municipal referendum. The articles must have the following form.

A. On or after July 1, 2008, when a referendum is called for the purpose of authorizing the issuance of bonds or notes for capital outlay purposes, the articles must be substantially as set out in this paragraph.

(1) "Do you favor authorizing the board of directors of (name of regional school unit) to issue bonds or notes in the name of this regional school unit for school construction purposes in an amount not to exceed \$..... to construct a (elementary or secondary school) to be located at..... (specifically defined lot where school is to be erected)?

Yes No"

(2) "Do you favor authorizing the board of directors of (name of regional school unit) to issue bonds or notes in the name of this regional school unit for school construction or minor capital projects in an amount not to exceed \$..... for the purpose of (purpose of school construction project)?

Yes No"

(3) "Do you favor authorizing the board of directors of (name of regional school unit) to use the bond issue or notes in an amount not to exceed \$....., which was voted by the regional school unit on (date), to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located)?

Yes No"

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(4) "Do you favor authorizing the board of directors of (name of regional school unit) to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located) with the total project cost not to exceed \$..... and to issue bonds or notes in the name of this regional school unit for school construction purposes in an amount not to exceed \$..... with the balance of the total project costs to be derived from (description of other sources of funds such as initial state share when approved for current fiscal year funding, proceeds from insured losses, money from federal sources, other noneducational funds, etc.)

Yes No"

B. When a regional school unit votes to change the site of its school construction project using the article in paragraph A, subparagraph (3), the date of authorization of the project is the original date the voters authorized the regional school unit board to issue bonds or notes for that project.

C. On or after July 1, 2008, when a referendum is called for the purpose of authorizing the regional school unit board to contract for the schooling of secondary pupils, the article must be as set out in this paragraph.

(1) "Do you favor authorizing the board of directors of (name of regional school unit) to contract in the name of this regional school unit with (name of regional school unit or private school) for the schooling of secondary pupils for a term of years?

Yes No"

D. On or after July 1, 2008, when a referendum is called for the purpose of accepting or rejecting a prospective gift, the article must be as set out in this paragraph.

(1) "Do you favor authorizing the board of directors of (name of regional school unit) to accept a prospective gift under the following conditions?(terms and conditions).

Yes No"

§ 1503. Referendum procedures

1. Ballots. The regional school unit board shall prepare and furnish the required number of ballots for carrying out the referendum as posted, including absentee ballots. The regional school unit board shall prepare and furnish all other materials necessary to fulfill the requirements for voting procedures.

2. Voting. Voting must be held and conducted in accordance with this subsection.

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A. The voting at referenda held in towns must be held and conducted in accordance with Title 30-A, sections 2524 and 2528 to 2532, even though the town has not accepted the provisions of Title 30-A, sections 2524 and 2525. The facsimile signature of the clerk under Title 30-A, section 2528, subsection 6, paragraph F must be that of the chair of the regional school unit board. If a regional school unit referendum is called to be held simultaneously with any statewide election, the voting in towns must be held and conducted in accordance with Title 21-A, except that the duties of the Secretary of State must be performed by the regional school unit board and, if the statewide election is a primary election, any registered voter may vote in the referendum. The absentee voting procedure of Title 21-A must be used, except that the duties of the Secretary of State must be performed by the regional school unit board.

B. The voting at referenda in cities must be held and conducted in accordance with Title 21-A, including the absentee voting procedure, except that the duties of the Secretary of State must be performed by the regional school unit board and, if the statewide election is a primary election, any registered voter may vote in the referendum.

3. Return and counting. The return and counting of votes must be in accordance with this subsection.

A. The municipal clerk shall, within 24 hours of the determination of the results of the vote in the municipality, certify and send to the regional school unit board the total number of votes cast in the affirmative and in the negative on each article.

B. As soon as all of the results from all of the municipalities have been returned to the regional school unit board, the regional school unit board shall meet and compute the total number of votes cast in all of the municipalities within the regional school unit in the affirmative and in the negative on each article.

C. If the regional school unit board determines that there were more votes cast in the affirmative than in the negative on a given article, it shall declare that the article has passed.

D. If the regional school unit board determines that the total number of votes cast on an article in the affirmative is equal to or less than those cast in the negative, it shall declare that the article has not passed.

E. The regional school unit board shall enter its declaration and computations in its records and send certified copies to the clerk of each municipality within the regional school unit.

§ 1504. Reconsideration

The procedure to reconsider votes taken at a regional school unit referendum is as set out in this section.

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1. Time limit. The regional school unit board shall, within 60 days, initiate a new regional school unit referendum to reconsider the vote of the previous referendum if, within 7 days of the first referendum, at least 10% of the number of voters voting for the gubernatorial candidates in the last gubernatorial election in the municipalities within the regional school unit petition to reconsider a prior regional school unit referendum vote.

2. Required quorum. A reconsideration referendum is not valid unless the number of persons voting in that referendum is at least equal to the number who voted in the prior regional school unit referendum.

3. Bond. If the margin of the vote being reconsidered was between 10% and 25%, the petitioners shall post a bond with the petition equal to the actual and reasonable costs of the new referendum. If the margin of the vote being reconsidered exceeded 25%, the petitioners shall post an additional bond equal to the actual and reasonable costs that may be incurred as a result of the delay of an authorization or approval granted in the prior regional school unit referendum. If the petitioners are successful, the bonds must be canceled.

§ 1505. Bonds; notes; other

All bonds, notes or other evidences of indebtedness issued for regional school unit purposes by a regional school unit for major capital expenses, bus purchases or current operating expenses, including tax or other revenue anticipation notes, are general obligations of the regional school unit.

1. Tax assessments. The municipal officers or regional school unit board shall require the sums that are necessary to meet in full the principal of and interest on the bonds, notes or other evidences of indebtedness issued pursuant to this section payable in each year to be assessed and collected in the manner provided by law for the assessment and collection of taxes.

2. Reduction. The sums to be assessed and collected under subsection 1 must be reduced by the amount of an allocation of funds appropriated by the Legislature to pay the principal and interest owed by the regional school unit in a given year as certified to the regional school unit by the commissioner. The commissioner shall certify the amount due to the regional school unit within 30 days of its appropriation by the Legislature.

3. Collection. After assessment and reduction under subsection 2, the remaining sum must be paid from ad valorem taxes, which may be levied without limit as to rate or amount upon all the taxable property within the regional school unit.

§ 1506. Debt liability

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

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A. "Existing debt" means any bond, note, loan agreement, lease-purchase agreement or other debt instrument issued prior to July 1, 2008 for the purposes of funding public schools, or for refinancing such debt, that remains outstanding at the time of a reorganization pursuant to this chapter. "Existing debt" does not include routine payables or commercial contract obligations.

B. "Original education unit" means:

(1) A previous education unit that has existing debt; or

(2) A municipality that has existing debt incurred on behalf of a previous education unit.

C. "New unit" means a regional school unit created or established pursuant to this chapter.

2. Liability remains with original unit. Existing debt held by an original education unit remains the obligation of that original education unit after reorganization pursuant to this chapter. An original education unit may not be finally dissolved while any existing debt held by the original education unit remains outstanding. All aspects of an original education unit's administrative or political organization may be merged into a new unit or otherwise modified to accomplish the purposes of this chapter but its existing debt and its right to secure payment of such debt from income streams that existed at the time of the issuance of such debt may not be affected or altered except as authorized by this section.

A. A new unit may agree to pay the existing debt of an original education unit that is included within the new unit. If the new unit pays the existing debt, the original education unit is relieved of paying that debt, but, in the event that the new unit fails to pay any amount of the existing debt, the original education unit remains responsible for the deficiency. The original education unit shall ensure that timely payments of existing debt are made, regardless of whether the new unit has agreed to make the debt payments. An original education unit may contract with a new unit for the administration of, transfer or delegate to and a new unit may accept and exercise on behalf of the original education unit for the remaining term of any existing debt all those powers and duties reasonable and necessary for the payment of existing debt of the original education unit.

B. Notwithstanding any other provision of law or any provision of any trust agreement, a new unit may use any sinking fund or other money set aside by the original education unit to pay an existing debt to pay that debt.

C. A new unit may issue bonds or other debt instruments for the purpose of refinancing or retiring the existing debt of an original education unit. The issuance of such bonds or other debt must be in accordance with applicable procedural requirements, including the procedural requirements of section 1490.

3. No impact on state debt subsidies. A change in any administrative or political organization resulting from the creation of a new unit may not affect any state subsidy with respect to existing debt or the relative portion of any such debt paid or reimbursed by the State except as provided in this subsection.

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A. The original education unit may continue to pay its existing debt obligations in due course as though no new unit had been created and its choice to do so may not reduce or otherwise affect the level of state assistance or subsidy with respect to that existing debt.

B. If the original education unit and the new unit choose to refinance the existing debt, the state subsidy or assistance with respect to the debt must be determined as of the date of the new issuance and must be based on that refinancing and not on any previous subsidy or assistance calculation related to the existing debt.

4. Debt of original education units. After July 1, 2008, for each original education unit with existing debt that has reorganized into a new unit, if the new unit has not agreed to assume liability to pay that existing debt, the regional school unit board shall serve as agent for purposes of that existing debt and has full authority to:

- A. Sue and be sued in the name of the original education unit with respect to the existing debt;
- B. Determine the debt service due each fiscal year on any existing debt;
- C. As applicable, allocate to each member of the original education unit the member's share of the annual debt service for the existing debt of the original education unit in addition to each member's share of costs of the new unit;
- D. Collect the allocation for debt service on the existing debt from the original education unit or, as applicable, from each member of the original education unit in addition to each member's share of costs of the new unit;
- E. Pay the debt service on the existing debt of the original education unit when due; and
- F. Take all other actions necessary and proper with respect to the existing debt.

Allocations between members of the original education unit to pay the debt service for the existing debt must be made on the basis of the cost-sharing formula of the original education unit in effect on July 1, 2007, as applied to the year of allocation. In the case of state-subsidized debt service, the provisions of subsection 3 apply. Amounts to pay the debt service on the existing debt of the original education units must be included in the budget that the regional school unit board of a new unit submits for approval. If the original education unit is divided between different new units that have not agreed to assume liability to pay the existing debt, the commissioner shall require that the reorganization plan of one of those new units provide for that new unit to serve as agent for purposes of the existing debt of the original education unit. That new unit, as agent, has the authority provided by this subsection, except that the new unit shall notify the other new units containing members of the original education unit of the amounts they must assess and collect from their members who were members of the original education unit, and those other new units shall perform the functions in subsection 4, paragraphs C and D with respect to their members, and shall pay the appropriate amounts over to the new unit serving as agent.

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5. Bonds to complete school construction and renovation. If the legislative body of an original education unit has authorized the issuance of bonds for a school construction project or a minor capital project, but that original education unit has not yet issued all of the authorized permanent bonds for that project, the board of the new unit that includes all the members of the original education unit shall issue bonds or notes necessary to finance the completion of that project and to refund temporary notes that the original education unit issued in anticipation of permanent bonds for that project. No further action by the legislative body of the new unit is required. The bonds at any time outstanding for the project may not exceed the amount authorized by the legislative body of the original education unit except to the extent necessary to refund temporary notes on a current basis. Bonds or notes issued by the regional school unit board to complete projects of an original education unit and to refund temporary project notes of an original education unit must be issued in the name of the original education unit and otherwise must be in the form and be subject to the procedural requirements provided by section 1490 except as provided by this subsection. Upon issuing debt in accordance with this subsection, the regional school unit board shall serve as agent of the original education unit for purposes of that debt and has the same authority as is provided in subsection 4 for existing debt.

SUBCHAPTER 6

schools

§ 1511. Supermajority vote to close school in the regional school unit

A school operated within the regional school unit may not be closed unless closure of the school is approved at a regular or special meeting of the regional school unit board by an affirmative vote of 2/3 of the elected membership or voting power of the regional school unit board.

§ 1512. Closing school

1. Vote; cost of election. A school in a member municipality of a regional school unit may not be closed unless the voters in the member municipality vote on the article in accordance with the referendum procedure set forth in this chapter.

"Article: Do you favor authorizing the board of directors of (name of regional school unit) to close (name of school)?"

Yes No

The additional cost of keeping the school open has been estimated by the regional school unit board to be \$"

The election must be conducted within that member municipality only, pursuant to department rule, and the costs of the election are borne by the regional school unit.

2. Expense of keeping the school open. If the voters vote by a majority vote to keep the school open, the member municipality is liable for some additional expense for actual local operating costs and transportation operating costs as defined in section 15672. The determination of costs is subject to the approval of the commissioner. The cost to be borne by the municipality voting to keep a school open is the amount that would be saved if the school were closed. Any additional costs that must be borne by the member municipality must be part of the article presented to the voters at the meeting to determine whether the school should remain open.

3. Costs and procedures during subsequent years. During any year subsequent to the year during which a school remains open contrary to the regional school unit board's vote to close that school as a result of a municipal referendum, the school will be open without any additional cost to the municipality except as described in paragraphs A and B.

A. If the regional school unit board again votes to close the school and the voters of the member municipality again vote to keep the school open, as described in this subsection, then the school will remain open and the member municipality will be obligated to pay the additional costs as described in subsection 2.

B. If the regional school unit board again votes to close the school and the voters of the member municipality fail to vote to keep the school open, then the school is closed. In this event, the school may be reopened only if the regional school unit board votes to reopen the school.

4. Definition of school closing. For purposes of this section, a school closing is any action by the regional school unit board that has the effect of providing no instruction for any students at that school.

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 3, paragraph A, then the amount of this additional expense must be subtracted from the regional school unit budget before each member municipality's assessment is computed. This additional expense must be paid by the member municipality that is liable in equal monthly amounts, unless the regional school unit and that member municipality mutually agree to another method of payment.

6. Multiple municipalities. If a school proposed for closure is an elementary school that serves students from more than one municipality, the article set forth in subsection 1 must be submitted to the voters in each of the municipalities that sent all elementary students from that municipality to the school. If the article is approved by a majority of the voters in each of the municipalities, the school is not closed and the municipalities share in the costs under this section in the same proportion as they share the current operating costs of the school.

Sec. XXXX-14. 20-A MRSA §1602, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-15. 20-A MRSA §1604, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-16. 20-A MRSA §1701-C is enacted to read:

§ 1701-C. Mandatory budget validation and cost center summary budget form

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Notwithstanding any other law, community school district budgets developed after January 1, 2008 must conform to the format and referendum procedures set forth in sections 1701-A and 1701-B.

Sec. XXXX-17. 20-A MRSA §1751, as amended by PL 1999, c. 206, §2, is repealed.

Sec. XXXX-18. 20-A MRSA §1901, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-19. 20-A MRSA §2101, sub-§1, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-20. 20-A MRSA §2101, sub-§2, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-21. 20-A MRSA §2307 is enacted to read:

§ 2307. School budgets

Notwithstanding any other law, municipal school budgets developed after January 1, 2008 must follow the same school budget requirements as regional school units pursuant to chapter 103-A.

Sec. XXXX-22. 20-A MRSA c. 114 is enacted to read:

CHAPTER 114

regional collaboration

§ 2601. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Administrative, instructional and noninstructional functions. "Administrative, instructional and noninstructional functions" includes, but is not limited to, system administration, school administration, special education, transportation and buses and facilities maintenance.

2. Collaborative agreement. "Collaborative agreement" means an agreement to share the responsibility for and cost of the delivery of certain administrative, instructional and noninstructional functions. "Collaborative agreements" includes, but is not limited to:

- A. Shared purchasing or contract agreements;
- B. Agreements for shared staff or staff training;
- C. Agreements to share technology or technology support;
- D. Agreements to provide special education programs and support services;
- E. Agreements to share accounting, payroll and financial management services;
- F. Agreements to coordinate transportation routing and vehicle maintenance;

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G. Agreements to share food service planning and purchasing; and

H. Agreements to coordinate energy and facilities management.

§ 2602. Development of collaborative agreements

A school administrative unit may enter into collaborative agreements with other school administrative units and, whenever possible, with local and county governments and State Government, to achieve efficiencies and reduce costs in the delivery of administrative, instructional and noninstructional functions.

§ 2603. Collaborative agreements between previous education units

A collaborative agreement between 2 or more previous education units may remain in effect after July 1, 2008. Notwithstanding any other provision of law to the contrary, collaborative agreements in existence on the effective date of this section may be extended or modified by the parties to the collaborative agreement.

Sec. XXXX-23. 20-A MRSA §4102, as amended by PL 1999, c. 206, §3, is further amended by adding at the end a new paragraph to read:

Before a regional school unit board may close a school building pursuant to this section, voter approval must be obtained in accordance with section 1512.

Sec. XXXX-24. 20-A MRSA §15680, sub-§1, ¶A, as enacted by PL 2003, c. 504, Pt. A, §6, is amended to read:

A. System administration. The per-pupil amount for "system administration" is the actual system administration expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, less revenues to system administration for services to other governments and refunds from a statewide school management association, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. Beginning in school year 2008-2009, this per-pupil amount must be based on school year 2005-2006 system administration expenditures then reduced by 50% and inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index;

Sec. XXXX-25. 20-A MRSA §15680, sub-§1, ¶B, as enacted by PL 2003, c. 504, Pt. A, §6, is amended to read:

B. Operation and maintenance of plant. The per-pupil amount for "operation and maintenance of plant" is the actual operation and maintenance of plant expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. For school year 2008-2009, the resulting per-pupil amount must be reduced by 5%;

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Sec. XXXX-26. 20-A MRSA §15681-A, sub-§2-A is enacted to read:

2-A. Reduction for fiscal year 2008-09. For fiscal year 2008-09, the commissioner shall reduce by 5% the allocation for special education costs as described in subsection 2. These calculated special education costs for school administrative units for fiscal year 2008-09 are subject to the appeals procedure described in subsection 2.

Sec. XXXX-27. 20-A MRSA §15681-A, sub-§3-A is enacted to read:

3-A. Reduction for fiscal year 2008-09. For fiscal year 2008-09, the commissioner shall reduce by 5% the allocation for transportation costs as described in subsection 3. These calculated transportation costs for school administrative units for fiscal year 2008-09 are subject to the appeals procedure described in subsection 3.

Sec. XXXX-28. 20-A MRSA §15688, sub-§2, as amended by PL 2005, c. 2, Pt. D, §54 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

2. Member municipalities in school administrative districts, community school districts, regional school units; total costs. For each municipality that is a member of a school administrative district or, community school district or regional school unit, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the school administrative district's or, community school district's or regional school unit's total cost of education multiplied by the percentage that the municipality's most recent calendar year average pupil count is to the school administrative district's or, community school district's or regional school unit's most recent calendar year average pupil count.

Sec. XXXX-29. 20-A MRSA §15688, sub-§3-A, as enacted by PL 2005, c. 2, Pt. D, §56 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

3-A. School administrative unit; contribution. For each school administrative unit, the commissioner shall annually determine the school administrative unit's required contribution, the required contribution of each municipality that is a member of the unit, if the unit has more than one member, and the State's contribution to the unit's total cost of education in accordance with the following.

A. For a school administrative unit composed of only one municipality, the contribution of the unit and the municipality is the same and is the lesser of:

(1) The total cost described in subsection 1; and

(2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

B. ~~For~~Except as provided in paragraph B-1, for a school administrative district or, community school district or regional school unit composed of more than one municipality, each municipality's contribution to the total cost of education is the lesser of:

(1) The municipality's total cost as described in subsection 2; and

(2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

B-1. For a regional school unit, if the amount calculated pursuant to paragraph B is less than 2 mills multiplied by the property fiscal capacity of the municipality, the municipality's contribution to the total cost of education is an amount equal to 2 mills multiplied by the property fiscal capacity of the municipality. The difference in the amount calculated pursuant to paragraph B and the amount calculated pursuant to this paragraph, which amount may not be less than zero, must be used to proportionally lower the local contribution in the remaining municipalities.

C. For a school administrative district ~~or~~, community school district or regional school unit composed of more than one municipality, the unit's contribution to the total cost of education is the lesser of:

(1) The total cost as described in subsection 1; and

(2) The sum of the totals calculated for each member municipality pursuant to paragraph B, subparagraph (2), plus the total calculated pursuant to paragraph B-1 if applicable.

D. The state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A or C, as applicable. The state contribution is subject to reduction in accordance with section 15690, subsection 1, paragraph C.

Sec. XXXX-30. 20-A MRSA §15690, sub-§1, ¶B, as amended by PL 2005, c. 12, Pt. WW, §5 and affected by §18, is further amended to read:

B. For a school administrative district ~~or~~, a community school district or a regional school unit, an article in substantially the following form must be used when the school administrative district ~~or~~, community school district or regional school unit is considering the appropriation of an amount up to its required contribution to the total cost of education as described in section 15688.

(1) "Article: To see what sum the district will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and to see what sum the district will raise and assess as each municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688 (Recommend amount set forth below):

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Total Appropriated (by municipality):	Total raised (district assessments by municipality):
Town A (\$amount)	Town A (\$amount)
Town B (\$amount)	Town B (\$amount)
Town C (\$amount)	Town C (\$amount)
School District	School District
Total Appropriated	Total Raised
(\$sum of above)	(\$sum of above)"

(2) The following statement must accompany the article in subparagraph (1). "Explanation: The school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the district must raise and assess in order to receive the full amount of state dollars."

Sec. XXXX-31. 20-A MRSA §15691-A is enacted to read:

§ 15691-A. Municipal assessment paid to a regional school unit

Beginning with the 2008-2009 school year, this section applies to municipal assessments paid to a regional school unit.

1. Presentation of assessment schedule. The assessment schedule based on the budget approved at a regional school unit budget meeting must be presented to the treasurer of each municipality that is a member of the regional school unit. The assessment schedule must include each member municipality's share of the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in section 15688 and the school administrative unit's contribution to debt service for non-state-funded school construction projects and additional local funds for school purposes under section 15690.

2. Municipal treasurer's payment schedule. The treasurer of the member municipality, after being presented with the assessment schedule under subsection 1, shall forward 1/12 of that member municipality's share to the treasurer of the regional school unit on or before the 20th day of each month of the fiscal year.

Sec. XXXX-32. 20-A MRSA §15696 is enacted to read:

§ 15696. Penalties for nonconforming school administrative units

1. Authorized adjustments. Notwithstanding any other provision of this Title, the following adjustments to the calculation of subsidy under chapter 606-B are required beginning July 1, 2009 for a school administrative unit that is not a conforming school administrative unit:

A. The school administrative unit is not eligible for the minimum state allocation under Title 20-A, section 15689, subsection 1;

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B. The school administrative unit's total cost of education is reduced by adjusting the cost component for system administration under section 15680, subsection 1, paragraph A to zero;

C. The school administrative unit is not eligible for:

(1) The isolated small school adjustment under section 15683, subsection 1, paragraph F; or

(2) A transition adjustment under section 15686 or any comparable year-over-year transition amount;

D. The school administrative unit's mill rate under section 15671-A is increased by 5% over the full-value education mill rate; and

E. The school administrative unit receives less favorable consideration for approval and funding for school construction pursuant to rules of the state board.

Sec. XXXX-33. 20-A MRSA §15755, as enacted by PL 2005, c. 2, Pt. D, §63 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is repealed.

Sec. XXXX-34. 20-A MRSA §15904, sub-§3-A is enacted to read:

3-A. Regional school units. In a regional school unit, the vote must be conducted in accordance with chapter 103-A.

Sec. XXXX-35. Legislative intent and policy. This Part establishes the process for increasing the efficiency and effectiveness of school administrative units by providing a process for reorganizing them into regional school units that meet the policies set forth in the Maine Revised Statutes, Title 20-A, section 1451 and by assisting units to develop more efficient structures for providing administrative services.

1. Meetings to be convened in each career and technical education region. Not later than July 15, 2007, the Commissioner of Education, or the commissioner's designee, shall convene one or more meetings in each of the career and technical education regions in the State to present information about the requirements of this Part regarding consolidation and collaboration among school administrative units.

A. The Commissioner of Education shall provide notice of the meeting or meetings to municipal officials and school officials from the municipalities and school administrative units within the region, as well as to the general public.

B. In addition to other information presented at the meeting, the Commissioner of Education shall provide one or more maps showing the suggested alignment of municipalities and other school administrative units designed to increase efficiency and improve educational quality and to meet the requirements of subsection 6.

C. Maps presented by the Commissioner of Education and alignment options considered by school administrative unit representatives must reflect:

(1) The intent and goals set forth in Title 20-A, section 1451; and

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(2) The intent that school units existing on the effective date of this Act be reorganized into not more than 80 regional units and that units of at least 2,500 resident students be created except where circumstances justify an exception to that size requirement. When circumstances justify an exception to the requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for offshore islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

2. Notice of intent. By August 31, 2007, each school administrative unit shall file with the Commissioner of Education:

A. A notice of intent to engage in planning and negotiations with other school administrative units for the purpose of developing a reorganization plan to form a regional school unit under this Part and Title 20-A, chapter 103-A; or

B. A notice of intent to submit an alternative plan that meets the requirements of subsection 6, paragraph F. An alternative plan may be submitted only by a unit that is:

(1) An offshore island;

(2) A school operated by a tribal school committee pursuant to the Maine Revised Statutes, Title 30, section 6214; or

(3) A school administrative unit that serves more than 2,500 students, or 1,200 students where circumstances justify an exception to the requirement of 2,500 students under subsection 6, paragraph A, where expansion of the unit would be inconsistent with the policies set forth in Title 20-A, section 1451.

The Commissioner of Education shall respond to each notice of intent by September 15, 2007, indicating whether the intended action complies with the requirements of this Part.

3. Reorganization planning committee. Municipalities that intend to engage in planning and negotiation to create a regional school unit shall form a reorganization planning committee.

A. For each proposed regional school unit, the Commissioner of Education shall provide guidelines for the formation of a reorganization planning committee including representation from the school administrative units in existence on the effective date of this Part, member municipalities and members of the general public who are residents of the proposed regional school unit. The guidelines must include roles and responsibilities of the committee, timelines for submission of the plan, the format for reporting the reorganization plan and evaluation criteria for approval of the plan.

B. Reorganization planning committees shall hold one or more public meetings to gather input from community members and to determine the sentiment of the public.

4. Submission of plans. By December 1, 2007, each school administrative unit shall submit to the Commissioner of Education either:

A. Its proposed reorganization plan for consolidation into a regional school unit that meets the requirements of subsections 5 and 6; or

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B. Its proposed plans for reducing the cost of services within the school administrative unit to meet the requirements of subsection 6, paragraph F.

5. Content. A reorganization plan must include:

A. The units of school administration to be included in the proposed regional school unit;

B. The size, composition and apportionment of the governing body;

C. The method of voting of the governing body;

D. The composition, powers and duties of any local school committees to be created;

E. The disposition of real and personal school property;

F. The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of section 1506 regarding the disposition of debt obligations;

G. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations;

H. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes;

I. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies;

J. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan;

K. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan;

L. An estimate of the cost savings to be achieved through formation of a regional school unit and how costs will be reduced; and

M. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this Part may determine to be necessary.

6. Parameters. In developing a reorganization plan for school administrative units in existence on the effective date of this Part, the governing bodies of school administrative units shall work within the following parameters.

A. The proposed regional school unit must serve not fewer than 2,500 students, except where circumstances relating to the following factors justify an exception:

(1) Geography, including physical proximity and the size of the current school administrative unit;

(2) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;

(3) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;

(4) Transportation;

(5) Population density; or

(6) Other unique circumstances including the need to preserve existing or developing relationships, meet the needs of students, maximize educational opportunities for students and ensure equitable access to rigorous programs for all students.

When circumstances justify an exception to the requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for offshore islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

B. The proposed unit, viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join a regional school unit;

C. The plan must provide comprehensive programming for all students from kindergarten to grade 12 and must include at least one publicly supported secondary school;

D. The plan must be consistent with the policies set forth in Title 20-A, section 1451;

E. The plan may not displace teachers or students or close any schools existing and operating during the school year immediately preceding reorganization, except as permitted under section 1512; and

F. The plan must reorganize administrative functions, duties and noninstructional personnel in order that the following be accomplished:

(1) The projected expenditures of the reorganized school unit in fiscal year 2008-09 for transportation, special education and facilities and maintenance must be 5% less than the projected transportation, special education and facilities and maintenance expenditures of each of the participating school administrative units in fiscal year 2007-08; and

(2) The projected expenditures of the reorganized school unit in fiscal year 2008-09 for system administration must be no more than the legislatively approved essential programs and services system administration rate established for fiscal year 2008-09.

7. Review and approval of plans. If the Commissioner of Education finds that a plan for reorganization meets the requirements of this Part, the commissioner shall notify the municipalities and school administrative units and they shall proceed with referendum.

A. If the Commissioner of Education finds that a plan for reorganization is not consistent with subsection 6 and the purposes and goals of this Part, or that it has not adequately addressed the matters set forth in subsection 6, the commissioner shall return the plan to the governing bodies of those school administrative units by December 15, 2007 with specific suggestions for modification of the plan.

B. Upon the return of a reorganization plan by the Commissioner of Education, the governing body of the school administrative unit shall revise the proposed plan for reorganization to address the commissioner's findings and submit a revised plan for reorganization not more than 30 days after the commissioner returns the plan for revision.

C. The Commissioner of Education shall approve or disapprove the revised plan for reorganization not more than 14 days after it is refiled by the unit.

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8. Referendum on reorganization plan. The municipal officers of each municipality in a proposed reorganized school administrative unit shall place a warrant article substantially as follows on the ballot of a municipal referendum conducted on January 15, 2008 in accordance with the referendum procedures applicable to the school administrative unit of which the municipality is a member.

"Article: Do you favor approving the school administrative reorganization plan prepared by the (insert name) Reorganization Planning Committee to reorganize (insert names of affected school administrative units) into a regional school unit, with an effective date of _____?"

Yes/No"

The following statement must accompany the article:

"Explanation:

A "YES" vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit, which will be provided with the following incentives:

More favorable consideration in approval and funding of school construction projects; and

Eligibility for additional financial support for reorganization costs.

A "NO" vote means that you do not approve of the (municipality or school administrative unit) joining a regional school unit, which will result in the existing (municipality or school administrative unit) receiving the following penalties:

Less favorable consideration in approval and funding of school construction projects; and

A reduction in state funding of education costs in an amount estimated to be \$_____ for school year 200_ and \$_____ for school year 200_, with the possibility of ongoing penalties for continued failure to join an approved regional school unit. Reductions in state education funding will likely result in an increased mill rate expectation to meet the local share of education costs."

The Department of Education shall pay the cost of a referendum conducted before or on January 15, 2008.

9. Results of referendum. Each school administrative unit shall report the results of the referendum to the Department of Education.

A. A reorganization plan is approved by a kindergarten to grade 12 school administrative district or a kindergarten to grade 12 community school district if the majority of votes cast in the district are in favor of approval of the plan.

B. A reorganization plan is approved by the member municipalities of a nonkindergarten to grade 12 community school district if the majority of votes cast in the member municipalities is in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten to grade 12.

C. A municipal school unit, including a municipal school unit that is a member of a school union, approves a reorganization plan if the majority of the votes cast in that municipality are in favor of approval of the plan.

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D. If a reorganization plan is approved by all of the affected school administrative units, or by the school administrative units considered sufficient under the proposed units' reorganization plan, the Commissioner of Education shall file notice of approval of the unit with the State Board of Education.

10. Certificate of organization. If a plan or revised plan for reorganization has been approved by the Commissioner of Education and approved by voters at the referendum, the State Board of Education shall issue a certificate of organization to the school administrative units that are reorganized into regional school units.

11. Result of disapproval at January 2008 referendum. A school administrative unit that rejects a proposed reorganization plan at the January 15, 2008 referendum or at a subsequent referendum on or before November 4, 2008 may restart the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to prepare another reorganization plan.

A. Subsequent reorganization plans must meet the same requirements as for reorganization plans filed prior to the January 2008 referendum, except that the timelines are adjusted to reflect a July 1, 2009 reorganization date.

B. The penalties set forth in Title 20-A, section 15696 apply to any school administrative unit that fails to approve a reorganization plan on or before November 4, 2008 and to implement that plan by July 1, 2009.

12. Reformulation of SAD as RSU. Not later than December 1, 2008, the Commissioner of Education shall notify any school administrative district that has not voted to form a regional school unit on or before November 4, 2008 that the school administrative district must be recreated as a regional school unit under Title 20-A, chapter 103-A, effective July 1, 2009. Notwithstanding any other provision of law, a school administrative district may be changed to a regional school unit upon notice to the State Board of Education without dissolving the school administrative district.

Sec. XXXX-36. Role of the Department of Education. In order to provide for the orderly implementation of this Part, the Department of Education shall:

1. Prepare models. Prepare one or more models for the reorganization of school administrative units in existence on the effective date of this Part, consistent with the provisions of section 35, subsection 1;

2. Assist in collection and presentation of data. Assist all of the governing bodies of school administrative units in existence on the effective date of this Part in the collection and presentation of data pertinent to the charge established by this Part;

3. Assist in meetings and caucuses. Assist in the organization of the meetings and caucuses convened by the governing bodies of the school administrative units in existence on the effective date of this Part to prepare reorganization plans as provided in subsection 1;

4. Provide facilitation services. Make available, upon request, facilitation services to the governing bodies of the school administrative units in existence on the effective date of this Part to ensure the ability of those school administrative units to fulfill the charges required by this Part;

5. Adjust EPS rates. Adjust essential programs and services rates for transportation, facilities and maintenance, special education and system administration expenditures to reflect the ongoing efficiencies resulting from the reorganization of school administrative units in existence on the effective date of this Part;

6. Submit report. Submit a report to the Joint Standing Committee on Educational and Cultural Affairs no later than February 1, 2008 that describes the compliance of the participating school administrative units in existence on the effective date of this Part with the requirements of this Part.

Sec. XXXX-37. Notification of allocation of funding to school administrative units. Notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-B, subsection 2, paragraph A, the notice by the Commissioner of Education to school boards of the estimated amount of state funds to be allocated to the school administrative unit for school years 2008-2009 and 2009-2010 must be provided not later than March 31st.

Sec. XXXX-38. Adjustment for regional school unit start-up costs. The Commissioner of Education shall establish an adjustment for the fiscal year 2008-09 to support the start-up costs associated with the reorganization of school administrative units to regional school units in accordance with the Maine Revised Statutes, Title 20-A, chapter 103-A.

Sec. XXXX-39. Initial staggered terms. Notwithstanding the Maine Revised Statutes, Title 20-A, section 1471, subsection 2, the initial directors elected to a regional school unit board of directors shall meet and draw lots for the length of term specified as follows.

1. Municipalities with annual elections. In municipalities with annual elections, 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3, the first remaining director serves a 3-year term and the 2nd a 2-year term.

2. Municipalities with biennial elections. In municipalities with biennial elections, 1/2 of the directors serve 4-year terms and 1/2 of the directors serve 2-year terms. If the number of directors is not divisible by 2, the remaining director serves a 4-year term.

The directors shall serve their terms as determined at the organizational meeting and an additional period until the next regular election of the municipalities. Thereafter, the directors' terms of office are as established in accordance with the provisions of Title 20-A, section 1471.

Sec. XXXX-40. Transfer of property and assets; regional school units approved prior to January 16, 2008. This section applies to a regional school unit that is approved prior to January 16, 2008.

1. Board of directors. The directors of the board of each regional school unit established in the Maine Revised Statutes, Title 20-A, chapter 103-A shall determine what school property of the municipalities in existence prior to July 1, 2008 and of the school administrative units in existence prior to July 1, 2008 in their regions is necessary to carry out the functions of the regional school unit and shall request in writing that the board of each such school administrative unit or the municipal officers transfer title of their school property and buildings to the regional school unit board of directors.

2. Transfer. The municipal officers and boards contacted pursuant to subsection 1 may make the transfer of property and assets notwithstanding any other provision in the charter of the school administrative unit or municipality.

3. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2008 for school construction projects approved for subsidy under Title 20-A, chapter 609 and pursuant to section 1506. If a regional school unit board of directors has assumed the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2008 the directors of the regional school unit board may, notwithstanding any other statute or any provision of any trust agreement, use any sinking fund or other money set aside by the school administrative unit in existence prior to July 1, 2008 to pay off the indebtedness for which the money was dedicated. A regional school unit board of directors is not required to assume the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2008 in its regional school unit for nonstate funded projects pursuant to Title 20-A, section 15905-A and pursuant to section 1481.

Sec. XXXX-41. Transfer of property and assets; regional school units approved after January 15, 2008. This section applies to a regional school unit that is approved after January 15, 2008 and before November 5, 2008.

1. Board of directors. The directors of the board of each regional school unit established in the Maine Revised Statutes, Title 20-A, chapter 103-A shall determine what school property of the municipalities in existence prior to July 1, 2009 and of the school administrative units in existence prior to July 1, 2009 in their regions is necessary to carry out the functions of the regional school unit and shall request in writing that the board of each such school administrative unit or the municipal officers transfer title of their school property and buildings to the regional school unit board of directors.

2. Transfer. The municipal officers and boards contacted pursuant to subsection 1 may make the transfer of property and assets notwithstanding any other provision in the charter of the school administrative unit or municipality.

3. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2009 for school construction projects approved for subsidy under Title 20-A, chapter 609 and pursuant to section 1506. If a regional school unit board of directors has assumed the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2009 the directors of the regional school unit board may, notwithstanding any other statute or any provision of any trust agreement, use any sinking fund or other money set aside by the school administrative unit in existence prior to July 1, 2009 to pay off the indebtedness for which the money was dedicated. A regional school unit board of directors is not required to assume the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2009 in its regional school unit for nonstate funded projects pursuant to Title 20-A, section 15905-A and pursuant to section 1481.

Sec. XXXX-42. Operational date and transfer of authority.

1. Operational date. A regional school unit board of directors becomes operational on the date set by the State Board of Education as provided in the Maine Revised Statutes, Title 20-A, chapter 103-A.

2. Transfer of governing authority; regional school units approved prior to January 16, 2008.

This subsection applies to regional school units approved prior to January 16, 2008. The regional school unit board of directors, on the date established in subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to July 1, 2008 that are within the regional school unit. Those school administrative units in existence prior to July 1, 2008, on the date established in subsection 1, have no further responsibility for the operation or control of the public schools and programs within the school administrative unit except those pursuant to section 1481.

3. Transfer of governing authority; regional school units approved after January 15, 2008.

This subsection applies to regional school units approved after January 15, 2008 and before November 5, 2008. The regional school unit board of directors, on the date established in subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to July 1, 2009 that are within the regional school unit. Those school administrative units in existence prior to July 1, 2009, on the date established in subsection 1, have no further responsibility for the operation or control of the public schools and programs within the school administrative unit except those pursuant to section 1481.

4. Transfer of school accounts. Notwithstanding Title 20-A, section 15004 or any charter of a municipal school unit, school administrative district or community school district, the balance remaining in the school accounts of the former municipal school unit, school administrative district or community school district within the regional school unit must be paid to the treasurer of the regional school unit and verified through the annual audit process pursuant to Title 20-A, chapter 221, subchapter 2. The balance from each of the former municipal school unit, school administrative district or community school district must be used to reduce that unit's or district's local contribution to the regional school unit. Payment may be made in equal monthly installments during the implementation year.

5. Transfer of teachers and employees. Except as limited by paragraph A, for regional school units approved prior to January 16, 2008, all teachers and school employees who are employed by a participating school administrative unit on June 30, 2008 must be transferred to and employed by the regional school unit as of July 1, 2008. Except as limited by paragraph A, for regional school units approved after January 15, 2008 and before November 5, 2008, all teachers and school employees who are employed by participating school administrative units on June 30, 2009 must be transferred and employed by the regional school unit as of July 1, 2009. Except as limited by paragraph B, the regional school unit shall assume all of the legal obligations and duties that the participating school administrative units owed to their employees, including but not limited to those obligations and duties arising under federal law, state law, collective bargaining agreements and individual employment contracts. It is the intent of this Part to neither decrease nor increase the rights and benefits of transferred employees or the employer. The regional school unit shall also maintain and honor any agreements, contracts or policies regarding the rights and benefits of retirees and former employees created by a participating school administrative unit that is dissolved as a result of its inclusion within a regional school unit.

A. For regional school units approved prior to January 16, 2008, teachers or other employees whose employment terminates by application of law or contract or by action of a participating school administrative unit before July 1, 2008 may not be transferred. For regional school units

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approved after January 15, 2008 and before November 5, 2008, teachers or other employees whose employment terminates by application of law or contract or by action of a participating school administrative unit before July 1, 2009 may not be transferred.

B. Teachers and other employees who are transferred to the regional school unit prior to the completion of the applicable probationary period for their position have the length of their probationary period calculated from the date of their most recent date of employment by the participating school administrative unit.

6. Collective bargaining. The following provisions apply:

A. On July 1, 2008 for regional school units approved prior to January 16, 2008 and on July 1, 2009 for regional school units approved after January 15, 2008 and before November 5, 2008, the regional school unit board of directors shall assume all of the obligations, duties, liabilities and rights of the participating school administrative units for all purposes under Title 26, chapter 9-A. The regional school unit is considered a single employer. Notwithstanding any other provision of law, the responsibilities of the regional school unit include:

(1) Continued recognition of all bargaining agents that represented any bargaining units of employees who were employed by a participating school administrative unit, pending completion of merger proceedings described in this section;

(2) Assumption and continued observance of all collective bargaining agreements between such bargaining agents and a participating school administrative unit, which agreements continue in effect for the remainder of their unexpired term unless the bargaining agent and regional school unit mutually agree otherwise; and

(3) Collective bargaining for an initial or successor collective bargaining agreement in any bargaining unit in which a collective bargaining agreement is not in effect on the operational date and for any interim agreement that may be required to align expiration dates in a regional school unit-wide bargaining unit, as described in this subsection.

B. As early as possible but no later than August 31, 2011 for regional school units approved prior to January 15, 2008 and no later than August 31, 2012 for regional school units approved after January 15, 2008 and before November 2, 2008, all bargaining units must be structured on a regional school unit-wide basis. Bargaining units that existed in the participating school administrative units shall merge in accordance with the procedures and criteria in this section. Merger into regional school unit-wide bargaining units is not subject to approval or disapproval of employees.

(1) Merger into regional school unit-wide bargaining units must be completed according to the schedule contained in this subsection, and no later than the latest expiration date of any collective bargaining agreement that was in effect on the operational date, which covered any employees in the merged unit.

(2) There must be one unit of teachers and, to the extent they are currently included in bargaining units, other certified professional employees, excluding principals and other administrators.

(3) Any additional bargaining units in a regional school unit must be structured as follows:

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(a) In the initial establishment of such units, units must be structured primarily on the basis of the existing pattern of organization, maintaining the grouping of employee classifications into bargaining units that existed prior to the creation of the regional school unit and avoiding conflicts among different bargaining agents to the extent possible.

(b) In the event of a dispute regarding the classifications to be included within a regional school unit-wide bargaining unit, the current bargaining agent or agents or the regional school unit may petition the Maine Labor Relations Board to determine the appropriate unit in accordance with this section and Title 26, section 966, subsections 1 and 2.

(4) When there is the same bargaining agent in all bargaining units that will be merged into a regional school unit-wide bargaining unit, the units must be merged as of the operational date, and the regional school unit shall recognize the bargaining agent as the representative of the merged unit.

(5) When all bargaining units that will be merged into a regional school unit-wide bargaining unit are represented by separate local affiliates of the same state labor organization, the units must be merged as of the operational date. The identity of the single affiliate that will be designated the bargaining agent for the merged unit must be selected by the existing bargaining agents and the state labor organization. Upon completion of the merger and designation of the bargaining agent and notification by the state organization to the regional school unit, the regional school unit shall recognize the designated bargaining agent as the representative of employees in the merged unit. If necessary, the parties will then execute a written amendment to any collective bargaining agreement then in effect to change the name of the bargaining agent to reflect the merger.

(6) Where there are bargaining units that will be merged into a regional school unit-wide bargaining unit in which there are employees who are not represented by any bargaining agent and other employees who are represented either by the same bargaining agent or separate local affiliates of the same state labor organization, the units must be merged as of the operational date as long as a majority of employees who compose the merged unit were represented by the bargaining agent prior to the merger. The procedures for merger of separate local affiliates of the same state labor organization described in subparagraph (5) must be followed if applicable. If prior to the merger a bargaining agent did not represent a majority of employees who compose the merged unit, a bargaining agent election must be conducted by the Maine Labor Relations Board pursuant to subparagraph (8).

(7) When there are unexpired collective bargaining agreements with different expiration dates in the merged bargaining units described in subparagraphs (4), (5) and (6), all contracts must be honored to their expiration dates unless mutually agreed to otherwise by the public employer and the bargaining agent. Collective bargaining agreements must be bargained on an interim basis in any merged bargaining unit so that all collective bargaining agreements expire on the same date.

(8) When bargaining units with different bargaining agents must be merged into a single regional school unit-wide bargaining unit pursuant to this subsection, the bargaining agent of the merged bargaining unit must be selected in accordance with Title 26, section 967, except as modified in this subparagraph.

(a) A petition for an election to determine the bargaining agent must be filed with the Maine Labor Relations Board by any of the current bargaining agents or the regional school unit.

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(b) The petition must be filed not more than 90 days prior to the expiration date of the agreement having the latest expiration date among the bargaining units that will be merged into the regional school unit-wide bargaining unit.

(c) The election ballot may contain only the names of the bargaining agents of bargaining units that will be merged into the regional school unit-wide bargaining unit and the choice of "no representative," but no other choices. No showing of interest is required from any such bargaining agent other than its current status as representative.

(d) The obligation to bargain with existing bargaining agents continues from the operational date until the determination of the bargaining agent of the regional school unit-wide bargaining unit under this subsection; but in no event may any collective bargaining agreement that is executed after the operational date extend beyond the expiration date of the agreement having the latest expiration date among the bargaining units that will be merged into the regional school unit-wide bargaining unit that was in effect on the operational date.

(e) The Maine Labor Relations Board shall expedite to the extent practicable all petitions for determination of the bargaining agent in the regional school unit-wide bargaining unit filed pursuant to this subsection.

(f) The bargaining units must be merged into a regional school unit-wide bargaining unit as of the date of certification of the results of the election by the Maine Labor Relations Board, or the expiration of the collective bargaining agreements in the unit, whichever occurs later.

C. After the merger of bargaining units into a regional school unit-wide bargaining unit, the bargaining agent of a regional school unit-wide bargaining unit and the regional school unit shall engage in collective bargaining for a collective bargaining agreement for the regional school unit-wide bargaining unit. In the collective bargaining agreement for each regional school unit-wide bargaining unit, the employment relations, policies, practices, salary schedules, hours and working conditions throughout the regional school unit must be made uniform and consistent as soon as practicable.

(1) In the event that the parties are unable to agree upon an initial regional school unit-wide collective bargaining agreement, they must use the dispute resolution procedures pursuant to Title 26, section 965 to resolve their differences.

7. Superintendent contracts. The contracts between the superintendents and school administrative units within the regional school unit are transferred to the regional school unit board of directors. The regional school unit board of directors shall determine the superintendents' duties within the regional school unit.

Sec. XXXX-43. State board rules; construction rating process. The State Board of Education shall modify the rules establishing the rating process for school construction to include language to implement the penalty provision under the Maine Revised Statutes, Title 20-A, section 15696, subsection 1, paragraph E.

Sec. XXXX-44. Department to conduct review. The Department of Education shall conduct a review of unfunded state mandates pertaining to school systems. In conducting its review, the department shall:

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1. Prepare a comprehensive listing of the state mandates placed on school administrative units;

2. Identify for each listed mandate the precise legal origin of the mandate, whether state law or rule or a combination of both, or any originating authority. The department shall also provide notice and analysis of federal mandates that contribute to or conflict with specific state mandates on school administrative units;

3. Identify the statewide local government costs of each listed mandate within the limits of practicability; and

4. Identify the characteristics of each listed mandate. Identified characteristics may include, but are not limited to, the following:

A. Archaic or unnecessary features or features lacking significant public purpose;

B. Inadequate funding;

C. Disproportionate efforts for the public policy benefit;

D. Coordination between federal law and regulation and State law and rule;

E. Subjection to excessive administrative oversight; and

F. An insufficient structure to predict, measure or control local costs.

5. No later than December 15, 2008, the department shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the joint standing committee of the Legislature having jurisdiction over education matters. In its proposed implementing language, the department may include proposals to repeal, modify, redesign, effectively coordinate or delay the implementation of any of the listed mandates, as may be appropriate. Following receipt and review of the report, the joint standing committee of the Legislature having jurisdiction over education matters may report out a bill to the First Regular Session of the 124th Legislature.

Sec. XXXX-45. Report; validation referendum review. The Department of Education shall conduct a review of the results of the validation referendums conducted for the approval of the 2008-2009, 2009-2010 and 2010-2011 school budgets. In conducting its review, the department shall:

1. Collect and analyze the results of the referendums from school administrative units;

2. Determine the number of school budgets that were approved by the voters with the initial referendum;

3. Determine the number of school budgets that were not approved by the voters with the initial referendum;

4. For those school budgets that were not approved by the voters with the initial referendum, determine the number of referendums that were required to be held in order to obtain voter approval and the number of school budgets that exceeded the maximum state and local spending target;

5. Collect and analyze other information regarding the validation referendum process as deemed pertinent by the department; and

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6. Report its findings and recommendations, including suggested legislation, to the joint standing committee of the Legislature having jurisdiction over education matters by December 15, 2010. In its recommendations, the department shall include proposals to extend, modify or repeal the current validation referendum process. Following receipt and review of the report, the joint standing committee of the Legislature having jurisdiction over education matters shall report out a bill to the First Regular Session of the 125th Legislature that extends, modifies or repeals the current validation referendum process.

Sec. XXXX-46. Reports; additional necessary implementing legislation. No later than January 31, 2008, the Commissioner of Education shall submit to the Joint Standing Committee on Education and Cultural Affairs an initial report that contains recommendations and any proposed legislation necessary to fully implement this Part including legislation to convert school administrative districts and community school districts to the regional school unit form of governance on July 1, 2009. Following receipt and review of the initial report, the Joint Standing Committee on Education may submit legislation to the Second Regular Session of the 123rd Legislature. No later than January 31, 2009, the Commissioner of Education shall submit to the joint standing committee of the Legislature having jurisdiction over education matters a final report that contains recommendations and any proposed legislation necessary to fully implement this Part including proposed legislation to repeal the laws governing school administrative districts and community school districts. Following receipt and review of the final report, the joint standing committee of the Legislature having jurisdiction over education matters may submit legislation to the First Regular Session of the 124th Legislature.

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