

**Maine Citizen's Guide to the  
Referendum Election**

**Tuesday, November 6, 2018**



**In Accordance with  
the June 28, 2018 Proclamation of the Secretary of the State  
and with the Acts Passed by the 128<sup>th</sup> Legislature  
at the Second Special Session**

**Matthew Dunlap  
Secretary of State**

Appropriation 010-29A-4213-012

**State of Maine  
Office of the Secretary of State  
Augusta, Maine 04333**

Dear Fellow Citizen,

The information in this booklet is intended to help voters learn about the questions that will appear on the November 6, 2018 Referendum Election ballot. Referendum elections are an important part of the heritage of public participation in Maine.

Inside this booklet, you will find:

- ◆ the referendum questions;
- ◆ the legislation each question represents;
- ◆ a summary of the intent and content of the legislation;
- ◆ an explanation of the significance of a “yes” or “no” vote;
- ◆ an analysis of the debt service on the bond issues;
- ◆ an estimate of the fiscal impact of each referendum question on state revenues, appropriations and allocations; and
- ◆ public comments filed in support of or in opposition to each ballot measure.

For information about how and where to vote, please contact your local Municipal Clerk or call Maine’s Division of Elections at 624-7650. Information is also available online at [www.maine.gov/sos](http://www.maine.gov/sos).

The Department of the Secretary of State, the Attorney General, the State Treasurer and the Office of Fiscal and Program Review have worked together to prepare this booklet of information and we hope you find it helpful.

Sincerely,



Matthew Dunlap  
Secretary of State

**State of Maine**  
**Referendum Election, November 6, 2018**  
**Listing of Referendum Questions**

**Question 1: Citizen's Initiative**

Do you want to create the Universal Home Care Program to provide home-based assistance to people with disabilities and senior citizens, regardless of income, funded by a new 3.8% tax on individuals and families with Maine wage and adjusted gross income above the amount subject to Social Security taxes, which is \$128,400 in 2018?

**Question 2: Bond Issue**

Do you favor a \$30,000,000 bond issue to improve water quality, support the planning and construction of wastewater treatment facilities and assist homeowners whose homes are served by substandard or malfunctioning wastewater treatment systems?

**Question 3: Bond Issue**

Do you favor a \$106,000,000 bond issue, including \$101,000,000 for construction, reconstruction and rehabilitation of highways and bridges and for facilities and equipment related to ports, piers, harbors, marine transportation, freight and passenger railroads, aviation, transit and bicycle and pedestrian trails, to be used to match an estimated \$137,000,000 in federal and other funds, and \$5,000,000 for the upgrade of municipal culverts at stream crossings?

**Question 4: Bond Issue**

Do you favor a \$49,000,000 bond issue to be matched by at least \$49,000,000 in private and public funds to modernize and improve the facilities and infrastructure of Maine's public universities in order to expand workforce development capacity and to attract and retain students to strengthen Maine's economy and future workforce?

**Question 5: Bond Issue**

Do you favor a \$15,000,000 bond issue to improve educational programs by upgrading facilities at all 7 of Maine's community colleges in order to provide Maine people with access to high-skill, low-cost technical and career education?

## Treasurer's Statement

The State of Maine borrows money by issuing bonds. General Obligation bonds are backed by the full faith and credit of the State and must be submitted statewide to the voters for approval.

Once approved, the Treasurer issues bonds as needed to fund the approved bond projects and uses a rapid 10-year repayment of principal strategy to retire the debt.

If the bond proposals on the ballot in November 2018 are approved by the voters, general obligation debt service as a percentage of the State's General Fund, Highway Fund and Revenue Sharing appropriations is expected to be 2.83% in FY19 and 2.93% in FY20.

The following is a summary of general obligation bond debt of the State of Maine as of **September 30, 2018**.

### Bonds Outstanding (Issued and Maturing through 2028):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Highway Fund	\$ 22,320,000	\$ 1,405,708	\$ 23,725,708
General Fund	\$ 465,050,000	\$ 95,662,182	\$ 560,712,182
Total	\$ 487,370,000	\$ 97,067,890	\$ 584,437,890

**Unissued Bonds Authorized by Voters:** \$ 64,708,697

**Unissued Bonds Authorized by the Constitution:** \$ 101,000,000

**Total Authorized but Unissued Bonds:** \$ 165,708,697

**The total amount that must be paid in the present fiscal year for bonded debt already outstanding (for FY2019):** \$ 106,258,509

If the bonds submitted here are approved by voters and issued for the full statutory period authorized, an estimate of the total interest and principal that may reasonably be expected to be paid is **\$255,000,000.00**, representing **\$ 200,000,000.00** in principal and **\$55,000,000.00** in interest.



Terry Hayes, Treasurer of State

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**Question 1: Citizen's Initiative**

Do you want to create the Universal Home Care Program to provide home-based assistance to people with disabilities and senior citizens, regardless of income, funded by a new 3.8% tax on individuals and families with Maine wage and adjusted gross income above the amount subject to Social Security taxes, which is \$128,400 in 2018?

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**STATE OF MAINE**

**“An Act To Establish Universal Home Care for Seniors and Persons with Disabilities ”**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 5 MRSA §12004-G, sub-§14-I is enacted to read:**

**14-I.**

<u>Health Care</u>	<u>Universal Home Care Trust Fund Board</u>	<u>Expenses Only</u>	<u>22 MRSA §7284</u>
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**Sec. 2. 5 MRSA §12004-I, sub-§30-B is enacted to read:**

**30-B.**

<u>Health Care</u>	<u>Universal Home Care Trust Fund Advisory Committee</u>	<u>Not Authorized</u>	<u>22 MRSA §7285</u>
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**Sec. 3. 22 MRSA sub-T. 4, Pt. 4 is enacted to read:**

**PART 4**

**HOME CARE SERVICES**

**CHAPTER 1611**

**UNIVERSAL HOME CARE**

**§7281. Definitions**

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

**1. Advisory committee.** "Advisory committee" means the Universal Home Care Trust Fund Advisory Committee described in section 7285.

**2. Board.** "Board" means the Universal Home Care Trust Fund Board described in section 7284.

**3. Constituency.** "Constituency" means persons within one of the following categories:

A. Personal care agencies as defined in section 1717, subsection 1, paragraph C;

B. Individual providers and direct care service providers employed by in-home and community support services agencies; and

C. Persons receiving in-home and community support services through the program, or their family members.

**4. Covered program.** "Covered program" means any program funded entirely or in part by the board pursuant to this chapter.

**5. Eligible person.** "Eligible person" means a person determined to be eligible pursuant to section 7286.

**6. Family caregiver.** "Family caregiver" means a person who provides care-related services to assist a family member who is permanently or temporarily incapable of fully caring for the family member's self. Care-related services include but are not limited to coordinating care-related appointments and transportation, scheduling and coordinating additional care with other workers or agencies, providing financial or emotional support and supporting the physical needs of an individual necessary for day-to-day functioning such as bathing, dressing, cooking, feeding, medication management, wound care, transportation, shopping and domestic work.

**7. Family member.** "Family member" means an individual with any of the following relationships to the eligible person:

A. Spouse or parent of the spouse;

B. A child or spouse of the child;

C. A parent or spouse of the parent;

D. A sibling or spouse of the sibling;

E. A grandparent or spouse of the grandparent;

F. A grandchild or spouse of the grandchild;

G. A domestic partner or parent of the domestic partner, including the domestic partner of any individual in paragraphs A to F; or

H. Any other individual related to the eligible person by blood or whose close association with the eligible person is the equivalent of an acknowledged family relationship.

For purposes of this chapter, "child" includes a biological child, an adopted child, a stepchild, a foster child and a child to whom the eligible person stands in loco parentis.

For purposes of this chapter, "parent" includes a biological parent, foster parent, stepparent, adoptive parent or legal guardian of the eligible person, and an individual who stood in loco parentis when the eligible person was a minor.

**8. Fund.** "Fund" means the Universal Home Care Trust Fund established under section 7283.

**9. Individual provider.** "Individual provider" means any individual selected by and working under the direction of an eligible person in a covered program, or an eligible person's representative, to provide in-home and community support services to the eligible person. "Individual provider" does

not include a person providing care by virtue of that person's employment or contract with a provider agency.

**10. In-home and community support services.** "In-home and community support services" means health care and social services and other assistance required to enable adults with long-term care needs to remain in their places of residence. These services include, but are not limited to, self-directed care services; medical and diagnostic services; professional nursing; physical, occupational and speech therapy; dietary and nutrition services; home health aide services; personal care assistance services; companion and attendant services; home repair, chore and homemaker services; respite care; hospice care; counseling services; transportation; small rent subsidies; various devices that lessen the effects of disabilities; and other appropriate and necessary social services.

**11. Person with a disability.** "Person with a disability" means a person with a physical or mental disability as defined in Title 5, section 4553-A or with a disability as defined in 42 United States Code, Section 12102.

**12. Senior.** "Senior" means an individual 65 years of age or older.

**13. Universal Home Care Program.** "Universal Home Care Program" or "program" means the program established under section 7282.

**§7282. Program established**

The Universal Home Care Program is established to provide in-home and community support services to individuals and families determined to be eligible under this chapter at no cost to those individuals and families. The board oversees all funding for services provided pursuant to the program.

Due to the age of the population of this State and the growing utilization of in-home and community support services, the need for services may exceed the board's ability to provide universal access to full benefits, in which case the board shall place limits on the amount of services available to each eligible person through the program.

**§7283. Universal Home Care Trust Fund established**

The Universal Home Care Trust Fund is established as a nonlapsing fund managed by the board to support the program. The fund may receive any revenue appropriated or allocated to the fund, including taxes collected under Title 36, sections 5002, 5204-C and 5204-D, and receives all funds deposited in the fund from any other source. Funds in the fund may be invested in the same manner as permitted for funds held in the State Treasury.

**§7284. Universal Home Care Trust Fund Board**

The Universal Home Care Trust Fund Board, established in Title 5, section 12004-G, subsection 14-I, oversees and manages the fund and its use under the program in accordance with this chapter. The board may provide services and incur other costs only to the extent that funding is available in the fund. The board also collects and disseminates information to the Legislature, the Governor and the public about the needs of families in the State in order to encourage policy reform.

**1. Program design.** The board shall design and deliver the program to provide eligible persons with in-home and community support services. The board shall design the program to reduce the amount of unmet need and to supplement and not supplant existing programs.

The board shall maximize access to in-home and community support services using the funds available pursuant to this chapter. The program is not required to cover all possible in-home and

community support services for all eligible persons. The board is prohibited from providing or offering services that would incur costs in excess of available funds.

If demand for services for eligible persons exceeds available funds, the board shall curtail services. When curtailing services, the board may provide varying levels of service to eligible persons depending on an assessment of their needs. The board may allocate an amount of funding for each assessment level and restrict the total amount of services provided to eligible persons in that assessment level to the funding amount allocated to that level. The assessment levels must be based on the extent of interference with activities of daily living, functional abilities and need for health and social services of the eligible persons.

**2. Powers and duties. The board:**

A. Shall design and deliver to the extent that funds are available a home care program that funds both formal care and informal family care and shall use the fund to provide access to in-home and community support services for eligible persons by December 31, 2021;

B. Shall ensure improvements in the wages, benefits and working conditions of persons providing in-home and community support services;

C. Shall create within the program a system by which funds may be used to provide a stipend to a family caregiver providing care to an eligible family member;

D. Shall set mandatory standards for quality and safety for in-home and community support services delivered with funding from the fund, without adversely affecting communities of color or low-wage earners;

E. Shall determine how to use the fund to fulfill the requirements of this chapter, including by establishing a system for determining eligibility under section 7286, and how to manage the fund to ensure its long-term sustainability, including by creating a ramp-up period as described in section 7286 ending no later than December 31, 2021 during which services are made available to eligible persons to the greatest extent possible without curtailing enrollment;

F. Shall set reimbursement rates for services eligible for reimbursement under the program in a manner that maximizes access to those services, supports workforce development and ensures service quality;

G. May manage the program's benefits to ensure the financial health of the fund, but may not restrict eligibility for the program as set forth in section 7286;

H. May create advisory committees, in addition to the advisory committee under section 7285, to advise the board on the program and fund;

I. Shall collect, analyze and disseminate information related to the program and the broader needs of families in the State, as applicable, including measuring and studying disparities in access to relevant services by race, income, disability and gender;

J. Shall, in the event the board identifies disparities in access to relevant services by race, income or gender, manage the program so that those disparities are reduced or eliminated;

K. Shall create a process for assessing the needs for in-home and community support services for individuals who need those services who are residing in their own homes or in other private homes in the community and a process for determining the extent of services eligible persons may receive;

L. May partner with the department to provide supplementary funding to existing state programs, including long-term care programs other than in-home and community support services, to expand eligibility, increase payments to providers or raise quality standards consistent with other responsibilities, and to maintain a stable, high-quality care workforce;

M. Shall create and adopt its own governance rules and develop and approve its own budget for the program and its administration and may expend no more than 5% of the fund on administrative costs;

N. May fund initiatives that contribute to the effective use of the fund including workforce development, training and quality improvement programs and certifications for direct care workers;

O. Shall conduct outreach activities to ensure public understanding of the program and promote awareness of application procedures;

P. Shall report to the Legislature no later than February 15th annually on the status of the fund, including revenues, expenditures on in-home and community support services, administrative costs, provider reimbursement rates and any other information relating to the fund, and advise the Legislature on appropriate policies related to in-home and community support services;

Q. Shall, if funds available are not sufficient to cover program costs, implement cost-saving measures that curtail benefits as necessary while maintaining eligibility standards; and

R. Shall take any other action necessary to implement the program and enable the board to exercise its powers and carry out its duties under this chapter.

**3. Membership.** The board consists of the following members:

A. Three members who represent personal care agencies as defined in section 1717, subsection 1, paragraph C;

B. Three members who are individual providers or direct care service providers employed by in-home and community support services agencies; and

C. Three members receiving in-home and community support services, or family members or guardians of individuals receiving in-home and community support services.

**4. First board.** By February 1, 2019, the Speaker of the House of Representatives shall appoint 3 members to the first board who satisfy the requirements of subsection 3, paragraphs A to C, respectively; the President of the Senate shall appoint 3 members to the first board who satisfy the requirements of subsection 3, paragraphs A to C, respectively; and the Governor shall appoint 3 members to the first board who satisfy the requirements of subsection 3, paragraphs A to C, respectively. A member of the first board serves for a one-year term or until the election of that member's successor under subsection 5. A vacancy on the first board is filled in the same manner as the original appointment by the appointing authority. The replacement member serves for the unexpired portion of the term.

**5. Election.** The board shall establish procedures to provide for elections of board members after the terms of the first board members expire. The board shall establish and administer a system of nomination and secret ballot voting by mail or using a secure online voting system by which each member is elected by vote of that member's constituency.

The following persons are eligible to vote for the board members representing their respective constituencies:

A. All personal care agencies as defined in section 1717, subsection 1, paragraph C, acting through their owners, directors and managers as they may choose;

B. All individual providers and direct care service providers employed by in-home and community support services agencies; and

C. All persons receiving in-home and community support services through the program, or their family members.

No later than August 1, 2019, the department shall provide to the board lists of all persons eligible to vote within the constituency categories, including names, addresses and e-mail addresses. The board shall ensure that these lists are used solely for the purpose of providing information relating to the board election and for mailing or e-mailing ballots. The lists must be made available to the constituency associations set forth in section 7290 for purposes of communicating about the election, candidates and issues relating to the program. Persons on the list must be given the opportunity to opt out of receiving communications relating to the program.

The lists described in this subsection are not public records as described in Title 1, section 402, subsection 3. The board may adopt rules to implement this subsection, including rules for the confidentiality of lists and rules detailing the elections process. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**6. Terms; compensation; vacancy.** A member of the board elected under subsection 5 serves a 3-year term and may serve no more than 4 terms. Members receive no compensation for service but are entitled to payment of any necessary expenses, including travel expenses, incurred in the discharge of their duties. A vacancy during the term of a member elected under subsection 5 may be filled by appointment by the commissioner for the remainder of the member's term. A member representing individuals receiving in-home and community support services under subsection 3, paragraph C who received such services upon election but who no longer receives those services may serve the remainder of the member's term. A member appointed or elected under subsection 3, paragraph A or B is no longer eligible to serve if that member no longer meets the requirements of the respective paragraph unless that member is moving to a new position that will permit the member to meet the same requirements and the gap in qualifying lasts no longer than 8 weeks.

**7. Administrative support; executive director.** The board shall employ an executive director to take all actions appropriate and necessary to administer the program, provide administrative, managerial and technical support for the operations of the board and compile annual reports. The executive director must have expertise relevant to managing the program. The board shall set the salary of the executive director, who serves at the pleasure of the board. The executive director may hire additional professional and administrative staff as necessary to administer the program.

### **§7285. Universal Home Care Trust Fund Advisory Committee**

The Universal Home Care Trust Fund Advisory Committee is established under Title 5, section 12004-I, subsection 30-B.

**1. Members.** The advisory committee is composed of the following individuals or their designees:

A. The commissioner;

- B. The Commissioner of Labor;
- C. The Commissioner of Education;
- D. The Treasurer of State;
- E. The President of the Senate; and
- F. The Speaker of the House of Representatives.

2. Duties. The advisory committee shall, on a quarterly basis, review the policies and financial management of the fund and provide guidance and advice to the board and the executive director.

#### **§7286. Eligibility**

All seniors living in this State and all persons with a disability living in this State are eligible for services under this chapter if they need assistance with at least one activity of daily living as defined in section 7852, subsection 1. Eligibility takes effect no later than September 1, 2019 but the board may implement a ramp-up period for services, to be completed no later than December 31, 2021, as it develops the full scope of the program. A person who resides in a hospital, nursing facility, intermediate care facility for persons with intellectual disabilities, adult family care home or residential care facility, as defined in section 7852, subsection 14, is not eligible for the program. Income may not be a factor for eligibility for any services provided under the program. If demand for the program exceeds the board's ability to provide meaningful benefits to eligible persons, the board may create waiting lists of eligible persons and take such other measures as may be needed to create an orderly process providing eligible persons with benefits as soon as funding is available.

#### **§7287. Coordination**

The board and the department shall create a simple, unified process for enrollment in coordination with the other services provided by the department intended to benefit an eligible person.

#### **§7288. Outreach**

Beginning April 1, 2019, in accordance with rules adopted by the board, all employers in the State must display in workplaces posters notifying employees of the in-home and community support services available under the program. The Department of Labor shall produce and distribute posters required under this section. The board shall reimburse the Department of Labor for reasonable costs under this section.

#### **§7289. Direct service worker costs for in-home and community support services; report**

1. Direct service worker costs. Providers of in-home and community support services participating in a covered program shall expend a minimum of 77% of the funding received from the Universal Home Care Program on direct service worker costs. When determining compliance, the board shall calculate this percentage on a statewide, annual basis for each provider. A provider that fails to meet this direct service worker payment minimum may be suspended from the program or required to make additional payments to the respective direct service workers, or both; any additional payments must be for the year in which the provider failed to meet the minimum set forth in this section and must be sufficient to bring the provider into compliance.

2. Report. In order to prove compliance with subsection 1, a provider shall submit an annual cost report to the board based upon actual, documented expenditures for direct service worker costs, administrative costs and other costs of program support.

A. The cost report must demonstrate that the provider has expended a minimum of 77% of the funding received from the program for direct service worker costs. The remaining funding received from the program may be spent by the provider on administrative or program support costs.

B. An authorized representative of the provider shall attest to the accuracy of the cost report.

C. The board may require the provider to engage an independent certified public accounting firm to verify the information and data submitted by the provider under this subsection if the board is in possession of evidence to suggest the information and data submitted is inaccurate, incomplete or fraudulent. The provider is responsible for the cost of this audit.

D. For a provider who does not submit a complete, accurate and timely report under this subsection, the board may impose a corrective action plan to reimburse service workers, temporarily suspend the provider from covering additional persons in the program or permanently terminate the provider from the program, in addition to other remedies that may be available.

3. Rules. The board may adopt rules to implement this section. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. Rules adopted by the board pursuant to this section may include definitions of allowable and unallowable costs for purposes of the annual cost report requirement.

#### **§7290. Constituency associations**

1. Definition. As used in this section, "constituency association" means a group of persons within a constituency that is recognized for the purpose of allowing consumers and workers to advocate for their interests before the board, elected officials and the general public.

2. Access to contact information. Upon a showing made to the board by a constituency association that at least 250 individuals of a particular constituency wish to have that association advocate for their interests, the board shall provide that association with the names and most recent contact information of the other constituents of the particular constituency eligible to vote in the next board election for the purpose of inviting those individuals to join their constituency association. The board shall provide the names and contact information within 7 days of the request. That association shall maintain the confidentiality of the list and may not share the list with the public or any other entity not authorized by the board.

3. Dues. If an employee of a provider of in-home and community support services chooses to join a constituency association, the provider must deduct and remit membership dues to the association if requested by the employee.

4. Labor unions. The board shall recognize as a constituency association any labor union that demonstrates that the union has at least 100 members in a constituency.

#### **§7291. State employees**

For the purposes of the State Employees Labor Relations Act, Title 26, chapter 9-B, individual providers must be considered state employees. This section does not require the treatment of individual providers as state employees for any other purpose. Chapter 9-B applies to individual providers except to the extent inconsistent with this section, in which case this section controls.

**§7292. Rules**

The board shall adopt rules necessary to implement this chapter. Rules adopted by the board pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. 4. 36 MRSA c. 723** is enacted to read:

**CHAPTER 723**

**EMPLOYER CONTRIBUTION TO UNIVERSAL HOME CARE THROUGH TAX ON HIGH EARNER WAGES**

**§5001. Definitions**

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

**1. High earner.** "High earner" has the same meaning as in section 5204-C, subsection 1, paragraph A.

**2. Universal home care tax income threshold.** "Universal home care tax income threshold" has the same meaning as in section 5204-C, subsection 1, paragraph B.

**3. Wage income.** "Wage income" has the same meaning as in section 5204-C, subsection 1, paragraph C.

**§5002. Imposition on employer**

In addition to other taxes, there is imposed on every employer maintaining an office or transacting business in this State an excise tax at the rate of 1.9% on that amount of wage income paid by that employer to any high earner employee in this State that in the tax year exceeds the universal home care tax income threshold.

**§5003. Tax collected deposited in Universal Home Care Trust Fund**

One hundred percent of the tax collected pursuant to this chapter must be deposited each year into the Universal Home Care Trust Fund established in Title 22, section 7283.

**§5004. Application**

This chapter applies to tax years beginning on or after January 1, 2019.

**Sec. 5. 36 MRSA §§5204-C and 5204-D** are enacted to read:

**§5204-C. Additional payroll tax on high earners' wages to support universal home care**

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

A. "High earner" means a taxpayer with Maine adjusted gross income exceeding the universal home care tax income threshold in a tax year.

B. "Universal home care tax income threshold" means the federal Old-Age, Survivors, and Disability Insurance contribution and benefit base set forth in 42 United States Code, Section 430(b), as published in the Federal Register for the applicable tax year.

C. "Wage income" means "wages, salaries, tips, and other employee compensation" as set forth in 26 United States Code, Section 32(c)(2)(A)(i).

**2. Tax imposed.** In addition to all other taxes contained in this Part, a tax to support universal home care is imposed on the wage income of high earners for the taxable year. The tax is imposed on that amount of the high earner's wage income that exceeds the universal home care tax income threshold. This tax is in addition to the excise tax set forth in section 5002.

**3. Tax rate.** The rate of the tax imposed under this section is 1.9%.

**4. Collection.** The Bureau of Revenue Services shall instruct employers to report the tax imposed under this section on the federal form W-2 wage and tax statement in box 14 in the category labeled "Other" with the designation "UHC." This tax must be collected by the employer of the high earner by deducting the amount of the tax from the wages as and when paid.

**5. Tax collected deposited in Universal Home Care Trust Fund.** One hundred percent of the tax collected pursuant to this section must be deposited each year into the Universal Home Care Trust Fund established in Title 22, section 7283.

**6. Application.** This section applies to tax years beginning on or after January 1, 2019.

#### **§5204-D. Additional tax on high earners' nonwage income to support universal home care**

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

A. "High earner" has the same meaning as in section 5204-C, subsection 1, paragraph A.

B. "Universal home care tax income threshold" has the same meaning as in section 5204-C, subsection 1, paragraph B.

C. "Universal home care wage tax credit" means the sum of the taxes paid by an employee pursuant to section 5204-C, subsection 2 plus the taxes owed by the taxpayer's employer pursuant to section 5002.

**2. Tax imposed.** In addition to all other taxes contained in this Part, a tax to support universal home care is imposed on high earners. The tax is imposed on that amount of the high earner's Maine adjusted gross income that exceeds the universal home care tax income threshold for the tax year.

**3. Tax rate; adjustment.** The rate of the tax imposed under this section is 3.8%. The tax owed under this section is reduced by an amount equal to the high earner's universal home care wage tax credit.

**4. Tax collected deposited in Universal Home Care Trust Fund.** One hundred percent of the tax collected pursuant to this section must be deposited each year into the Universal Home Care Trust Fund established in Title 22, section 7283.

**5. Application.** This section applies to tax years beginning on or after January 1, 2019.

**Sec. 6. Program development and implementation.** The following provisions govern the development and implementation of the Universal Home Care Program established under the Maine Revised Statutes, Title 22, chapter 1611.

**1. Start up; appointment of first board.** No later than March 1, 2019, the first Universal Home Care Trust Fund Board appointed pursuant to Title 22, section 7284, subsection 2 shall meet to develop and oversee the implementation of the Universal Home Care Program and to engage in planning with the Department of Health and Human Services. No later than March 1, 2019, the board shall also examine the need for and develop a plan for maintaining or eliminating existing advisory

councils relating to in-home and community support services and shall submit a report of its recommendations to the joint standing committee of the Legislature having jurisdiction over health and human services matters relating to the appropriate roles for those councils.

**2. Waivers.** No later than December 31, 2019, the Department of Health and Human Services shall prepare and submit to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services applications to request any necessary waivers to implement the Universal Home Care Program under the Maine Revised Statutes, Title 22, chapter 1611.

### **SUMMARY**

This initiated bill establishes the Universal Home Care Program to provide in-home and community support services for all people with disabilities living in Maine who require assistance with an activity of daily living and people 65 years of age or older who are living in Maine and who require assistance with an activity of daily living, without regard to income, to be funded by a new tax of 3.8% on income and wages that exceed the maximum wages subject to social security employment taxes.

**Intent and Content**  
**Prepared by the Office of the Attorney General**

This initiated bill establishes a new Universal Home Care Program to provide “in-home and community support services” to senior citizens (65 years of age or older) and persons with physical or mental disabilities residing in Maine who need assistance with at least one activity of daily living. Individuals residing in a hospital, nursing care facility, intermediate care facility for persons with intellectual disabilities, adult family care home, or residential care facility would not be eligible for the program. Income would not be a factor in determining eligibility, and the services would be made available at no cost to the individuals or their families.

In-home and community support services are defined as meaning health care, social services and other assistance required to enable adults with long-term care needs to remain in their homes. This includes self-directed care services; medical and diagnostic services; professional nursing care; physical, occupational and speech therapy; dietary and nutritional services; personal care assistance; home health aide services; respite care and hospice care; as well as small rent subsidies, transportation, and devices that lessen the effects of disabilities.

A nine-member board, known as the “Universal Home Care Trust Fund Board,” would be responsible for designing the program and overseeing its administration in accordance with the statute and to the extent of available resources in the Universal Home Care Trust Fund described below. The board would be comprised of three representatives from each of the following “constituencies”: 1) personal care agencies, 2) individual providers and direct service providers employed by in-home and community support service agencies, and 3) recipients of the services, or their family members or guardians. The initial board would be appointed to serve for one year, after which each of these three constituencies would have the power to elect their own representatives to the board in accordance with procedures established by the board. The board would be authorized to hire an executive director and staff to administer the program.

The board’s responsibilities would include creating a process for assessing individuals’ needs and determining the extent of services each person may receive, establishing quality and safety standards for care, setting reimbursement rates for providers, creating a system for providing stipends to family caregivers, and managing the program within the limits of available resources in the fund. If the demand for services exceeded available funds, the board would be authorized to curtail services and to provide varying levels of service to eligible persons based on an assessment of their needs. The legislation authorizes the board to create waiting lists and take other measures as needed to create an orderly process for providing eligible persons with benefits as soon as sufficient funding is available.

The legislation would require service providers to spend a minimum of 77% of the funds received through the program on direct service worker costs. Individual workers employed directly by their clients to provide services, rather than through an agency, would be treated as state employees for purposes of the Maine Labor Relations Act, which establishes collective bargaining rights, defines prohibited employment practices, and creates a grievance process for handling labor disputes.

The program would be funded by a new tax of 3.8% on both wage income and non-wage income in excess of a threshold called the “universal home care tax income threshold.” That threshold is equal to the limit on the amount of wages that are subject to Social Security taxes under existing federal law. For wages earned in 2018, this amount is \$128,400. It is adjusted annually pursuant to federal law. All of the tax revenue collected would be deposited in the Universal Home Care Trust Fund, to be administered by the Universal Home Care Trust Fund Board.

The tax on wage income (including wages, salaries, tips, and other employee compensation) would be paid by both employers and employees, at the rate of 1.9% each, on the amount of wage income that exceeds the threshold. The portion of the tax paid by employees would be withheld from their wages, in the same manner as Social Security taxes.

The new tax also would apply to non-wage income. Each taxpayer would pay a tax of 3.8% on the amount of Maine adjusted gross income (“MAGI”) that exceeds the threshold, reduced by the amount of the tax on wage income paid by the employee and his or her employer.

The proponents of the legislation have stated that the 3.8% tax is intended to be applied on an individual basis, meaning that it would apply only to the amount of each individual’s earned and unearned income above the threshold for that individual. This intent is expressed in some of the language and structure of the bill. However, other critical language in the bill – in particular, use of the term MAGI – could be interpreted in a way inconsistent with this intent. For a married couple filing a joint income tax return, MAGI is defined in law as the couple’s aggregate or combined income, so use of the term MAGI in the bill could mean that a married couple filing a joint income tax return would be subject to this tax if the couple’s MAGI exceeded the threshold, even if each individual’s wage and non-wage income fell below the threshold.

If approved, this citizen initiated legislation would take effect 30 days after the Governor proclaims the official results of the election.

A “YES” vote is to enact the initiated legislation.

A “NO” vote opposes the initiated legislation.

**Fiscal Impact Statement**  
**Prepared by the Office of Fiscal and Program Review**

This citizen initiative establishes the Universal Home Care Program to provide in-home and community support services for all people with disabilities living in Maine who require assistance with an activity of daily living and people 65 years of age or older living in Maine who require assistance with an activity of daily living, without regard to income. In-home and community support services include, but are not limited to, self-directed care services; medical and diagnostic services; professional nursing; physical, occupational and speech therapy; dietary and nutrition services; home health aide services; personal care assistance services; companion and attendant services; home repair, chore and homemaker services; respite care; hospice care; counseling services; transportation; small rent subsidies; various devices that lessen the effects of disabilities; and other appropriate and necessary social services.

The initiative establishes the Universal Home Care Trust Fund and the Universal Home Care Trust Fund Board to oversee and manage the fund and its use under the program. The fund will receive revenue from a new tax of 3.8% on income and wages that exceed a threshold defined as the maximum wages subject to social security employment taxes. For wage income, employers will pay 1.9% and employees will pay 1.9% (total of 3.8%). For nonwage income, individuals will pay 3.8% of Maine adjusted gross income above the threshold, reduced by a credit for whatever amount would have already been accounted for by the tax on wage income paid by both the employee and employer. This tax is expected to generate \$310,000,000 annually.

The Universal Home Care Trust Fund Board shall design and deliver the program to provide eligible persons with in-home and community support services. As the need for services may exceed the board's ability to provide universal access to full benefits, the board shall place limits on the amount of services available to each eligible person through the program. When curtailing services, the board may provide varying levels of service to eligible persons depending on an assessment of their needs. The board may allocate an amount of funding for each assessment level and restrict the total amount of services provided to eligible persons in that assessment level to the funding amount allocated to that level. As the board is prohibited from providing or offering services that would incur costs in excess of available funds, currently estimated at \$310,000,000 annually, the program is not required to cover all possible in-home and community support services for all eligible persons.

Not included in the annual costs above are certain one-time costs. Approximately \$225,000 would be needed for changes to the tax system, including programming and tax forms. Also, as this initiative proposes to treat individual providers of in-home and community support services as State employees for the purposes of the State Employees Labor Relations Act, the Maine Labor Relations Board (MLRB) will incur costs to conduct a secret ballot election among employees in the bargaining unit if the MLRB is presented with a petition for bargaining agent election supported by a showing of interest from at least 30% of the individual providers. The elections are conducted through the United States mail at a cost of \$1.26 per voter. The cost to the MLRB will depend on the number of individual providers eligible to vote, the number of employee organizations on the ballot and whether or not a second "run-off" election will be required.

Because the board will restrict benefits to the available resources, no additional General Fund appropriations will be required. However, the program will need allocations to allow expenditure of fund revenue. If approved by the voters, additional implementing legislation will be required to provide the additional allocations.

## **Public Comments**

No public comments were filed in support of Question 1.

### **Public comment in opposition to Question 1**

Comment submitted by:  
Donna DeBlois, President,  
Home Care and Hospice Alliance  
30 Association Drive  
Manchester, ME 04351

There are three primary reasons why the Home Care and Hospice Alliance of Maine is unanimously opposed to Question 1, the 3.8% tax to create a universal home care program.

1) There is no means test and no residency requirement. Millionaires are eligible. Perhaps even summer visitors or seasonal residents, too. Moreover, the program would provide services to anyone needing assistance with only one activity of daily living. That's a very low threshold – most of the home care programs we have in Maine generally require a higher level of need. We have limited public funds that should be directed towards our most needy and most vulnerable.

2) The program created by this referendum violates patient privacy. The health information of elder and disabled adults receiving services – including home addresses and contact information – would be distributed to an unlimited number of 'constituency organizations.' These 'constituency organizations' do not need to obtain patient permission in order to access this private health information. That's a direct violation of federal privacy laws. The patient-provider relationship is sacred, and essential to the work we do. Violating this privacy ruins that relationship, and is not in the best interest of good medical care for our seniors.

3) This referendum creates a new board entirely separate from state government to administer the \$310 million in new taxes. This board would have extraordinary authority to set new reimbursement rates, licensing rules, run its own elections. It would not be directly accountable to the taxpayers of Maine, or the Legislature.

Our Alliance supports all efforts to improve services for our vulnerable elder adults. However, we believe this referendum would make things worse.

A 'No' vote on Question 1 is the right vote.

<p>The printing of this public comment does not constitute an endorsement by the State of Maine, nor does the State warrant the accuracy or truth of any statements made in the public comment.</p>
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## Public comment in opposition of Question 1

Comment submitted by:  
Newell Augur  
No on Question One  
P.O. Box 503  
Augusta, ME 04332

### **Question 1 would be disastrous for Maine:**

- Increases the top income tax rate by more than 50%;
- Hits mom-and-pop store owners and thousands of families with more than \$300 million in new taxes – every year;
- Middle-income families – where no family member earns more than \$128,400 and both pay Social Security taxes – will pay over half this amount;
- Self-employed people, farmers and lobstermen/women could be hit with the tax.
- Adds 3.8% tax penalty to hard-working small business owners who sell their business.

In the past 8 years sales and income tax revenues have risen by \$650 million, a nearly 30% increase. We already pay a lot in taxes.

### **What Maine really needs instead of more taxes:**

- More young families
- More high-paying jobs and workers
- More successful small businesses and entrepreneurs willing to create future successes

We need to compete with other states, including tax-free New Hampshire, to accomplish these goals. Question 1 will send us in the opposite direction, immediately. The likely economic impacts by 2023 include significant population loss, labor force loss, personal income loss of \$2 billion, and overall economic loss over \$900 million according to a Maine State Economist analysis.

### **What's the hidden agenda behind this referendum?**

Question 1 would make every independent home care worker – even those caring for a loved one – a state employee for purposes of collective bargaining. That means those people could be forced to pay a fee to the state employees union.

What does that have to do with helping our seniors and the disabled?

**Say “NO” to Question 1 & higher taxes.** Protect thousands of Maine families and small business owners from the paying highest income taxes in the nation.

**Learn More:** [www.StopTheScamMaine.com](http://www.StopTheScamMaine.com)

The printing of this public comment does not constitute an endorsement by the State of Maine, nor does the State warrant the accuracy or truth of any statements made in the public comment.

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## Question 2: Bond Issue

Do you favor a \$30,000,000 bond issue to improve water quality, support the planning and construction of wastewater treatment facilities and assist homeowners whose homes are served by substandard or malfunctioning wastewater treatment systems?

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### STATE OF MAINE Chapter 425 Public Laws of 2017 Approved June 27, 2018

#### **An Act To Authorize a General Fund Bond Issue To Fund Wastewater Infrastructure Projects**

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$30,000,000 for the purposes described in section 5 of this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

**Sec. 2. Records of bonds issued; Treasurer of State.** The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. 3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in this Act lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. 4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

**Sec. 5. Disbursement of bond proceeds from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the Department of Environmental Protection.

#### **ENVIRONMENTAL PROTECTION, DEPARTMENT OF**

##### **Small Community Grant Program**

Provides funds for grants to towns to help replace malfunctioning septic systems that are polluting coastal watersheds or causing a public nuisance.

\$2,000,000

Total

**Wastewater Treatment Facility  
Planning and Construction Grants**

Provides funds for wastewater treatment facility planning, construction grants and hydrographic modeling in coastal watersheds, prioritizing areas with high-value shellfish resources.

Total \$27,650,000

**Overboard Discharge**

Provides funds to assist homeowners whose homes are served by substandard or malfunctioning wastewater treatment systems, including straight pipe discharges, individual overboard discharge systems, subsurface wastewater disposal systems, septic tanks, leach fields and cesspools, which result in direct discharges of domestic pollutants to coastal watersheds.

Total \$350,000

**Sec. 6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Act.

**Sec. 7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. 8. Bonds authorized but not issued.** Any bonds authorized but not issued, or for which bond anticipation notes are not issued, within 5 years of ratification of this Act are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

**Sec. 9. Referendum for ratification; submission at election; form of question; effective date.** This Act must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$30,000,000 bond issue to improve water quality, support the planning and construction of wastewater treatment facilities and assist homeowners whose homes are served by substandard or malfunctioning wastewater treatment systems?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purposes of this referendum.

**Intent and Content**  
**Prepared by the Office of the Attorney General**

This Act would authorize the State to issue bonds in an amount not to exceed thirty million dollars (\$30,000,000), for projects as described below. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

Proceeds of the sale of bonds would be expended by the **Maine Department of Environmental Protection** to support the following three programs in the amounts specified below:

- Two million dollars (**\$2,000,000**) would be distributed in the form of grants to municipalities to help replace failing septic systems that are polluting coastal watersheds or causing a public nuisance. Such grants are administered under the existing Small Communities Grant Program, which is governed by Title 38, section 411 of the Maine Revised Statutes, and Chapter 592 of the Department's rules.

- Twenty-seven million, six hundred and fifty thousand dollars (**\$27,650,000**) would be distributed as grants to municipalities to cover from fifteen to twenty-five percent of the costs of planning pollution abatement facilities, and up to eighty percent of the cost of constructing such facilities, in accordance with Title 38, sections 411 and 412 of the Maine Revised Statutes. Priority is to be given to areas with high-value shellfish resources. Funds also may be used for hydrographic modeling. Such modeling can determine the flow of wastewater discharges and thereby make it possible to define more precisely the size and scope of any areas that must remain closed to shellfish harvesting in order to protect public health.

- Three hundred and fifty thousand dollars (**\$350,000**) would be distributed in the form of grants to help homeowners cover the cost of eliminating residential overboard discharge systems that are discharging pollutants in coastal watersheds and replacing them with technologically proven alternatives. The grants would cover a percentage of the costs on a sliding scale based on the homeowner's annual income up to a maximum of \$125,000, as set forth in Title 38, section 411-A of the Maine Revised Statutes, and Chapter 594 of the Department's rules. The funds would be used only for systems that serve a homeowner's primary residence.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A "YES" vote approves the issuance of up to thirty million dollars (\$30,000,000) in general obligation bonds to finance the activities described above.

A "NO" vote disapproves the bond issue in its entirety.

**Debt Service**  
**Prepared by the Office of the Treasurer**

Total estimated life time cost is **\$38,250,000** representing **\$30,000,000** in principal and **\$8,250,000** in interest (assuming interest at **5.0%** over **10** years).

**Fiscal Impact Statement**  
**Prepared by the Office of Fiscal and Program Review**

This bond issue has no significant fiscal impact other than the debt service costs identified above.

**Public Comments**

No public comments were filed in support of or opposition to Question 2.

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### Question 3: Bond Issue

Do you favor a \$106,000,000 bond issue, including \$101,000,000 for construction, reconstruction and rehabilitation of highways and bridges and for facilities and equipment related to ports, piers, harbors, marine transportation, freight and passenger railroads, aviation, transit and bicycle and pedestrian trails, to be used to match an estimated \$137,000,000 in federal and other funds, and \$5,000,000 for the upgrade of municipal culverts at stream crossings?

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**STATE OF MAINE**  
**Chapter 467**  
**Public Laws of 2017**  
**Approved July 10, 2018**

**An Act To Authorize a General Fund Bond Issue To Improve Multimodal Facilities, Highways  
and Bridges and Municipal Culverts**

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$106,000,000 for the purposes described in section 5 of this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

**Sec. 2. Records of bonds issued; Treasurer of State.** The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. 3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in this Act lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. 4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

**Sec. 5. Disbursement of bond proceeds from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

**TRANSPORTATION, DEPARTMENT  
OF**

Provides funds to construct or reconstruct Priority 1, Priority 2 and Priority 3 corridors under the Maine Revised Statutes, Title 23, section 73, subsection 7 and associated improvements, for the department's municipal partnership initiative and to replace and rehabilitate bridges.

\$80,000,000

Total

Provides funds for facilities and equipment related to ports, harbors, marine transportation, aviation, freight and passenger railroads, transit and bicycle and pedestrian trails that preserve public safety or otherwise have demonstrated high economic value, including property acquisition.

Total \$20,000,000

**MAINE MARITIME ACADEMY**

Provides funds for improvements to, and remediation of, the Maine Maritime Academy's waterfront pier in Castine.

Total \$1,000,000

**ENVIRONMENTAL PROTECTION,  
DEPARTMENT OF**

Provides funds for a competitive grant program that matches local funding for the upgrade of municipal culverts at stream crossings in order to improve fish and wildlife habitats and increase community safety. Eligible project sponsors include local governments, municipal conservation commissions, soil and water conservation districts and private nonprofit organizations. A proposal for funding from an eligible project sponsor must include a map and summary of the proposed project, describing how it meets the following criteria:

1. Contribution to competitive grant program goals. The extent to which the proposed project allows communities to more effectively prepare for storm and flood events and advances the goals of restoring habitat for fish, including sea-run fish and native brook trout, and wildlife, including:

A. The priority status of the culvert to be upgraded or replaced for native brook trout and sea-run fish restoration, based on available stream survey data, statewide prioritization for aquatic connectivity and presence in priority watersheds of salmon, alewives and other diadromous fishes;

B. Confirmation that the culvert proposed for upgrade or replacement is on a municipal road, not a state road or private road;

C. The extent to which the proposed project meets the Department of Environmental Protection's design standard of at least 1.2 times the stream's bankfull width, with a natural stream bottom or embedded structure, and meets or exceeds the Department of Transportation's 100-year flood standard;

D. The degree of urgency of the proposed project, including whether a culvert is at high risk of failure due to age, location within a watershed or reach with high flood risk or severe flood history; and

E. The expected contribution to reducing the frequency or severity of flooding to upstream and downstream communities and improving storm water management within the proposed project area; and

2. Cost-effectiveness. The extent to which the proposed project represents an efficient and cost-effective investment, including the proportion of total project funding that will be provided from other sources and the potential avoided costs associated with the proposed project. Funds may not be used to cover all of the costs associated with a proposed project.

Total \$5,000,000

**Sec. 6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Act.

**Sec. 7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that

have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. 8. Bonds authorized but not issued.** Any bonds authorized but not issued within 5 years of ratification of this Act are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds for an additional amount of time not to exceed 5 years.

**Sec. 9. Referendum for ratification; submission at election; form of question; effective date.** This Act must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$106,000,000 bond issue, including \$101,000,000 for construction, reconstruction and rehabilitation of highways and bridges and for facilities and equipment related to ports, piers, harbors, marine transportation, freight and passenger railroads, aviation, transit and bicycle and pedestrian trails, to be used to match an estimated \$137,000,000 in federal and other funds, and \$5,000,000 for the upgrade of municipal culverts at stream crossings?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purposes of this referendum.

**Intent and Content**  
**Prepared by the Office of the Attorney General**

This Act would authorize the State to issue general obligation bonds in an amount not to exceed one hundred and six million dollars (\$106,000,000), to raise funds for a variety of projects as described below. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

One hundred million dollars (\$100,000,000) of the proceeds from the sale of these bonds would be administered by the **Department of Transportation** for the following purposes:

**Highways, secondary roads and bridges** – eighty million dollars (**\$80,000,000**) would be expended to:

- construct or reconstruct state highways that have been designated as Priority 1, 2 or 3 by the Department of Transportation in accordance with Title 23, section 73(7) of the Maine Revised Statutes;
- repair secondary roads in partnership with municipalities pursuant to the existing Municipal Partnership Initiative program; and
- replace and rehabilitate bridges.

Municipalities are required to contribute 50% or more of the project costs under the Municipal Partnership Initiative program, which is described on the Department's web site at <http://maine.gov/mdot/planning/>. Highway and bridge projects are matched with federal funds on a ratio of 1.1 to 1 (federal to state) dollars. Accordingly, these bond proceeds are expected to leverage approximately eighty-eight million dollars (\$88,000,000) in federal and local matching funds.

**Multi-modal projects** – Twenty million dollars (**\$20,000,000**) would be spent on a variety of projects, including facilities, equipment and property acquisition related to ports, harbors, marine transportation, aviation, railroads (both passenger and freight), transit (public transportation) and bicycle and pedestrian trails. The intent is to fund projects that preserve public safety or otherwise demonstrate high economic value in terms of transportation. The investment of these bond proceeds is expected to be matched by approximately forty-nine million dollars (\$49,000,000) in federal, local and private funds.

An additional one million dollars (**\$1,000,000**) of the bond proceeds would be expended by the **Maine Maritime Academy** for remediation of and improvements to its waterfront pier in Castine.

Five million dollars (**\$5,000,000**) in proceeds from the sale of these bonds would be administered by the **Department of Environmental Protection** as a competitive grant program to upgrade or replace municipal culverts at stream crossings in order to improve fish and wildlife habitats, reduce flood hazards and improve storm water management. Local governments, municipal conservation commissions, soil and water conservation districts and private nonprofit organizations would be eligible to apply for these grants and would be required to provide some matching funds. The criteria for evaluating project proposals are set forth in the bond legislation.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A "YES" vote approves the issuance of up to one hundred and six million dollars (\$106,000,000) in general obligation bonds to finance the activities described above.

A "NO" vote disapproves the bond issue in its entirety.

**Debt Service**  
**Prepared by the Office of the Treasurer**

Total estimated life time cost is **\$135,150,000** representing **\$106,000,000** in principal and **\$29,150,000** in interest (assuming interest at **5.0%** over **10** years).

**Fiscal Impact Statement**  
**Prepared by the Office of Fiscal and Program Review**

This bond issue has no significant fiscal impact other than the debt service costs identified above.

**Public Comments**

No public comments were filed in support of or in opposition to Question 3.

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#### Question 4: Bond Issue

Do you favor a \$49,000,000 bond issue to be matched by at least \$49,000,000 in private and public funds to modernize and improve the facilities and infrastructure of Maine's public universities in order to expand workforce development capacity and to attract and retain students to strengthen Maine's economy and future workforce?

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**STATE OF MAINE**  
**Chapter 465, Part A**  
**Public Laws of 2017**  
**Approved July 10, 2018**

**An Act To Authorize a General Fund Bond Issue To Build Maine's Workforce Development Capacity by Modernizing and Improving the Facilities and Infrastructure of Maine's Public Universities and Community Colleges**

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

**Be it enacted by the People of the State of Maine as follows:**

**PART A**

**Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$49,000,000 for the purposes described in section 5 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

**Sec. A-2. Records of bonds issued; Treasurer of State.** The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. A-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. A-4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

**Sec. A-5. Disbursement of bond proceeds from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

## UNIVERSITY OF MAINE SYSTEM

Provides funds for the construction, reconstruction and remodeling of existing or new facilities and other infrastructure within the University of Maine System as approved by the Board of Trustees in order to expand workforce development capacity and attract and retain students. Bond funds must be matched by other public and private funds.

Total \$49,000,000

**Sec. A-6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

**Sec. A-7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. A-8. Bonds authorized but not issued.** Any bonds authorized but not issued within 5 years of ratification of this Part are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds for an additional amount of time not to exceed 5 years.

**Sec. A-9. Referendum for ratification; submission at election; form of question; effective date.** This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$49,000,000 bond issue to be matched by at least \$49,000,000 in private and public funds to modernize and improve the facilities and infrastructure of Maine's public universities in order to expand workforce development capacity and to attract and retain students to strengthen Maine's economy and future workforce?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

**Intent and Content**  
**Prepared by the Office of the Attorney General**

This Act would authorize the State to issue general obligation bonds in an amount not to exceed forty-nine million dollars (**\$49,000,000**), to raise funds for a variety of projects as described below. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

Proceeds from the sale of these bonds would be expended by the **University of Maine System** to support the construction, reconstruction and remodeling of existing and new facilities and infrastructure as approved by the Board of Trustees. The purpose of the bond funding is to expand the University of Maine System's capacity to develop Maine's workforce and enhance its ability to attract and retain students. The projects currently approved by the Board of Trustees are located at all seven campuses in the University of Maine System and include renovations and improvements to dormitories, modernization and expansion of laboratories and classrooms for STEM (science, technology, engineering and mathematics) programs, nursing and child care programs, as well as development of career service centers, and other facilities to support first-generation and non-traditional students. The bond proceeds would have to be matched by an equal amount of funding from other private and public sources.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A "YES" vote approves the issuance of up to forty-nine million dollars (\$49,000,000) in general obligation bonds to finance the above-described activities as approved by the University of Maine System's Board of Trustees.

A "NO" vote disapproves the bond issue in its entirety.

**Debt Service**  
**Prepared by the Office of the Treasurer**

Total estimated life time cost is **\$62,475,000** representing **\$49,000,000** in principal and **\$13,475,000** in interest (assuming interest at **5.0%** over **10** years).

**Fiscal Impact Statement**  
**Prepared by the Office of Fiscal and Program Review**

This bond issue has no significant fiscal impact other than the debt service costs identified above.

**Public Comments**

No public comments were filed in support of or in opposition to Question 4.

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## Question 5: Bond Issue

Do you favor a \$15,000,000 bond issue to improve educational programs by upgrading facilities at all 7 of Maine's community colleges in order to provide Maine people with access to high-skill, low-cost technical and career education?

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**STATE OF MAINE  
Chapter 465, Part B  
Public Laws of 2017  
Approved July 10, 2018**

**An Act To Authorize a General Fund Bond Issue To Build Maine's Workforce Development Capacity by Modernizing and Improving the Facilities and Infrastructure of Maine's Public Universities and Community Colleges**

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

**Be it enacted by the People of the State of Maine as follows:**

### **PART B**

**Sec. B-1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$15,000,000 for the purposes described in section 5 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

**Sec. B-2. Records of bonds issued; Treasurer of State.** The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. B-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. B-4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

**Sec. B-5. Disbursement of bond proceeds from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

**MAINE COMMUNITY COLLEGE  
SYSTEM**

Provides funds to renovate and expand instructional laboratories and to upgrade information technology infrastructure and heating and ventilating systems for improved energy efficiency and long-term savings at Central Maine Community College.

Total \$2,503,755

Provides funds for information technology system upgrades, to convert heating systems to natural gas and for additional campus-wide energy efficiencies at Eastern Maine Community College.

Total \$2,233,082

Provides funds for capital equipment to support a new program in millwrighting and industrial mechanics, for upgrades to information technology infrastructure and instructional and library technologies and to replace and insulate aging windows and facades at Kennebec Valley Community College.

Total \$2,190,731

Provides funds to expand the diesel hydraulics program laboratory, upgrade information technology infrastructure and heating and ventilation systems, invest in energy efficiencies and renovate classrooms at Northern Maine Community College.

Total \$1,165,119

Provides funds for facility repairs and improvements, energy efficiencies, renovations to expand space for student support and remediation, information technology system upgrades and instructional and library services at Southern Maine Community College.

Total \$4,275,100

Provides funds to renovate and expand instructional laboratories, for information technology system upgrades and for investments in instructional technologies at Washington County Community College.

Total \$885,853

Provides funds for information technology system upgrades to and the development of York County Community College's Industrial Trades Center in Sanford.

Total \$1,746,360

**Sec. B-6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

**Sec. B-7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. B-8. Bonds authorized but not issued.** Any bonds authorized but not issued within 5 years of ratification of this Part are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds for an additional amount of time not to exceed 5 years.

**Sec. B-9. Referendum for ratification; submission at election; form of question; effective date.** This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$15,000,000 bond issue to improve educational programs by upgrading facilities at all 7 of Maine's community colleges in order to provide Maine people with access to high-skill, low-cost technical and career education?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

**Intent and Content**  
**Prepared by the Office of the Attorney General**

This Act would authorize the State to issue general obligation bonds in an amount not to exceed fifteen million dollars (**\$15,000,000**), to raise funds for facility improvements at seven Maine Community College System campuses, as described below. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

Proceeds from the sale of these bonds would be spent by the **Maine Community College System** for the following purposes and in the following amounts:

- |              |                                                                                                                                                                                                                                                                                                                         |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$2,503,755  | Central Maine Community College in Auburn – to renovate and expand instructional laboratories, upgrade information technology infrastructure, and upgrade heating and ventilating systems in order to improve energy efficiency and achieve long-term savings.                                                          |
| \$2,233,082  | Eastern Maine Community College in Bangor – to upgrade information technology systems and convert heating systems to natural gas.                                                                                                                                                                                       |
| \$2,190,731  | Kennebec Valley Community College in Fairfield and Hinckley – to fund capital equipment for a new program in millwrighting and industrial mechanics, upgrade information technology infrastructure and instructional and library technologies, and replace and insulate aging windows and facades on certain buildings. |
| \$ 1,165,119 | Northern Maine Community College in Presque Isle – to expand the laboratory for the diesel hydraulics program, renovate classrooms, upgrade information technology infrastructure, upgrade heating and ventilation systems, and invest in energy efficiencies.                                                          |
| \$4,275,100  | Southern Maine Community College in South Portland and Brunswick – to repair and improve facilities, achieve energy efficiencies, and upgrade information technology systems as well as instructional and library services.                                                                                             |
| \$ 885,853   | Washington County Community College in Calais – to renovate and expand instructional laboratories, upgrade information technology systems, and invest in instruction technologies.                                                                                                                                      |
| \$1,746,360  | York County Community College in Wells – to upgrade information technology systems and develop an Industrial Trades Center in Sanford.                                                                                                                                                                                  |

If approved, the authorization of these bonds would take effect 30 days after the Governor's proclamation of the vote.

A "YES" vote approves the issuance of up to fifteen million dollars (\$15,000,000) in general obligation bonds to finance the activities described above.

A "NO" vote disapproves the bond issue in its entirety.

**Debt Service**  
**Prepared by the Office of the Treasurer**

Total estimated life time cost is **\$19,125,000** representing **\$15,000,000** in principal and **\$4,125,000** in interest (assuming interest at **5.0%** over **10** years).

**Fiscal Impact Statement**  
**Prepared by the Office of Fiscal and Program Review**

This bond issue has no significant fiscal impact other than the debt service costs identified above.

**Public Comments**

No public comments were filed in support of or in opposition to Question 5.