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Date: (Filing No. H-)

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION**

HOUSE AMENDMENT “ ” to H.P. 1339, L.D. 1816, Bill, “An Act To Implement the Recommendations of the Streamline and Prioritize Core Government Services Task Force for the Fiscal Years Ending June 30, 2012 and June 30, 2013 and To Make Certain Other Allocations and Appropriations and Changes to the Law Necessary to the Operation of State Government”

Amend the bill by striking out all of Parts I, M, O, P, X, Y, Z, AA, BB and CC.

Amend the bill by striking out all of Part II and inserting the following:

'PART II

Sec. II-1. PL 2011, c. 380, Pt. JJJ, §1 is amended to read:

Sec. JJJ-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 ~~\$43,000,000~~ \$115,000,000 on June 30, 2012 from Other Special Revenue Funds to the unappropriated surplus of the General Fund. On July 1, 2012, the State Controller shall transfer ~~\$43,000,000~~ \$115,000,000 from the General Fund unappropriated surplus to Other Special Revenue Funds as repayment. This transfer is considered an interfund advance.

PART JJ

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

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Statewide Radio Network System 0112**

Initiative: Deappropriates debt service savings due to an unanticipated delay in the public safety radio system project.

1	GENERAL FUND	2011-12	2012-13
2	All Other	(\$1,728,198)	\$0
3			
4	GENERAL FUND TOTAL	<u>(\$1,728,198)</u>	<u>\$0</u>

5	ADMINISTRATIVE AND FINANCIAL		
6	SERVICES, DEPARTMENT OF		
7	DEPARTMENT TOTALS	2011-12	2012-13
8			
9	GENERAL FUND	(\$1,728,198)	\$0
10			
11	DEPARTMENT TOTAL - ALL FUNDS	<u>(\$1,728,198)</u>	<u>\$0</u>

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

13 **Developmental Services - Community 0122**

14 Initiative: Reduces funding for reimbursement in rental assistance to United States
15 Department of Housing and Urban Development levels.

16	GENERAL FUND	2011-12	2012-13
17	All Other	\$0	(\$1,200,000)
18			
19	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$1,200,000)</u>

20 **Developmental Services Waiver - MaineCare 0987**

21 Initiative: Provides funding in the MaineCare and MaineCare-related accounts necessary
22 to make cycle payments through the remainder of fiscal year 2011-12.

23	GENERAL FUND	2011-12	2012-13
24	All Other	\$5,808,535	\$0
25			
26	GENERAL FUND TOTAL	<u>\$5,808,535</u>	<u>\$0</u>

27 **Developmental Services Waiver - Supports Z006**

28 Initiative: Provides funding in the MaineCare and MaineCare-related accounts necessary
29 to make cycle payments through the remainder of fiscal year 2011-12.

30	GENERAL FUND	2011-12	2012-13
31	All Other	\$1,967,371	\$0
32			
33	GENERAL FUND TOTAL	<u>\$1,967,371</u>	<u>\$0</u>

1 **Mental Health Services - Child Medicaid 0731**

2 Initiative: Provides funding in the MaineCare and MaineCare-related accounts necessary
3 to make cycle payments through the remainder of fiscal year 2011-12.

4	GENERAL FUND	2011-12	2012-13
5	All Other	\$5,290,051	\$0
6			
7	GENERAL FUND TOTAL	<u>\$5,290,051</u>	<u>\$0</u>

8 **Office of Substance Abuse - Medicaid Seed 0844**

9 Initiative: Provides funding in the MaineCare and MaineCare-related accounts necessary
10 to make cycle payments through the remainder of fiscal year 2011-12.

11	GENERAL FUND	2011-12	2012-13
12	All Other	\$983,953	\$0
13			
14	GENERAL FUND TOTAL	<u>\$983,953</u>	<u>\$0</u>

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

18		2011-12	2012-13
19	GENERAL FUND	\$14,049,910	(\$1,200,000)
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>\$14,049,910</u>	<u>(\$1,200,000)</u>

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

23 **Departmentwide 0019**

24 Initiative: Reduces funding from salary savings. Notwithstanding any other provision of
25 law, the State Budget Officer shall calculate the amount of savings in this Part that
26 applies to each General Fund account in the Department of Health and Human Services
27 and shall transfer the amounts by financial order upon the approval of the Governor.
28 These transfers are considered adjustments to appropriations in fiscal year 2011-12 and
29 fiscal year 2012-13.

30	GENERAL FUND	2011-12	2012-13
31	Personal Services	(\$5,000,000)	(\$3,000,000)
32			
33	GENERAL FUND TOTAL	<u>(\$5,000,000)</u>	<u>(\$3,000,000)</u>

34 **Low-cost Drugs To Maine's Elderly 0202**

1 Initiative: Provides funding in the MaineCare and MaineCare-related accounts necessary
 2 to make cycle payments through the remainder of fiscal year 2011-12.

3	GENERAL FUND	2011-12	2012-13
4	All Other	\$1,401,437	\$0
5			
6	GENERAL FUND TOTAL	<u>\$1,401,437</u>	<u>\$0</u>

7 **Medical Care - Payments to Providers 0147**

8 Initiative: Restores funding reduced in this Act from limiting access to buprenorphine and
 9 naloxone combination drugs for MaineCare recipients.

10	GENERAL FUND	2011-12	2012-13
11	All Other	\$0	\$600,000
12			
13	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$600,000</u>

14	FEDERAL EXPENDITURES FUND	2011-12	2012-13
15	All Other	\$0	\$1,033,542
16			
17	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$1,033,542</u>

18 **Medical Care - Payments to Providers 0147**

19 Initiative: Restores funding reduced in this Act from reducing the number of specialty
 20 pharmacy providers to a single exclusive provider.

21	GENERAL FUND	2011-12	2012-13
22	All Other	\$0	\$200,000
23			
24	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$200,000</u>

25	FEDERAL EXPENDITURES FUND	2011-12	2012-13
26	All Other	\$0	\$344,514
27			
28	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$344,514</u>

29 **Medical Care - Payments to Providers 0147**

30 Initiative: Restores funding reduced in this Act for outpatient services at acute care
 31 hospitals.

1	GENERAL FUND	2011-12	2012-13
2	All Other	\$0	\$3,180,269
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$3,180,269</u>

5	FEDERAL EXPENDITURES FUND	2011-12	2012-13
6	All Other	\$0	\$5,478,236
7			
8	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$5,478,236</u>

9 **Medical Care - Payments to Providers 0147**

10 Initiative: Restores funding reduced in this Act from eliminating coverage of certain
11 diabetic supplies when purchased in medical supply stores.

12	GENERAL FUND	2011-12	2012-13
13	All Other	\$0	\$100,000
14			
15	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$100,000</u>

16	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
17	All Other	\$0	(\$100,000)
18			
19	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$100,000)</u>

20 **Medical Care - Payments to Providers 0147**

21 Initiative: Reduces funding as a result of the collection of overpayments to MaineCare
22 providers due to errors in calculating cost of care.

23	GENERAL FUND	2011-12	2012-13
24	All Other	\$0	(\$11,000,000)
25			
26	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$11,000,000)</u>

27 **Medical Care - Payments to Providers 0147**

28 Initiative: Reduces funding on a one-time basis as a result of the collection of legal
29 settlement payments from MaineCare providers.

1	GENERAL FUND	2011-12	2012-13
2	All Other	(\$363,696)	\$0
3			
4	GENERAL FUND TOTAL	<u>(\$363,696)</u>	<u>\$0</u>

5 **Medical Care - Payments to Providers 0147**

6 Initiative: Reduces funding through increased cost avoidance efforts due to claims being
7 submitted to a 3rd-party carrier as the primary payer and MaineCare as the payer of last
8 resort.

9	GENERAL FUND	2011-12	2012-13
10	All Other	(\$500,000)	(\$500,000)
11			
12	GENERAL FUND TOTAL	<u>(\$500,000)</u>	<u>(\$500,000)</u>

13	FEDERAL EXPENDITURES FUND	2011-12	2012-13
14	All Other	(\$861,285)	(\$861,285)
15			
16	FEDERAL EXPENDITURES FUND TOTAL	<u>(\$861,285)</u>	<u>(\$861,285)</u>

17 **Medical Care - Payments to Providers 0147**

18 Initiative: Provides funding in the MaineCare and MaineCare-related accounts necessary
19 to make cycle payments through the remainder of fiscal year 2011-12.

20	GENERAL FUND	2011-12	2012-13
21	All Other	\$91,805,960	\$0
22			
23	GENERAL FUND TOTAL	<u>\$91,805,960</u>	<u>\$0</u>

24	FEDERAL EXPENDITURES FUND	2011-12	2012-13
25	All Other	\$207,077,368	\$0
26			
27	FEDERAL EXPENDITURES FUND TOTAL	<u>\$207,077,368</u>	<u>\$0</u>

28 **State-funded Foster Care/Adoption Assistance 0139**

29 Initiative: Eliminates funding for the supplemental services for children with complex
30 emotional and behavioral needs.

1	GENERAL FUND	2011-12	2012-13
2	All Other	\$0	(\$1,999,984)
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$1,999,984)</u>

5 **State-funded Foster Care/Adoption Assistance 0139**

6 Initiative: Reduces funding by reducing contracts in the alternative response program.

7	GENERAL FUND	2011-12	2012-13
8	All Other	\$0	(\$1,290,000)
9			
10	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$1,290,000)</u>

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

14		2011-12	2012-13
15	GENERAL FUND	\$87,343,701	(\$13,709,715)
16	FEDERAL EXPENDITURES FUND	\$206,216,083	\$5,995,007
17	OTHER SPECIAL REVENUE FUNDS	\$0	(\$100,000)
18			
19	DEPARTMENT TOTAL - ALL FUNDS	<u>\$293,559,784</u>	<u>(\$7,814,708)</u>

20 **SECTION TOTALS**

21		2011-12	2012-13
22	GENERAL FUND	\$99,665,413	(\$14,909,715)
23	FEDERAL EXPENDITURES FUND	\$206,216,083	\$5,995,007
24	OTHER SPECIAL REVENUE FUNDS	\$0	(\$100,000)
25			
26	SECTION TOTAL - ALL FUNDS	<u>\$305,881,496</u>	<u>(\$9,014,708)</u>

27 **PART KK**

28 **Sec. KK-1. 36 MRSA §5111, sub-§1-B**, as amended by PL 2011, c. 380, Pt. N,
 29 §1 and affected by §19, is further amended to read:

30 **1-B. Single individuals and married persons filing separate returns; tax years**
 31 **from 2002 to 2013.** For tax years beginning on or after January 1, 2002 but not later than
 32 December 31, ~~2012~~ 2013, for single individuals and married persons filing separate
 33 returns:

1	If Maine Taxable income is:	The tax is:
2	Less than \$4,200	2% of the Maine taxable income
3	At least \$4,200 but less than \$8,350	\$84 plus 4.5% of the excess over \$4,200
4	At least \$8,350 but less than \$16,700	\$271 plus 7% of the excess over \$8,350
5	\$16,700 or more	\$856 plus 8.5% of the excess over \$16,700

6

7 **Sec. KK-2. 36 MRSA §5111, sub-§1-C**, as enacted by PL 2011, c. 380, Pt. N,
8 §2 and affected by §19, is amended to read:

9 **1-C. Single individuals and married persons filing separate returns; tax years**
10 **beginning 2014.** For tax years beginning on or after January 1, ~~2013~~ 2014, for single
11 individuals and married persons filing separate returns:

12	If Maine Taxable income is:	The tax is:
13	At least \$5,000 but less than \$19,950	6.5% of the excess over \$5,000
14	\$19,950 or more	\$972 plus 7.95% of the excess over
15		\$19,950

16

17 **Sec. KK-3. 36 MRSA §5111, sub-§2-B**, as amended by PL 2011, c. 380, Pt. N,
18 §3 and affected by §19, is further amended to read:

19 **2-B. Heads of households; tax years from 2002 to 2013.** For tax years beginning
20 on or after January 1, 2002 but not later than December 31, ~~2012~~ 2013, for unmarried
21 individuals or legally separated individuals who qualify as heads of households:

22	If Maine Taxable income is:	The tax is:
23	Less than \$6,300	2% of the Maine taxable income
24	At least \$6,300 but less than \$12,500	\$126 plus 4.5% of the excess over \$6,300
25	At least \$12,500 but less than \$25,050	\$405 plus 7% of the excess over \$12,500
26	\$25,050 or more	\$1,284 plus 8.5% of the excess over
27		\$25,050

28

29 **Sec. KK-4. 36 MRSA §5111, sub-§2-C**, as enacted by PL 2011, c. 380, Pt. N,
30 §4 and affected by §19, is amended to read:

31 **2-C. Heads of households; tax years beginning 2014.** For tax years beginning on
32 or after January 1, ~~2013~~ 2014, for unmarried individuals or legally separated individuals
33 who qualify as heads of households:

34	If Maine Taxable income is:	The tax is:
35	At least \$7,500 but less than \$29,900	6.5% of the excess over \$7,500
36	\$29,900 or more	\$1,456 plus 7.95% of the excess over
37		\$29,900

38

1 **Sec. KK-5. 36 MRSA §5111, sub-§3-B**, as amended by PL 2011, c. 380, Pt. N,
2 §5 and affected by §19, is further amended to read:

3 **3-B. Individuals filing married joint return or surviving spouses; tax years from**
4 **2002 to 2013.** For tax years beginning on or after January 1, 2002 but not later than
5 December 31, ~~2012~~ 2013, for individuals filing married joint returns or surviving spouses
6 permitted to file a joint return:

7 If Maine Taxable income is:	The tax is:
8 Less than \$8,400	2% of the Maine taxable income
9 At least \$8,400 but less than \$16,700	\$168 plus 4.5% of the excess over \$8,400
10 At least \$16,700 but less than \$33,400	\$542 plus 7% of the excess over \$16,700
11 \$33,400 or more	\$1,711 plus 8.5% of the excess over
12	\$33,400

13
14 **Sec. KK-6. 36 MRSA §5111, sub-§3-C**, as enacted by PL 2011, c. 380, Pt. N,
15 §6 and affected by §19, is amended to read:

16 **3-C. Individuals filing married joint return or surviving spouses; tax years**
17 **beginning 2014.** For tax years beginning on or after January 1, ~~2013~~ 2014, for
18 individuals filing married joint returns or surviving spouses permitted to file a joint
19 return:

20 If Maine Taxable income is:	The tax is:
21 At least \$10,000 but less than \$39,900	6.5% of the excess over \$10,000
22 \$39,900 or more	\$1,944 plus 7.95% of the excess over
23	\$39,900

24
25 **Sec. KK-7. 36 MRSA §5126, first ¶**, as amended by PL 2011, c. 380, Pt. N, §11
26 and affected by §19, is further amended to read:

27 For income tax years beginning on or after January 1, 1998 but before January 1,
28 1999, a resident individual is allowed \$2,400 for each exemption that the individual
29 properly claims for the taxable year for federal income tax purposes, unless the taxpayer
30 is claimed as a dependent on another return. For income tax years beginning on or after
31 January 1, 1999 but before January 1, 2000, a resident individual is allowed \$2,750 for
32 each exemption that the individual properly claims for the taxable year for federal income
33 tax purposes, unless the taxpayer is claimed as a dependent on another return. For
34 income tax years beginning on or after January 1, 2000 but before January 1, ~~2013~~ 2014,
35 a resident individual is allowed \$2,850 for each exemption that the individual properly
36 claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed
37 as a dependent on another return. For income tax years beginning on or after January 1,
38 ~~2013~~ 2014, a resident individual is allowed a deduction equal to the total amount of
39 deductions allowed for personal exemptions in accordance with the Code, Section 151.'

40 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
41 section number to read consecutively.

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SUMMARY

This amendment delays for one year the effective date of the decrease in the individual income tax rates and the conformity of the personal exemption with the amount allowed under federal law, scheduled to take effect beginning January 1, 2013, as enacted in Public Law 2011, chapter 380.

This amendment restores MaineCare reductions proposed in the bill.

This amendment increases the one-day interfund advance from \$102,000,000 as proposed in the bill to \$115,000,000.

The effect of the one-year delay in the individual income tax rate decrease and personal exemption conformity, when combined with the removal of those parts of the bill that reduced MaineCare benefits, is that a savings is created in fiscal year 2011-12 in the amount of \$30,866 and in fiscal year 2012-13 of \$600,612.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY: _____

(Representative CHIPMAN)

TOWN: Portland