

# **State of Maine Fiscal Impact Statements for the November 6, 2018 Referendum Election**

**Prepared by the Office of the Secretary of State, the Office of Fiscal and Program Review,  
and the Office of the State Treasurer**

## **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?

## **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.

**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?

**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.

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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?

**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.

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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?

**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.

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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?

**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.