

**Sec. A-70. Appropriations and allocations.**

The following appropriations and allocations are made.

**TREASURER OF STATE, OFFICE OF**

**Debt Service - Treasury 0021**

Initiative: BASELINE BUDGET

<b>GENERAL FUND</b>	<b>History 2021-22</b>	<b>History 2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$113,314,784	\$113,314,784	\$113,314,784	\$113,314,784
<b>GENERAL FUND TOTAL</b>	<b>\$113,314,784</b>	<b>\$113,314,784</b>	<b>\$113,314,784</b>	<b>\$113,314,784</b>

**Justification:**

The debt service program provides funding to the Office of the State Treasurer for repayment of already issued bonds, bonds that may be issued in the future, and short term borrowing for cash flow and bond project spending prior to a bond issue. Current Bonds: The program provides for actual principal and interest payments on General Obligation bonds that have already been issued. Authorized but Unissued: The program provides for estimated amount of principal and interest payments on bonds that have been authorized but not yet issued. Tax Anticipation Note (TAN): The program provides for an estimated amount of interest for a TAN or other short term loan related to interaction of tax refunds and receipts and overall cash flow. Bond Anticipation Note (BAN): The program provides for an estimated amount of interest for BAN borrowing related to bond project spending ahead of the actual bond issue.

**Debt Service - Treasury 0021**

Initiative: Adjusts funding levels for the Debt Service program based upon the current debt service schedule and anticipated issuance.

Ref. #: 3226

Committee Vote: \_\_\_\_\_

AFA Vote: \_\_\_\_\_

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$6,960,189	\$17,890,361
<b>GENERAL FUND TOTAL</b>	<b>\$6,960,189</b>	<b>\$17,890,361</b>

**Justification:**

The funding requested for the 2024-2025 biennium is based on the debt service schedule which anticipates the issuance of \$71 million of bonds in fiscal year 2023, \$100 million in fiscal year 2024 and an additional \$100 million in fiscal year 2025.

**DEBT SERVICE - TREASURY 0021  
PROGRAM SUMMARY**

<b>GENERAL FUND</b>	<b>History 2021-22</b>	<b>History 2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$113,314,784	\$113,314,784	\$120,274,973	\$131,205,145
<b>GENERAL FUND TOTAL</b>	<b>\$113,314,784</b>	<b>\$113,314,784</b>	<b>\$120,274,973</b>	<b>\$131,205,145</b>

**TREASURER OF STATE, OFFICE OF**

**DEPARTMENT TOTALS**

**2023-24**

**2024-25**

**GENERAL FUND**

**\$120,274,973**

**\$131,205,145**

**DEPARTMENT TOTAL - ALL FUNDS**

**\$120,274,973**

**\$131,205,145**

## PART I

Sec. I-1. 5 MRSA §1531 is amended to read:

### 1531. Definitions

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

**1. Average population growth.**

**2. Average personal income growth.** "Average personal income growth" means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis. The average personal income growth is determined by October 1st, annually, by the State Economist.;

**3. Baseline General Fund revenue.** "Baseline General Fund revenue" means the recommended General Fund revenue forecast reported by the Revenue Forecasting Committee ~~in its December 1st report of even-numbered years, increased by the net reduction of General Fund revenue, if any, for all enacted changes affecting state and local tax burden since the previous December 1st report of even-numbered years of the Revenue Forecasting Committee.~~ in accordance with Title 5, Chapter 151-B, Section 1710-F.

**4. Biennial base year appropriation.** "Biennial base year appropriation" means:

A. For the 2018-2019 biennium, the General Fund appropriation enacted for fiscal year 2016-17 as of December 1, 2016. For the 2024-2025 biennium, ninety-nine percent of the Baseline General Fund revenue for fiscal year 2023-24 as of December 1, 2022; and

B. For subsequent fiscal years, the amount of the General Fund appropriation limitation calculated for the current year as of December 1st of even-numbered years pursuant to section 1534, sub-section 1 of this chapter.

**5. Commissioner.** "Commissioner" means the Commissioner of Administrative and Financial Services.

**6. Forecasted inflation.**

**7. General Fund revenue shortfall.** "General Fund revenue shortfall" means the amount by which the General Fund appropriation limitation established by section 1534 exceeds baseline General Fund revenue and other available resources in each state fiscal year.

**8. Stabilization fund.** "Stabilization fund" means the Maine Budget Stabilization Fund established in this chapter.

~~**9. State and local tax burden.** "State and local tax burden" means the total amount of state and local taxes paid by Maine residents, per \$1,000 of income, as determined annually by the State Tax Assessor based on data from the United States Department of Commerce, Bureau of Census and Bureau of Economic Analysis.~~

**Sec. I-2. 5 MRSA §153, sub-§5** is amended to read:

**5. Investment proceeds; exception.** At the close of every month during which the stabilization fund is at the 18% limitation described in subsection 1, the State Controller shall transfer from the General Fund to the ~~Retirement Allowance Fund established in section 17251~~ Irrevocable Trust Funds for Other Post-Employment Benefits for the State Employee Plan established in section 286-B an amount equal to the investment earnings that otherwise would have been credited to the stabilization fund.

**Sec. I-3. 5 MRSA §1533** is amended to read:

If the Legislature has adjourned sine die prior to the close of a fiscal year and the commissioner has provided notification as required by section 1668 that indicates that available General Fund resources, including any reserve for the stabilization fund under section 1535, will not be sufficient to meet General Fund expenditures, the commissioner may declare a budget emergency. At the close of the fiscal year, the State Controller may transfer from the available balance in the stabilization fund to the General Fund Unappropriated Surplus up to the amount necessary to increase total General Fund resources for that fiscal year to be equal to General Fund expenditures. For the purposes of this section, the Governor may reduce the stabilization fund below the 1% minimum threshold established by section 1532. The Governor shall inform the Legislative Council and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs immediately upon such transfers from the stabilization fund.

Sec. I-4. 5 MRSA §1534, §1 is amended to read:

**§1534. General Fund appropriation limitation**

**1. Establishment of General Fund appropriation limitation.** As of December 1st of each even-numbered year, the State Budget Officer shall ~~there must be established~~ a General Fund appropriation limitation for each fiscal year of the ensuing biennium. The General Fund appropriation limitation applies to all General Fund appropriations and shall be calculated as: ~~, except that the additional cost for essential programs and services for kindergarten to grade 12 education under Title 20-A, chapter 606-B over the fiscal year 2004-05 appropriation for general purpose aid for local schools is excluded from the General Fund appropriation limitation until the state share of that cost reaches 55% of the total state and local cost.~~

A. For the 2024-2025 biennium, the General Fund appropriation limitation for the first fiscal year is equal to the biennial base year appropriation. For subsequent biennia, the General Fund appropriation limitation for the first fiscal year of the biennium, ~~For the first fiscal year of the biennium, the General Fund appropriation limitation~~ is equal to the biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2.

B. For the ~~2nd~~ second fiscal year of the biennium, the General Fund appropriation limitation is equal to the General Fund appropriation limitation of the first fiscal year of the biennium ~~biennial base year appropriation~~ multiplied by one plus the growth limitation factor in subsection 2.

Sec. I-5. 5 MRSA §1535 is amended to read:

**§1535. General Fund transfers to stabilization fund**

~~Baseline General Fund revenue, as recommended by the Revenue Forecasting Committee and authorized in accordance with chapter 151-B, and other available budgeted General Fund resources that exceed the General Fund appropriation limitation established by section 1534 plus the additional cost for essential programs and services for kindergarten to grade 12 education under Title 20-A, chapter 606-B over the fiscal year 2004-05 appropriation for general purpose aid for local schools until the state share of that cost reaches 55% of the total state and local cost must be transferred to the stabilization fund.~~

Baseline General Fund revenue that exceeds the General Fund appropriation limitation established by section 1534 for any fiscal year must be reserved for the stabilization fund. The reserved amount shall be adjusted each time Baseline General Fund revenue changes. At the close of each fiscal year, the State Controller shall transfer to the stabilization fund the lesser of the reserved amount or the amount of actual General Fund revenues that exceed the General Fund appropriation limit for that fiscal year and the reserve for that fiscal year shall be reset to zero. If the stabilization fund is at its limit of 18% of General Fund revenue of the immediately preceding year, then amounts that would otherwise have been transferred to the stabilization fund shall be transferred as follows:

A. Eighty percent to the Highway and Bridge Capital program, Other Special Revenue Funds account;

- B. Ten percent to the Maine Municipal Bond Bank, School Revolving Renovation Fund established in the Maine Revised Statutes, Title 30-A, section 6006-F; and
- C. Ten percent to the Irrevocable Trust Funds for Other Post-Employment Benefits for the State Employee Plan established in section 286-B.

**Sec I-6. 5 MRSA §1536, sub-§1** is amended to read:

**1. Final priority reserves.** After the transfers to the stabilization fund pursuant to section 1535, the transfers to the State Contingent Account pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section 1511, the transfers pursuant to section 1522, a transfer of \$2,500,000 for the Reserve for General Fund Operating Capital and the transfers to the Retiree Health Insurance Internal Service Fund pursuant to section 1519, the State Controller shall transfer at the close of each fiscal year from the unappropriated surplus of the General Fund an amount equal to the amount available from the unappropriated surplus after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made as follows:

- A. ~~Eighty~~ Seventy percent to the stabilization fund; ~~and~~
- G. Twenty percent to the Highway and Bridge Capital program, Other Special Revenue Funds account; and
- H. Ten percent to the Maine Municipal Bond Bank, School Revolving Renovation Fund established in the Maine Revised Statutes, Title 30-A, section 6006-F.

**Sec. I-7. Suspension of transfers to Maine Budget Stabilization Fund.** Notwithstanding any provision of law to the contrary, the requirement in the Maine Revised Statutes, Title 5, section 1535 that certain baseline General Fund revenue and other available budgeted General Fund resources that exceed the General Fund appropriation limit be transferred to the Maine Budget Stabilization Fund is suspended for the duration of fiscal year 2023-24 and fiscal year 2024-25.

## **PART I SUMMARY**

This Part updates statutes relevant to the General Fund appropriation limit to rebase the limit, simplify, and clarify the calculation. For the 2024-2025 biennium, the base for the appropriation limit calculation is reset at 98% of the baseline General Fund revenue projected by the Revenue Forecasting Committee as of December 1, 2022. Additionally, amendments are made to clarify how transfers to the Budget Stabilization Fund are to be handled when revenues exceed the appropriation limit or when the Budget Stabilization Fund has reached its statutory maximum.

## PART K

**Sec. K-1. 22-A MRSA §216** is repealed.

**Sec. K-2. 30-A MRSA, §6054, sub-§2** is amended to read:

**2. Funding.** Beginning July 1, 2014 and ending June 30, 2023, there must be deposited directly into the fund any amounts received pursuant to Title 28-A, section 90 and Title 22-A, section 216 and any other money or funds transferred or made available to the bond bank only for the purposes of the fund from any other source including without limitation amounts required to be deposited in the fund by the terms of any ancillary obligation or other agreement related to liquor operation revenue bonds.

**Sec. K-3. 30-A MRSA, §6054, sub-§5** is amended to read:

**5. Use of fund after bond retirement.** After all liquor operation revenue bonds and any ancillary obligations secured by the fund have been retired, the first \$7,000,000 of any amounts received pursuant to Title 28-A, section 90 must be deposited as undedicated revenue to the General Fund and any amount in excess of \$7,000,000 must be deposited as undedicated revenue to the Highway Fund. ~~additional proceeds credited to the fund from Title 22-A, section 216 and Title 28-A, section 90 must be disbursed on a quarterly basis to the State, after payment of costs of administering the fund, and credited by the State Controller as follows:~~

~~A. Thirty percent to the State Water and Wastewater Infrastructure Fund established pursuant to section 6006-H and divided as follows:~~

~~(1) Forty five percent to an account within the State Water and Wastewater Infrastructure Fund for drinking water purposes divided as follows:~~

~~(a) Up to the maximum amount allowed for the state match for federal funds provided to the safe drinking water revolving loan fund established under section 6006-B to an account within the Department of Health and Human Services for revolving loan funds for drinking water systems; and~~

~~(b) The remainder to the Maine Drinking Water Fund established pursuant to Title 22, section 2610; and~~

~~(2) Fifty five percent to an account within the State Water and Wastewater Infrastructure Fund for wastewater purposes divided as follows:~~

~~(a) Up to the maximum amount allowed for the state match for federal funds provided to the revolving loan fund established under section 6006-A to an account within the Department of Environmental Protection for revolving loans for wastewater treatment; and~~

~~(b) The remainder to the Maine Clean Water Fund established pursuant to Title 38, section 411-C; [~~

~~B. Thirty five percent to an account within the Department of Transportation for construction of highways and bridges; and~~

~~C. The remainder to the Maine Budget Stabilization Fund established in Title 5, section 1532.~~

**Sec. K-4. Transfer from Liquor Operation Revenue Fund.** Notwithstanding any provision of law to the contrary, at the close of fiscal year 2023, following the bond retirement, the Maine Municipal Bond Bank shall transfer any funds remaining in the liquor operation revenue fund to the unappropriated surplus of the General Fund. The State Controller shall transfer those funds to the TransCap Trust Fund established in Title 30-A, section 6006-G to pay towards the remaining debt service of the 2015A and 2021A bonds.

## **PART K SUMMARY**

This Part amends the funding of the Liquor Operation Revenue Fund to reflect the retirement of the revenue bonds in fiscal year 2023 and directs the first \$7 million in profits received from Title 28-A, section 90 be deposited as undedicated revenue in the General Fund, for purposes of continuing to support state match toward certain water programs in the Department of Health and Human Services and the Department of Environmental Protection, and any additional profits received from Title 28-A, section 90 be deposited as undedicated revenue in the Highway Fund. This Part also directs that any funds remaining in the Liquor Operations Revenue Fund, following the bond retirement, flow to the TransCap Trust Fund established in Title 30-A, section 6006-G to pay towards the remaining debt service of the 2015A and 2021A bonds.

**PART S**

**Sec. S-1. Attrition savings.** Notwithstanding any provision of law to the contrary, the attrition rate for the 2024-2025 biennium is 5% for judicial branch and executive branch departments and agencies only. The attrition rate for subsequent biennia is 1.6%.

**Sec. S-2. Calculation and transfer; attrition savings.** The State Budget Officer shall calculate the amount of the savings in this Part that applies against each General Fund account for all executive branch departments and agencies statewide and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal years 2023-24 and 2024-25. The State Budget Officer shall submit to the Joint Standing Committee on Appropriations and Financial Affairs a report of the transferred amounts no later than October 1, 2023.

**Sec. S-3. 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 funding to reflect projected savings from an increase in the attrition rate from 1.6% to 5% for fiscal years 2023-24 and 2024-25.

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
Personal Services	<u>(\$15,838,357)</u>	<u>(\$16,059,526)</u>
<b>GENERAL FUND TOTAL</b>	<b>(\$15,838,357)</b>	<b>(\$16,059,526)</b>

**JUDICIAL DEPARTMENT  
Courts – Supreme, Superior and District 0063**

Initiative: Reduces funding to reflect projected savings from an increase in the attrition rate from 1.6% to 5% for fiscal years 2023-24 and 2024-25.

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
Personal Services	<u>(\$1,737,645)</u>	<u>(\$1,772,515)</u>
<b>GENERAL FUND TOTAL</b>	<b>(\$1,737,645)</b>	<b>(\$1,772,515)</b>

**PART S  
SUMMARY**

This Part sets the attrition rate for the 2024-2025 biennium from 1.6% to 5% for judicial branch and executive branch departments and agencies.