

May 2011 Change Package Summary of General Fund Changes and Language Changes

Shortfall	2011	2012	2013	Cumulative
May 2011 RFC	12,089,813	(4,795,787)	(42,204,219)	(34,910,193)
RFC impact on original tax proposals		(140,624)	(2,147,406)	(2,288,030)
RFC impact on original racino transfers to GF - reduces GF savings from \$1,101,895 to \$850,646			(251,249)	(251,249)
RFC impact on original indexing proposal (original budget reflected loss of \$3,619)			(2,687)	(2,687)
Reduction to original pension savings as a result of MPERS experience study		(36,429,442)	(43,199,071)	(79,628,513)
	12,089,813	(41,365,853)	(87,804,632)	(117,080,672)
Additional Cost Items	2011	2012	2013	Cumulative
HHS - Targeted case management (TCM) payment amount		(29,736,437)		(29,736,437)
HHS - MaineCare trend growth. Change package also includes funding for DRGs and APCs.		(8,738,106)	(8,505,206)	(17,243,312)
Total Shortfall	12,089,813	(79,840,396)	(96,309,838)	(164,060,421)
Savings and Other Offsets	2011	2012	2013	Cumulative
Budget Stabilization Fund transfer to GF to offset Targeted Case Management (TCM) appropriation		29,700,000		29,700,000
Reduce one-day borrowing		(25,000,000)	25,000,000	-
Budgeted fund balance remaining after first and second FY11 supplemental budgets	129,327			129,327
ADM - Impact of MPERS experience study on baseline budget (excludes impact on pension proposals)		22,160,978	32,784,138	54,945,116
ADM - Retiree health savings recalculation - 1) employee pays 100% of health insurance if they retire before normal retirement age of 60 or 62 and, 2) includes savings from cost-sharing proposal not included in original calculations.		2,778,216	5,758,820	8,537,036
ADM - Eliminate funding proposed in original budget for emergency capital equipment purchases		3,000,000	3,000,000	6,000,000
ADM - VEIP Savings (transfer from salary plan to GF)		350,000	350,000	700,000
ADM - Vacant Position Eliminations (227.267 representing 259 positions)		3,749,197	3,942,484	7,691,681
ADM - OIT share of statewide PS initiatives (reduction to agency GF accounts from reduced rates)		542,000	684,246	1,226,246
Admin & Finance - Pull bonus depreciation proposal in original budget		44,255,664	11,731,458	55,987,122
Community College - Reduces funding as a result of change to contributions for pension UAL for MPERS members only.			910,350	910,350
Education - Existing C-A-105 de-appropriates(\$52,487) in FY12 only for operational expenditures due to the closing of the Sinclair School. The same amount should be de-appropriated in FY13.			52,487	52,487
Ethics - Eliminate clean election funds for gubernatorial candidates. Assumes 45% of \$2M transfer. Lang would be based on the language in LD 120. Also assumes \$1.5M in FY11 year end balance for transfer to GF.		2,400,000	900,000	3,300,000
HHS - Savings in from certification of MIHMs and receipt of enhanced match for certified system.			16,800,000	16,800,000
HHS - GF savings in MAP account to be replaced with additional Earned Federal Revenue		1,754,295	1,754,295	3,508,590
HHS - Savings from strict 5-year limit for TANF recipients increased by \$500K in FY 13.			500,000	500,000
HHS - Continue Public Service Manager III position originally established by financial order to work on MaineCare managed care initiative. Amounts reflected are only for position and overhead costs, not All Other for contracted services. Costs will be offset by the elimination of 2 positions, #020312366 and 020002762.		11,126	11,917	23,043
HHS - Transfer position Intensive Case Manager position 030004563 from Office of Adult Mental Health Services Office of Elder Services and reorganize to Human Services Caseworker.		2,507	2,533	5,040
HHS - Reducing funding for legal services related to the consent decree (Pineland)		199,673	199,673	399,346
HHS - Reduces funding for the Maine Injury Prevention program - contract no longer being issued.		32,000	32,000	64,000
HUM - Implement freeze in enrollment in childless adult waiver and eliminate coverage effective January 1, 2012.		11,066,350	23,912,898	34,979,248
HUM - Implement managed care strategy effective January 1, 2013.			5,400,000	5,400,000
HUM - Provide general assistance only to individuals ineligible for other federal cash programs.		1,075,767	1,075,767	2,151,534
Judicial - Reduces funding for debt service required for the Augusta courthouse project.		307,000		307,000

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Public Safety - Changes original request for two 22 week Sgt positions. It was determined the positions will be temporarily held by a Trooper who will return to their frozen position so only the difference between the Trooper position & Sgt position is needed rather than the full cost of the Sgt. positions.		35,172	37,280	72,452
State Planning - Savings from eliminating General Fund positions as part of a reorganization		268,234	281,627	549,861
Transportation - Eliminate \$10 million of \$20 million transfer to DOT included in original budget submission			10,000,000	10,000,000
Treasury - Debt service savings related to taxable bonds		6,149,962	(37,181)	6,112,781
Total Savings and Other Offsets	129,327	104,838,141	145,084,792	250,052,260
Net (Shortfall) / Savings	12,219,140	24,997,745	48,774,954	85,991,839

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Other Cost Items not Reflected Above	2011	2012	2013	Cumulative
Admin & Finance - Revise tax proposal to eliminate the requirement that out-of-state residents pay income tax after 10 days of work.		3,098,000	2,503,000	5,601,000
Admin & Finance - Individual income tax changes included in majority report		12,188,000	31,186,000	43,374,000
Admin & Finance - Estate tax exclusion to \$2 million		137,500	150,000	287,500
Admin & Finance - Exempt meals at retirement facilities (incl impact on Tourism Marketing)		1,368,000	566,500	1,934,500
Admin & Finance - Refund sales tax commercial fishing		385,000	561,000	946,000
Admin & Finance - Exempt bags redemption centers		236,900	28,738	265,638
Admin & Finance - Exempt parts and supplies windjammers		57,400	76,000	133,400
Admin & Finance - Tax credit fishery infrastructure		11,250	55,000	66,250
Corrections - Approved range changes (effective date 12/18/2008 for most)		287,739	295,926	583,665
Corrections - Offset cost of reclasses by eliminating positions		(287,739)	(295,926)	(583,665)
Econ & Community Development - Recruitment of International Businesses		100,000	100,000	200,000
Education - Reallocates the cost of one Education Specialist III position from 25% in the Federal and State Program Services program, Other Special Revenue Funds to 25% in the Leadership Team program, General Fund and eliminates All Other funding in the Federal and State Program Services program.		19,208	20,414	39,622
Education - Provides funding for Accuplacer for high school students.		25,000	25,000	50,000
HHS - Funding that should have been included in the baseline to offset a one-time reduction due to the enhanced FMAP rate.		1,434,152	1,434,152	2,868,304
HHS - Provide funding related to avoid overdrawing DSH limit for RPC and DDPC - problem results from imputed FMAP and revenue in Reimbursement accounts being overstated.		2,822,000	1,784,000	4,606,000
HHS - Savings from full-family sanctions to be reduced by \$500K in FY 13.			500,000	500,000
HHS - Continue 6 limited-period Customer Rep Associate II positions that were included in c. 213 (20 l-p positions authorized) until 6/2013.		169,338	180,966	350,304
HHS - Eliminates the proposal that realized savings from imposing a 4% premium on several programs including Katie Beckett, CubCare, Drugs for the Elderly and Medicaid Buy-in which is not allowable under the maintenance of effort provisions of the Affordable Care Act.		1,589,424	1,589,424	3,178,848
HHS - Eliminate savings proposal that would have resulted from setting child care rates at the 50th percentile. Part UU language change needs to remain in the bill to avoid additional costs.		266,619	355,492	622,111
HHS - Use portion of savings to restore funding to OSA taken via FHM reductions		2,500,000	2,500,000	5,000,000
HHS - Freezes enrollment in the parent expansion program in the first year and eliminate coverage on January 1, 2012. (Provides Medicaid services for parents that are at 133% FPL and above.)		1,422,955	1,001,898	2,424,853
HHS - One component of this change package proposed to save \$8.8M/year from eliminating medical assistance to legal non-citizens. DHHS has revised this piece so that this assistance will continue to be provided to children and pregnant women, thereby reducing the savings projected by \$6.3M/year. The original change package will be revised to eliminate this piece altogether and a new change package (C/A/7200) will now reflect the savings amount		8,825,231	8,825,231	17,650,462
HHS - New change package to recognize savings from eliminating medical assistance to legal noncitizens except for children and pregnant women		(2,559,110)	(2,559,110)	(5,118,220)
Human Rights - Approved reorganization effective June 2010 of one Public Service Coordinator II position to a Public Service Coordinator III position, 2 Field Investigator positions to 2 Maine Human Rights Investigator positions and one Chief Field Investigator position to one Maine Human Rights Investigation Supervisor position. (Retro: \$24,164, FY12 \$21,353)		45,517	25,697	71,214
Indigent Legal - Provides funding due to projected shortfall for indigent legal services. (Current All Other baseline: \$9,358,836 each year. Original budget included request for increase of \$300K and \$400K. Change package would increase total to \$9.8M per year.)		141,164	41,164	182,328
Indian Tribal-State (Current All Other baseline: \$78K each year. The change package would increase the budget to \$85K & \$90K.)		7,000	12,000	19,000

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Inland Fisheries & Wildlife - Provides funding for dispatch services		159,540	171,552	331,092
Public Safety - Reorg 1 Watchman to 1 Cap Police Officer (Augusta Police no longer performing certain functions)		2,657	4,585	7,242
Total Other Cost Items Not Reflected Above	-	34,452,745	51,138,703	85,591,448
	12,219,140	(9,455,000)	(2,363,749)	400,391
		2,764,140	400,391	

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Language	
PART C - EDU	Revises dollar amounts to reflect updated appropriation amounts and includes GF appropriations for teacher retirement, health insurance and life insurance in annual targets for the state share percentage of the total cost of funding public education.
PART M - ADM	Replaces original estate tax proposal with estate tax exemption beginning 12/31/12 with progressive rate structure; provides conformance with federal law regarding treatment of qualified terminable interest property
PART N - ADM	Provides new individual income tax rate schedules that contain 0%, 6.5% and 8.5% tax brackets beginning on or after 1/1/12, except that 8.5% bracket is reduced to 7.95% beginning 1/1/13
PART O - ADM	Removes provisions that would have conformed to federal bonus depreciation
PART V - ADM	Modify retiree health proposal so that state employees who retire before their normal retirement age of 60, 62 or 65 will pay 100% of retiree health insurance cost until they reach normal retirement age. Also clarifies that these provisions to not apply to individuals on disability retirement
PART W - ADM	Modify retiree health proposal so that teachers who retire before their normal retirement age of 60, 62 or 65 will pay 100% of retiree health insurance cost until they reach normal retirement age.
PART Y - ADM	Modifies Part Y to create an irrevocable trust fund plan for first responders
PART Z - ADM	Retirement Incentive - Exempt special retirement plan groups from the retirement incentive program and change effective date to November 1, 2011.
PART BB - COS	Clarifies that certain Department of Corrections transfers are adjustments to appropriations, allocations and authorized position count
PART GG - INL	Authorizes use of IFW Carrying Balances for one aircraft engine, reclassifications and dispatch services
PART II - HUM	Eliminates the provision that would have allowed supplantation of GF resources by the Fund for a Healthy Maine.
PART JJ - HUM	Revises General Assistance to remove once in a calendar year assistance and makes individuals who are eligible for federal cash assistance programs ineligible for GA
PART KK - HUM	Revises child care rate provisions to set rate at the 50% percentile of the local market-rate
PART JJ - HUM	Replaces language requiring additional reporting of controlled substances with authority to use General Fund resources to support monitoring program
PART YY - HUM	replaces prohibition or purchase of prescription drugs by MaineCare recipients using cash with study of MaineCare recipient use of cash to purchase controlled
PART JJJ -	Reduces the amount of the interfund transfer from \$54 million to \$29 million a reduction of \$25 million.
PART KKK - ADM	Modify the \$25M streamlining language to add more legislative members and add report to State and Local Government Committee
PART MMM - ADM	Creates a retire and return to work option for state employees and teachers who retire at normal retirement age. Compensation to be set at 75% of salary level.
PART NNN - ADM (Statewide)	Directs all branches to advertise notices and public hearings on the Internet. Secretary of State and Commissioner of DAFS to review advertising practices to recommend exemptions
PART OOO AGR	Expands use of interest earned on loans from Agricultural Marketing Loan Fund
PART PPP - EDU	changes position title of Dept. of Education's Director, Planning and Management Information to Director, Policy and Programs
PART QQQ - ADM	Authorizes State Budget Officer to calculate and transfer savings from elimination of vacant positions
PART RRR - ETH	Eliminates Maine Clean Election Act funding for gubernatorial candidates and changes the contribution limit for gubernatorial campaigns to equal the limit established in federal law for Senate campaigns.
PART SSS - ETH	Changes date for revenue transfer to Clean Elections Fund in FY 13; transfers unencumbered balance to GF unappropriated surplus
PART TTT - EXS	Reorganizes Director, State Planning Office to Director, Office of Policy and Management and changes salary grade from R89 to R91
PART UUU - HUM	Authorizes All Other balances in Bureau of Medical Services appropriations to carry from year to year.
PART VVV - HUM	DHHS to standardize room and board rates for childrens private nonmedical institution services to stay within existing resources
PART WWW - EXE	Creates the Governor's Office of Communications.
PART XXX - HUM	Rules regarding principles of reimbursement for ICFMRs to renovate or construct these facilities are routine technical rather than major substantive
PART YYY - ADM	Repeal family child care provider union representation statutes
PART ZZZ - LAB	Repeals the Governor's Training Initiative Program

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PART AAAA - TEB - Maine Community College System's unfunded liability payment to MEPERS is based only on the salaries of MCCS employees who are members of MEPERS
PART BBBB - PUS - Amends distribution of fire premium tax to defray expenses of Department of Public Safety, Office of State Fire Marshal
PART CCCC - ADM Provides new minimum taxibility thresholds for nonresidents. Also excludes other factors from determination of taxability
PART DDDD - ADM - Exempts meals provided to residents of full-service retirement facilities from sales tax
PART EEEE - ADM - Requires the refund of sales tax on purchases of fuel for use in commercial fishing
PART FFFF - ADM - Exempts plastic bags used by redemption centers from the sales tax
PART GGGG - ADM - Authorizes a sales tax refund or exemption certificate for purchase of parts and supplies for windjammers
PART HHHH - ADM - Provides an income tax credit for investment or contributions to eligible public fishery infrastructure projects in the State
PART IIII - COS - Authorizes up to \$1,112,240 of year end Personal Services balances in the Department of Corrections to carry at the end of FY 11 to fund retroactive reclassification costs. Requires the Department of Corrections to identify positions for elimination to cover the ongoing costs of the reclassifications
PART JJJJ - ADM - Authorizes a transfer from the Maine Budget Stabilization Fund to the General Fund at the end of FY 12 of \$29,700,000