

MAINE STATE LEGISLATURE

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L.D. 1449

Date: 6/12/25

(Filing No. S-381)

MAJORITY
STATE AND LOCAL GOVERNMENT

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STATE OF MAINE
SENATE
132ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 590, L.D. 1449, "Resolve, Requiring the Commissioner of Administrative and Financial Services to Conduct a Study of the State's Grant, Contracting and Procurement Practices"

Amend the resolve by striking out the title and substituting the following:

'Resolve, Establishing the Working Group on Modernizing State Grants, Contracts and Procurement'

Amend the resolve by striking out everything after the title and inserting the following:

'Sec. 1. Working group established. Resolved: That the Working Group on Modernizing State Grants, Contracts and Procurement, referred to in this resolve as "the working group," is established.

Sec. 2. Working group membership. Resolved: That, notwithstanding Joint Rule 353, the working group consists of 14 members as follows:

1. Two members of the Senate appointed by the President of the Senate, one of whom is from the party holding the largest number of seats in the Legislature and one of whom is from the party holding the 2nd largest number of seats in the Legislature;

2. Two members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom is from the party holding the largest number of seats in the Legislature and one of whom is from the party holding the 2nd largest number of seats in the Legislature;

3. One member who represents the Office of the Governor, appointed by the Governor;

4. The Commissioner of Administrative and Financial Services, or the commissioner's designee;

5. The Commissioner of Health and Human Services, or the commissioner's designee;

6. One member who represents the Permanent Commission on the Status of Racial, Indigenous and Tribal Populations, appointed by the chairs of the commission;

1 7. One member who represents a public or private foundation with headquarters in the
2 State, appointed by the President of the Senate;

3 8. One member who represents a statewide nonprofit association, appointed by the
4 Speaker of the House of Representatives; and

5 9. Four members who represent nonprofit organizations that since January 1, 2020 have
6 applied for or received grants from, or entered into public contracts with, a state agency, a
7 municipality or another nonprofit organization in the State. These organizations must
8 represent a variety of mission areas, budget sizes and geographic areas served, appointed
9 as follows:

10 A. One member representing a small nonprofit organization with an annual operating
11 budget of \$500,000 or less, appointed by the President of the Senate;

12 B. One member representing an area agency on aging, appointed by the President of
13 the Senate;

14 C. One member representing a community action program, appointed by the Speaker
15 of the House of Representatives; and

16 D. One member representing a provider that receives MaineCare reimbursement,
17 appointed by the Speaker of the House of Representatives.

18 **Sec. 3. Chair. Resolved:** That, for the first meeting of the working group, the
19 member from the Department of Administrative and Financial Services acts as chair. At
20 the first meeting, the working group shall elect one of its members to serve as chair, except
21 that members appointed pursuant to section 2, subsections 1 and 2 may not serve as chair.

22 **Sec. 4. Appointments; convening of working group. Resolved:** That,
23 notwithstanding Joint Rule 353, all appointments must be made no later than 30 days
24 following the effective date of this resolve. The appointing authorities shall notify the
25 Department of Administrative and Financial Services once all appointments have been
26 completed. After the appointment of all members, the chair shall call and convene the first
27 meeting of the working group.

28 **Sec. 5. Duties. Resolved:** That the working group shall examine the State's grant
29 and public procurement practices and make recommendations to the Department of
30 Administrative and Financial Services concerning:

31 1. Delays in grant or contract execution and encumbrment across state agencies;

32 2. Delays in payment of grants and contracts;

33 3. Application, communication or system improvements that would increase
34 transparency, enhance communications between the State and nonprofit organizations or
35 improve application, reporting or procurement processes;

36 4. Alignment of state practices with applicable federal standards, such as the
37 establishment of a generally permissible standard of indirect costs; and

38 5. A mechanism for ongoing review and evaluation of grant-making and procurement
39 processes.

40 The working group may examine additional matters and make recommendations
41 concerning: reimbursement rates, including under the MaineCare program; uniform

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COMMITTEE AMENDMENT "A" to S.P. 590, L.D. 1449 (S-381)

1 Financial Services and the Office of the State Auditor. The amendment also adds an
2 appropriations and allocations section.

3 **FISCAL NOTE REQUIRED**

4 (See attached)

**132nd MAINE LEGISLATURE****LD 1449****LR 2101(02)**

Resolve, Requiring the Commissioner of Administrative and Financial Services to Conduct a Study of the State's Grant, Contracting and Procurement Practices

Fiscal Note for Bill as Amended by Committee Amendment "A" (S.381)

Committee: State and Local Government

Fiscal Note Required: Yes

Fiscal Note**Legislative Cost/Study**

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$12,000	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$12,000	\$0	\$0	\$0

Legislative Cost/Study

The general operating expenses of this study are projected to be \$2,360 in fiscal year 2025-26 and \$1,400 in fiscal year 2026-27. The Legislature's proposed budget for the 2026-2027 biennium includes \$22,196 in each of fiscal years 2025-26 and 2026-27 for the costs of legislative studies, as well as \$8,265 in projected balances from fiscal year 2024-25 and \$33,073 of balances carried over from prior years for this purpose. Whether these amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature.

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services of \$12,000 in fiscal year 2025-26 to contract with a consultant to assist with staffing the working group and submitting a report by November 4, 2026. Any additional costs incurred by the other agencies affected by the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.