

# MAINE STATE LEGISLATURE

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L.D. 1449

Date: 6/12/25

(Filing No. S-382)

MINORITY

STATE AND LOCAL GOVERNMENT

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

132ND LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" 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 15 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;

COMMITTEE AMENDMENT

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;

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; and

18           10. The State Auditor or the State Auditor's designee.

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

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

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

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

33           2. Delays in payment of grants and contracts;

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

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

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

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1       The working group may examine additional matters and make recommendations  
2 concerning: reimbursement rates, including under the MaineCare program; uniform  
3 application procedures; upfront payments; standard contracting language; feasibility of  
4 increasing the low-cost service contract to allow more low-barrier opportunities; and any  
5 other relevant issues.

6       **Sec. 6. Staff assistance. Resolved:** That the Department of Administrative and  
7 Financial Services shall provide staff support to the working group, with additional support  
8 as needed from the Department of Health and Human Services, the Department of  
9 Transportation, the Department of Agriculture, Conservation and Forestry and the  
10 Department of Education.

11       **Sec. 7. Report. Resolved:** That, by November 4, 2026, the working group shall  
12 submit a report, including any recommended legislation, to the joint standing committee of  
13 the Legislature having jurisdiction over state and local government matters and the  
14 Department of Administrative and Financial Services. The committee is authorized to  
15 report out legislation related to the report to the 133rd Legislature in 2027.

16       **Sec. 8. Outside funding. Resolved:** That the working group shall seek funding  
17 contributions to fully fund the costs of the study. All funding is subject to approval by the  
18 Legislative Council in accordance with its policies. If sufficient contributions to fund the  
19 study have not been received within 30 days after the effective date of this resolve, no  
20 meetings are authorized and no expenses of any kind may be reimbursed.

21       **Sec. 9. Appropriations and allocations. Resolved:** That the following  
22 appropriations and allocations are made.

23       **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
24       **Purchases - Division of 0007**

25       Initiative: Provides one-time funding to contract with a consultant to assist with managing  
26 and staffing the working group.

27 <b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
28       All Other	\$12,000	\$0
29		
30 <b>GENERAL FUND TOTAL</b>	<b>\$12,000</b>	<b>\$0</b>

31  
32       Amend the resolve by relettering or renumbering any nonconsecutive Part letter or  
33 section number to read consecutively.

34       **SUMMARY**

35       This amendment, which is the minority report of the committee, replaces the resolve  
36 and changes the title. It establishes the Working Group on Modernizing State Grants,  
37 Contracts and Procurement to examine the State's grant and public procurement practices  
38 and make recommendations to the Department of Administrative and Financial Services.  
39 The working group is required to submit a report, which may include recommendations for  
40 legislation, by November 4, 2026 to the joint standing committee of the Legislature having  
41 jurisdiction over state and local government matters and the Department of Administrative

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COMMITTEE AMENDMENT "B" to S.P. 590, L.D. 1449 (S. 382)

1 and Financial Services. The amendment also adds an appropriations and allocations  
2 section.

3 **FISCAL NOTE REQUIRED**

4 (See attached)

**COMMITTEE AMENDMENT**

**132nd MAINE LEGISLATURE****LD 1449****LR 2101(03)**

**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 "BLS382)**

**Committee: State and Local Government**

**Fiscal Note Required: Yes**

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**Fiscal Note****Legislative Cost/Study**

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