

MAINE STATE LEGISLATURE

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REP. JOHN RICHARDSON
CHAIR

SEN. BETH EDMONDS
VICE-CHAIR



122ND MAINE STATE LEGISLATURE

LEGISLATIVE COUNCIL

**LEGISLATIVE COUNCIL
NOVEMBER 28, 2005
REVISED AGENDA**

SEN. MICHAEL F. BRENNAN
SEN. PAUL T. DAVIS, SR.
SEN. KENNETH T. GAGNON
SEN. CAROL WESTON
REP. GLENN A. CUMMINGS
REP. DAVID E. BOWLES
REP. ROBERT W. DUPLESSIE
REP. JOSHUA A. TARDY

DAVID E. BOULTER
EXECUTIVE DIRECTOR

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ADJOURNMENT

REP. JOHN RICHARDSON
CHAIR

SEN. BETH EDMONDS
VICE-CHAIR



SEN. MICHAEL F. BRENNAN
SEN. PAUL T. DAVIS, SR.
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EXECUTIVE DIRECTOR

122ND MAINE STATE LEGISLATURE

LEGISLATIVE COUNCIL

MEETING SUMMARY OCTOBER 27, 2005

CALL TO ORDER

The Chair, Speaker Richardson, called the Legislative Council meeting to order at 11:04 a.m. in the Legislative Council Chamber.

ROLL CALL

Senators:	President Edmonds, Sen. Brennan, Sen. Davis, Sen. Gagnon, Sen. Weston
Representatives:	Speaker Richardson, Rep. Cummings, Rep. Bowles, Rep. Duplessie, Rep. Tardy
Legislative Officers:	Millicent MacFarland, Clerk of the House Michael Cote, Assistant Clerk of the House David Boulter, Executive Director, Legislative Council Grant Pennoyer, Director, Office of Fiscal and Program Review Patrick Norton, Director, Office of Policy and Legal Analysis Margaret Matheson, Revisor of Statutes Lynn Randall, State Law Librarian Paul Mayotte, Director, Legislative Information Services

SUMMARY OF THE SEPTEMBER 22, 2005 COUNCIL MEETING

Motion: That the Meeting Summary of September 22, 2005 be accepted and placed on file.
(Motion by President Edmonds, second by Rep. Tardy, unanimous).

Speaker Richardson asked if there was objection to taking 2 items out of order. Hearing none, the Chair then moved to **New Business, Items 4 and 5.**

NEW BUSINESS

Item #4: Suggested Procedures for Deciding Legislative Bill Requests

The agenda included a suggested protocol for deciding legislative bill requests. Speaker Richardson asked Executive Director Boulter to summarize the suggested protocol, as follows:

1. Under the terms of the Maine Constitution, Section 1 of Article IV, Part Third, Legislative Power, the business of the second regular session must be limited to budgetary matters; legislation in the Governor's call; legislation of an emergency nature admitted by the Legislature; legislation referred to committees to study and report by the Legislature in the first regular session; and legislation presented to the Legislature by written petition of the electors (direct citizen initiative).
2. Under the 122nd Legislative Council's Rules of Procedure, any action of the Council requires the affirmative vote of at least 6 members.
3. Under Rule 203 of the Joint Rules of the 122nd Legislature, any vote of the Legislative Council to accept or reject a bill or resolve for introduction under the procedures established under the Joint Rules must be taken by the yeas and nays, and that vote must be recorded and made available for public inspection.
4. Under Rule 217 of the Joint Rules, a bill that has been introduced and finally rejected in a regular or special session may not be introduced in a subsequent session of the same Legislature except by a vote of 2/3 of both chambers. Therefore, determinations as to the relevancy of Rule 217 are within the purview of the presiding officers, not the Legislative Council.

Suggested Protocol for deciding legislative bill requests

- A. The Legislative Council will review bill requests alphabetically by policy area. An exception to this order of review may be made for bill requests for which an ASL Interpreter is required for persons who are deaf or hard of hearing. Those bills will be taken out of order at a time during the meeting when an interpreter is available.
- B. For procedural consistency, when voting on a bill request, the initial motion on a bill will be presumed to be a motion to accept the bill request for introduction into the second regular session along with a second to that motion. (Yea is to let in a bill; nay is to reject the bill for introduction). Also for procedural consistency, unless otherwise stated, each motion is presumed to have been made by the vice-chair of the Legislative Council, seconded by the chair.
- C. In order to review all legislative requests in a timely manner, voting will be by electronic vote or a show of hands, with each Council Member's vote on each bill being recorded. The record of each vote will be made available for public inspection following the meeting.
- D. If a bill request has been identified by the Revisor as requiring a ruling under Joint Rule 217, the Legislative Council may vote to accept that bill for introduction, conditional upon a subsequent ruling by the presiding officers. Absent a vote to accept the bill, the bill is presumed to have been turned down by unanimous vote of the Legislative Council.
- E. Legislative sponsors and others are welcome to observe the Council's deliberations on the bill requests, but discussion of the requests will be confined to Council Members. Discussion of a bill request among Council Members will be limited to whether it is appropriate for introduction under Constitutional provisions for second regular session bills, and will not speak to the merits of the bill itself.

- F. If the Legislative Council turns down a bill request, a Legislator may appeal that decision. At a subsequent meeting of the Legislative Council, the Legislator may speak briefly to the bill request under appeal.
- G. A legislative request that has been identified by the Revisor's Office as being closely related to another legislative request that was earlier filed (i.e., having been assigned a lower LR number) or to a carryover bill is presumed to have been turned down by a unanimous vote of the Legislative Council.

Motion: That the Legislative Council adopt the suggested protocol, A-G, for deciding legislative bill requests as set forth in the "Procedures for Review of Legislative Bill Requests" document dated October 27, 2005. (Motion by Rep. Tardy, second by Sen. Weston, unanimous).

Item #5: Requests to Introduce Legislation for Consideration in the Second Regular Session

The Council then proceeded to consider and vote on 492 bill requests in accordance with the adopted protocol, and using an automated voting system for the first time.

RECESS

The Council recessed at 12:07 p.m. on the motion of the Chair.

RECONVENE

The Chair reconvened the meeting at 12:29 p.m. and continued with consideration of the bill requests.

RECESS

The Council recessed at 1:00 p.m. on the motion of the Chair.

RECONVENE

The Chair reconvened the meeting at 1:12 p.m. and continued with consideration of the bill requests.

RECESS

The Council recessed at 1:35 p.m. on the motion of the Chair.

RECONVENE

The Chair reconvened the meeting at 1:49 p.m. and continued with consideration of the bill requests until all bill requests had been considered.

Of the 492 bill requests, the Council authorized 174 bill requests for introduction in the 2nd Regular Session of the 122nd Legislature. The Speaker thanked the Legislative Information Services Office and the Revisor's Office for the outstanding work of the staff regarding the voting system and the bill requests.

A list of the bills is attached.

RECESS

The Council recessed at 2:56 p.m. on the motion of the Chair.

RECONVENE

The Chair reconvened the meeting at 3:07 p.m. to consider other items on the agenda.

REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

• Executive Director's Report

David Boulter, Executive Director of the Legislative Council, reported the following to the Council.

1. Human Resources Director Debby Olken organized two seminars on insurances and other employee benefits for legislative employees. She has also arranged for an on-site flu shot clinic to be held on December 15th for Legislators, legislative staff and their adult dependents. Both events are part of our Human Resources office's outreach efforts to legislators and staff on human resource matters.
2. On November 10, 2005, the Maine Veterans Services will be holding a ceremony to unveil the Korean War plaque that is to hang permanently in the Hall of Flags. The ceremony will begin at 10:00 a.m. and legislators are invited to attend. Members of legislative leadership should be receiving an invitation by the end of October.
3. New directional signage is being installed in the State House to help direct visitors to and within the State House. The signage includes a bronze plaque at the east and north stairways to the State House directing visitors to the west (public) entrance.

• Fiscal Report

Grant Pennoyer, Director, Fiscal and Program Review Office, reported the following to the Council.

1. General Fund and Highway Fund Revenue – September 2005 Variance Report

General Fund revenue was \$41 million over budget for the month of September. After the first quarter of FY 06, the fiscal year-to-date positive variance increased to \$51.5 million. \$27.8 million of this variance was related to a timing issue of Circuit Breaker and BETR payments. Excluding variances related to these tax programs the General Fund revenue was \$23.7 million ahead of budget. Listed below is a summary of each of the major revenue lines:

- Sales and Service Provider Tax revenues under budget by \$2.2 million in September and under budget by \$5.3 million for the first quarter of FY 06.
- Individual Income Tax revenues over budget by \$5.2 million in September and \$4.5 million over budget for the fiscal year-to-date. The timing of payment in the Circuit Breaker and the BETR programs increased the positive variance in the Individual Income Tax, \$25.2 million in September and \$29.3 million for fiscal year-to-date.
- Lottery revenues under budget in September and through the end of the first quarter have a negative variance of \$1.7 million.

- Corporate Income Tax revenues over budget \$9.3 for the month of September and \$12.2 million for the first quarter of FY 06.
- Cigarette and Tobacco tax revenues over budget by \$2.4 million in September and over budget by \$4.8 for fiscal year-to-date.
- There is no revenue budgeted until May for the public utilities tax.
- Insurance company tax revenues under budget in September, increasing the negative revenue variance for the first quarter of FY 06 to \$1.0 million.
- Estate tax revenues over budget by \$1.2 million in September and \$12.5 million over budget for the fiscal year-to-date.
- Property Tax-Unorganized Territory revenues will not have revenue budgeted until October.
- Income from investments over budget by \$0.1 million for fiscal year-to-date.
- Other Revenue under budget \$2.0 million in September, reducing the fiscal year-to-date to \$1.8 million.

The Highway Fund revenue was over budget by \$1.3 million and \$0.5 million over budget for the fiscal year-to-date.

September 2005 Cash Pool Average Balances

The General Fund cash position averaged \$72.6 million in September. Without the Tax Anticipation Notes and Reserve Fund balances, the General Fund cash position would have had a negative average balance of \$121.4 million. While this amount is negative, it has improved over the last year. The equivalent average balance last year was minus \$147.6 million.

General Fund Cash Balances

The cash balance trend through June 2005 initially suggested that the General Fund balance had peaked and was trending downward. However, the decline was temporary, due largely to the substantial initial lease payment for the wholesale liquor operation received at the end of FY 04 and beginning of FY 05. The General Fund cash balance appears now to be moving upward.

Highway Fund Cash Balances

The Highway Fund cash balance was trending downward for several months at the end of FY 05. This reduction was largely due to the budgeted transfers to the General Fund, which were recorded in April, 2005. The Highway Fund cash balance appears to be trending upward.

Revenue Forecasting Committee

The Revenue Forecasting Committee will meet on Monday, November 21, 2005 at 9:30 a.m. in Room 228 of the State House.

• Update of Interim Studies

Patrick Norton, Director, Office of Policy and Legal Analysis, referred members to the Progress Report on Legislative Studies in their packet.

A copy of the Progress Report on Legislative Studies is attached.

- **Office of Information Services' Report**

Paul Mayotte, Director, Legislative Information Services Office, reported that the implementation of the new bill drafting system continues. During the week of October 17th, staff in the Revisor's Office participated in 2 days of training followed by 1 day of training for the technical staff of the Legislative Services Office. Both offices are working daily on the implementation and resolving issues. The Revisor's Office will be drafting the new bills in the MELD System; the carryover bills and the Appropriation Table bills will be done using the WANG system.

REPORTS FROM COUNCIL COMMITTEES

- **Personnel Committee**

Rep. Cummings, Chair of the Personnel Committee, reported that the Committee had met earlier in the day to consider an employee request for temporary disability income benefits.

The Personnel Committee unanimously approved a request for temporary disability income benefits, consistent with the Personnel Policies and Guidelines for legislative employees for a member of Leadership Staff.

No Council action is required.

- **State House Facilities Committee**

Sen. Gagnon, Chair of the State House Facilities Committee, reported on the committee meeting of October 17, 2005 and the Working Group on Capitol Security meeting also held on October 17th.

- A. Policy of the Use of the Hall of Flags

The committee reviewed a revised draft of a policy on the use of the Hall of Flags that had been prepared by staff. After discussion, the committee made several changes to the draft to improve clarity and workability and voted to recommend that the Legislative Council adopt the policy as revised.

- B. Handicap access to third floor porch

The committee reviewed the architect's proposal to install a platform on the 3rd floor porch of the State House to allow wheelchair access. After viewing the porch and the proposal, the committee asked that the platform not be installed until the committee could meet with the architect and the State Historian to discuss any alternatives to the current proposal. The committee will consider and decide the matter by Spring 2006.

State House Facilities Committee Working Group on Capitol Security

The facilities committee's Working Group on Capitol Security also met on October 17, 2005. The meeting yielded a great deal of information about current security procedures and gaps, and Capitol Security's working relationships with other security-related entities. The working group heard presentations by the Building Control Center and the Executive Protection Unit, reviewed the budgets and position counts for Capitol Security and learned about the cost of private security firms now used at selected state facilities. At its next meeting, the working group will consider various options and reorganizations that can improve security in the State House complex.

Motion: That the Legislative Council adopt the Policy on the Use of the Hall of Flags as recommended by the State House Facilities Committee, the policy to become effective on January 1, 2006. Further, that after 1 year the Legislative Council review the policy to consider revisions that may be warranted to meet operational considerations and the Legislative Council's intent for appropriate uses in the Hall of Flags. (Motion by Sen. Gagnon, second by Rep. Bowles).

Discussion: Sen. Weston noted that in the list of exceptions under the policy, Maine Bankers' Day was not listed and requested that it be added to the list. Sen. Gagnon said the committee believed the group could use the facilities in the Cross Building if it wants to serve meals to legislators. He said that the intent of the committee regarding exceptions would be events that are government or civic related. Sen. Weston explained that a distinction can be made between the bankers' day and other lobby group events in that Maine bankers job shadow each legislator for the day and that a meal in the Hall of Flags is an integral part of the job shadowing and banker/legislator intervention for the day. Sen. Weston made the following amendment to the motion:

Amendment to Motion: That the Maine Bankers' Day be added as an exception in the Policy on the Use of the Hall of Flags. (Motion by Sen. Weston, second by Rep. Bowles, unanimous).

Motion: That the Policy on the Use of the Hall of Flags as amended be adopted. (Motion by Sen. Gagnon, second by Rep. Bowles, unanimous).

OLD BUSINESS

Item #1: Health Policy Forum for Legislators

Proposal by the Maine Development Foundation, jointly with Margaret Chase Smith Policy Center, Muskie School of Public Service, and the Maine Health Access Foundation.

Motion: That the proposal by Maine Development Foundation, et al to hold a one day health policy forum be approved, conditional upon the policy forum being held in conjunction with Bill Signing Day in December 2005 and that the Maine Development Foundation et al reach an agreement with the chair and vice-chair of the Legislative Council on the agenda and schedule. (Motion by Speaker Richardson, second by Sen. Brennan, unanimous).

NEW BUSINESS

Item #1: Submission of Study Work Plans and Budgets

- **Blue Ribbon Commission on the Future of MaineCare**
- **Commission to Study the Cost of Providing Certain Services in the Unorganized Territories**
- **Commission to Study Alternative Voting Procedures, the Citizens Initiative Process and Minor Party Ballot Access**

Motion: That the Legislative Council approve the respective work plans and budgets for the three studies listed above. (Motion by Sen. Davis, second by President Edmonds, unanimous).

- **Task Force to Study Maine's Homeland Security Needs**

The Task Force to Study Maine's Homeland Security Needs requested approval of its work plan and budget. OPLA Director Norton noted that the work plan and budget varies from the enabling Resolve in that the Task Force is seeking to increase the number of public hearings from 1 to 5 or 6 (depending on funding) and number of meetings from 3 to 5-7, some of which would occur during the Second Regular Session. The additional cost for the additional meetings and hearings would be \$8,485, to be paid by Maine Emergency Management Agency. Contrary to earlier representations MEMA now indicates it has capacity to staff the additional meetings and hearings.

Chair Richardson asked if there was a motion to approve the work plan and budget that includes the expanded request of the Task Force to Study Maine's Homeland Security Needs. The request failed for lack of a motion.

Item #2: Request for Additional Meetings

- **Study Commission Regarding Liveable Wages request two additional meetings**

OPLA Director Norton explained that the Commission is requesting \$1,575.00 for two additional meetings. The reporting deadline would not change.

Motion: That the Study Commission Regarding Liveable Wages be authorized one additional meeting and the cost for the additional meeting is to be paid from the Legislative Council's study line in its budget. (Motion by Sen. Gagnon, second by President Edmonds, passed 6-4). (Sen. Davis, Sen. Weston, Rep. Bowles and Rep. Tardy opposed).

Item #3: Fee Schedule for Document Service for the Second Regular Session of the 122nd Legislature

Clerk of the House Millicent MacFarland requested that the Legislative Council approve the proposed document fee schedule for the 2nd Regular Session. The proposal does not increase fees.

Motion: That the Legislative Council approve the Fee Schedule for Document Service for the Second Regular Session of the 122nd Legislature. (Motion by Rep. Tardy, second by President Edmonds, unanimous).

ANNOUNCEMENTS AND REMARKS

The Chair, Speaker Richardson thanked everyone for the great work they did in preparation of the meeting and during the Council meeting.

ADJOURNMENT

That the Legislative Council meeting was adjourned at 4:20 p.m. (Motion by President Edmonds, second by Sen. Davis, unanimous).

Fiscal Briefing for the Legislative Council

Legislative Council Meeting
November 28, 2005

*Prepared by the
Office of Fiscal & Program Review*

- 1. General Fund and Highway Fund Revenue
Variances for October 2005 (See
Attachment A)**
- 2. Outcome of Revenue Forecasting Process
(See Attachment B)**
- 3. October Cash Pool and Cash Trends (See
Attachment C)**

Attachment A

General Fund and Highway Fund Revenue Update

General Fund Revenue – October 2005 Variance Report (Page 3):

General Fund revenue was \$9.5 million over budget for the month of October. After the 1st four months of FY 06, the fiscal year-to-date (FYTD) positive variance increased to \$61.0 million (+8.3%). As noted below, \$19.3 million of this variance was related to a timing issue of Circuit Breaker and BETR payments. Ignoring the variances related to these tax programs, General Fund revenue was \$42.6 million (+5.8%) ahead of budget. Provided below is an overview of each of the major revenue lines:

- **Sales and Service Provider Taxes** - Sales and Service Provider Taxes performance continued to under perform. These lines combined were under budget by \$3.2 million in October. FYTD or 1st Quarter was under budget by \$8.5 million (-2.9%). **RFC has revised estimate downward by \$30.5 million in FY06 and \$22.6 million in FY07.**
- **Individual Income Tax** – October estimated payments were very strong and offset the withholding receipts that have lagged slightly below budget. Excluding Circuit Breaker and BETR payments, Individual Income Tax revenue was \$8.0 million over budget for the FYTD. The timing of payments in the Circuit Breaker and the BETR programs added to the positive variance in the Individual Income Tax line, \$25.2 million in October and \$29.3 million for the FYTD. Again, this is not an indicator of a surplus in these programs, only a timing issue. **RFC has revised estimate upward by \$71.8 million in FY06 and \$40.7 million in FY07.**
- **Corporate Income Tax** – October estimated payments were also very strong for Corporate Income Tax, resulting in a positive variance of \$5.1 million for the month of October and \$17.3 million (+50.5%) for the 1st four months FYTD. **RFC has revised estimate upward by \$46.3 million in FY06 and \$46.3 million in FY07.**
- **Cigarette and Tobacco Tax** – This line was under budget in October, reducing the positive variance for the 1st four months of FY06 to \$1.4 million (+3.4%). September was the first month of implementation of the tax increase. It is too early to tell how much of this positive variance is related to the effect of pre-buying of tax stamps and early purchases in advance of the tax increase, which was effective September 19th. **The RFC has not revised the estimate for this category at this time.**
- **Public Utilities Tax** – No revenue is budgeted in this line until May. **The RFC recommended a reduction of revenue of \$4.0 million per year due to erosion of the tax base.**
- **Insurance Company Tax** – This line was under budget in October, increasing the negative revenue variance for the 1st Quarter to \$1.3 million (-15.0%). It is too early to gauge performance of this line. **The RFC has not revised the estimate for this category at this time.**
- **Estate Tax** – The strong performance in this category continues. A substantial estate tax payment was filed in October. The positive variance increased in this category to \$30.4 million for the FYTD. **The RFC has recommended an increase of \$33.5 million to this category in FY06 and \$6.1 million in FY07.**

- **Property Tax -Unorganized Territory** – The October transfer represents an estimate on based on the prior year. **The RFC has recommended a minor adjustment to correct misclassification of a legislative change.**
- **Income from Investments** – Through the 1st 4 months of FY06, this category was very close to budget. **The RFC has revised the estimate for this category downward by \$1.8 million for FY06 and \$0.3 million in FY07.**
- **Revenue Sharing Transfers** – This revenue line is calculated based on 5.1% of Sales, Service Provider, Individual Income and Corporate Income Taxes.
- **Lottery Transfer** – Lottery revenue had a modest positive variance in October, which reduced the negative FYTD variance to \$1.7 million (-9.0%). **The RFC has revised this category downward by \$3.0 million per year in FY06 and FY07.**
- **Other Revenue** – The “Other Revenue” line was under budget by \$0.4 million in October, increasing the FYTD negative variance in this line to \$2.3 million. **The RFC has revised the estimate for this category upward by \$4.1 million in FY06, but downward by \$7.9 million in FY07.**

Highway Fund Revenue – October 2005 Variance Report (Page 3)

Highway Fund revenue was over budget in October by \$1.3 million, increasing the positive variance for the FYTD to \$1.9 million (+2.0). Provided below is an overview of each of the major revenue lines:

- **Fuel Taxes** – This line was over budget by \$0.7 million in October, which reduced the FYTD negative variance to \$0.6 million (-0.9%). The negative variance in this line appears to demonstrate the effect of higher fuel prices and lower discretionary consumption. **The RFC has revised this category upward by \$2.0 million in FY06, but downward by \$2.0 million. The FY06 increase reflects one-time audit revenue.**
- **Motor at this time.**
- **Fines – Highway Fund fine Vehicle Registration and Fees** – This revenue line was over budget in October by \$1.0 million, increasing the positive variance for the FYTD to \$1.4 million (+9.6). **The RFC has revised the estimate for this category upward by \$4.1 million each year in FY06 and FY07.**
- **Inspection Fees** – This revenue line was slightly under budget in October, increasing the negative variance for the FYTD to \$0.1 million (-7.7%). **The RFC has not revised the estimate for this category** revenue was slightly under budget in October, but remained ahead of budget for the FYTD. **The RFC has not revised the estimate for this category at this time.**
- **Income from Investments** – This revenue line was over budget by \$0.1 million in October, increasing the positive FYTD variance to \$0.1 million (+18.7%). **The RFC has revised the estimate for this category upward by \$4.1 million each year in FY06 and FY07.**
- **Other Revenue** – This revenue line was under budget in October by \$0.4 million, reversing a positive variance to a small negative variance for the FYTD. **The RFC has revised the estimate for this category downward by \$0.1 million in FY06 and \$0.2 million in FY07.**

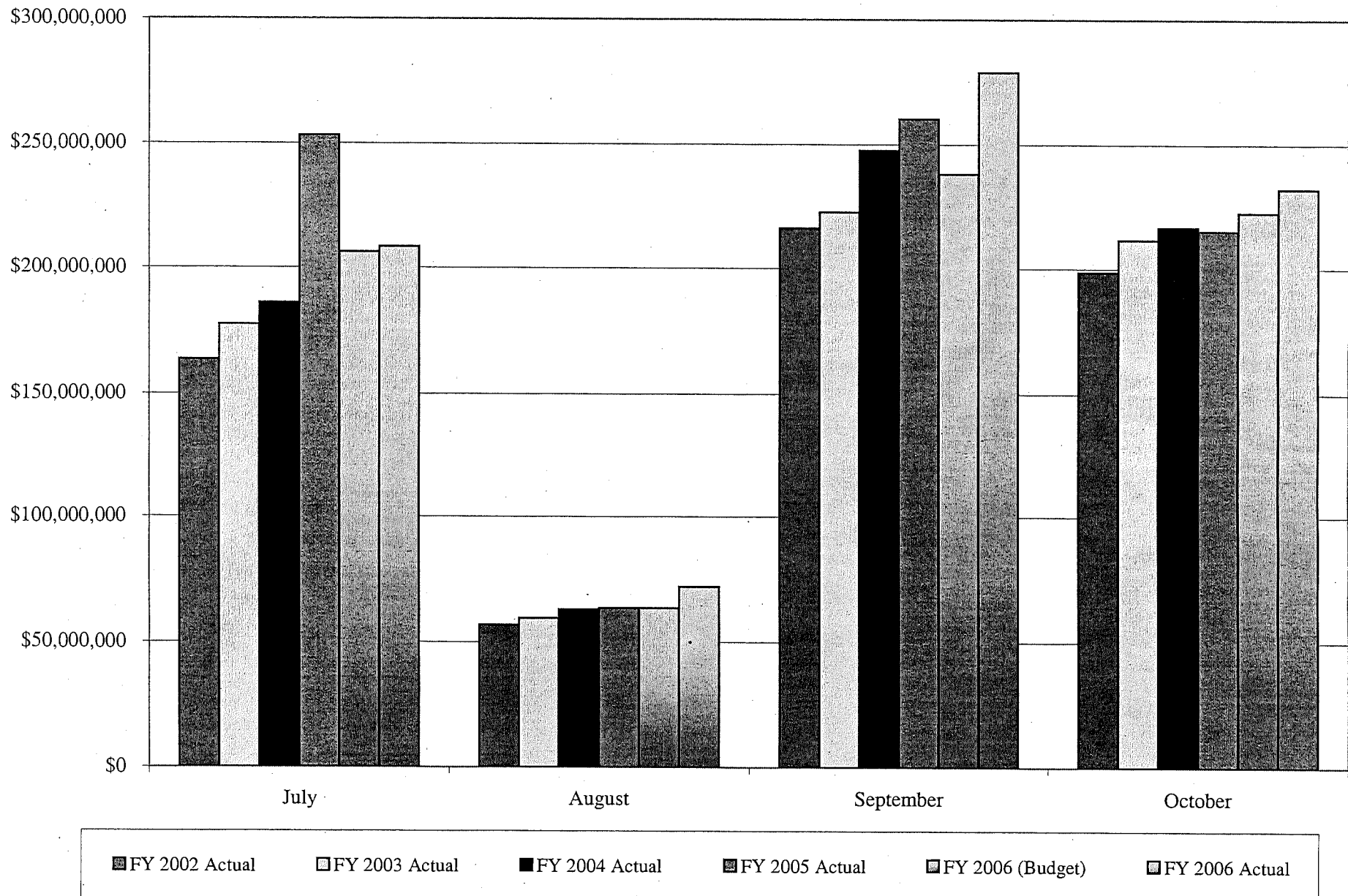
Historical Comparisons of Monthly General Fund and Highway Fund Revenue
(See Bar Graphs on Pages 4 and 5)

General Fund and Highway Fund Revenue
Fiscal Year Ending June 30, 2006
Based on All Actions of the 122nd Legislature through 2nd Special Session

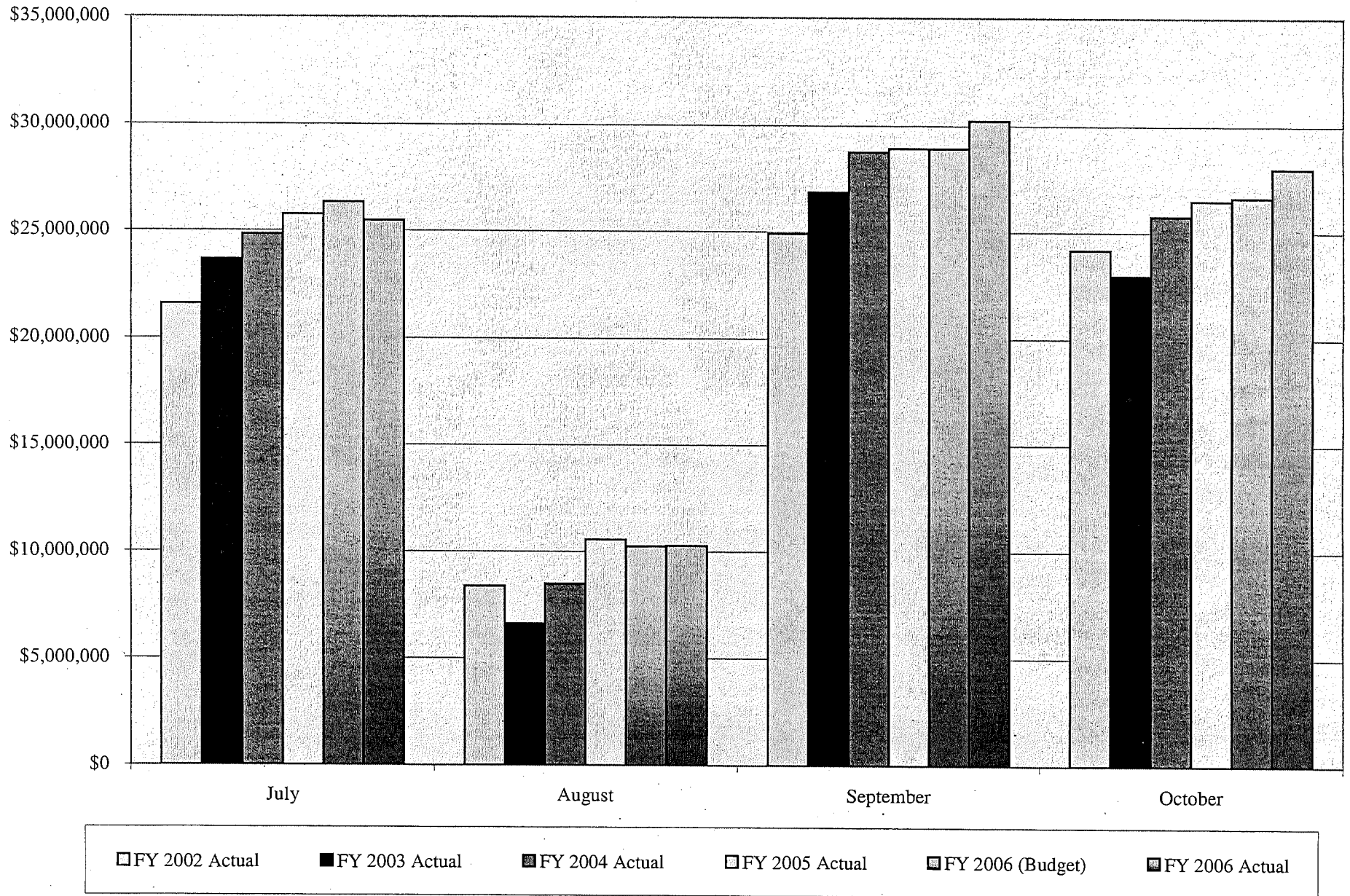
OCTOBER 2005 VARIANCE REPORT

Revenue Line	October Budget	October Actual	October Variance	FY06 YTD Budget	FY06 YTD Actual	FY06 YTD Variance	FY06 YTD Variance %	FY06 Budgeted Totals
General Fund								
Sales and Use Tax	91,576,885	89,222,693.15	(2,354,191.85)	282,669,526	274,608,095.37	(8,061,430.63)	-2.9%	961,457,885
Service Provider Tax	5,249,588	4,372,974.94	(876,613.06)	11,244,065	10,792,552.97	(451,512.03)	-4.0%	49,287,167
Individual Income Tax	69,590,430	63,159,154.50	(6,431,275.50)	284,173,760	311,506,649.84	27,332,889.84	9.6%	1,167,504,222
Corporate Income Tax	5,579,550	10,678,165.27	5,098,615.27	34,295,369	51,617,068.69	17,321,699.69	50.5%	118,877,558
Cigarette and Tobacco Tax	15,578,686	12,254,792.13	(3,323,893.87)	42,668,025	44,109,348.89	1,441,323.89	3.4%	147,238,325
Public Utilities Tax	0	0.00	0.00	0	0.00	0.00	0.0%	25,440,000
Insurance Companies Tax	6,504,179	6,191,506.10	(312,672.90)	8,558,718	7,274,838.54	(1,283,879.46)	-15.0%	77,141,931
Estate Tax	2,613,640	20,576,303.81	17,962,663.81	4,466,803	34,887,335.39	30,420,532.39	681.0%	30,603,203
Property Tax - Unorganized Territory	9,522,077	9,560,399.00	38,322.00	9,522,077	9,560,399.00	38,322.00	0.0%	11,278,476
Income from Investments	702,149	603,911.85	(98,237.15)	1,898,790	1,903,468.66	4,678.66	0.2%	6,046,546
Transfer to Municipal Revenue Sharing	(8,771,819)	(8,539,082.38)	232,736.62	(31,238,657)	(33,074,742.70)	(1,836,085.70)	5.9%	(117,153,468)
Transfer from Lottery Commission	5,128,301	5,144,771.55	16,470.55	18,461,864	16,808,624.38	(1,653,239.62)	-9.0%	53,334,250
Other Revenue	19,451,331	19,013,001.99	(438,329.01)	63,804,387	61,520,494.36	(2,283,892.64)	-3.6%	212,238,647
Totals	222,724,997	232,238,591.91	9,513,594.91	730,524,727	791,514,133.39	60,989,406.39	8.3%	2,743,294,742
Highway Fund								
Fuel Taxes	19,682,296	20,369,042.00	686,746.00	61,293,879	60,740,819.15	(553,059.85)	-0.9%	228,958,605
Motor Vehicle Registration and Fees	5,649,486	6,686,046.61	1,036,560.61	25,628,650	28,086,922.22	2,458,272.22	9.6%	83,090,358
Inspection Fees	340,065	320,878.58	(19,186.42)	1,601,265	1,477,439.92	(123,825.08)	-7.7%	4,397,970
Fines	157,257	130,347.06	(26,909.94)	594,941	635,117.20	40,176.20	6.8%	1,973,665
Income from Investments	125,000	177,247.86	52,247.86	500,000	593,314.59	93,314.59	18.7%	1,556,478
Other Revenue	691,752	304,746.14	(387,005.86)	2,508,031	2,458,132.32	(49,898.68)	-2.0%	9,362,596
Totals	26,645,856	27,988,308.25	1,342,452.25	92,126,766	93,991,745.40	1,864,979.40	2.0%	329,339,672

Monthly Historical Comparisons - General Fund Revenue FY 2002 - FY 2006



Monthly Historical Comparisons - Highway Fund Revenue FY 2002 - FY 2006



Attachment B

Revenue Forecasting – Fall Forecast Update

- The Revenue Forecasting Committee has concluded its December 2005 Revenue update at its meeting on November 21st at 9:30AM. This update revises 2006-2007 biennium budgeted revenue upward for General Fund, Highway Fund and the Dedicated Revenue MaineCare Taxes.
- Only the **Fund for a Healthy Maine (FHM)** is revised downward for the 2006-2007 biennium, largely the result of an assumed delay in the receipt of tobacco settlement payments pending the outcome of “significant factor proceedings” under the Master Settlement Agreement. The FHM is also adversely affected by the change of assumed start-up of the permanent slot machine facility in Bangor. The net result for the 2006-2007 biennium revenue forecast for the Fund for a Healthy Maine is a downward revision of \$20.4 million (\$5.4 million in FY06 and \$15.0 million in FY07). The projections for the 2008-2009 biennium are revisions upward and assume that the State will prevail in the significant factor proceedings. Since the FHM is almost fully committed during the 2006-2007 biennium, program allocations will need to be adjusted downward to account for the reduction in budgeted resources.
- For the **General Fund**, this forecast results in a substantial upward revision of \$164.4 million for the 2006-2007 biennium (\$112.1 million in FY06 and \$52.3 million in FY07). The upward revision for the 2008-2009 biennium is \$53.1 million, decreasing the 2008-2009 structural gap. The combination of the positive variances that were recognized for FY05 only in the June 2005 Revision, the increase in Personal Income forecast in the economic forecast, improved forecasts for corporate profitability and changes in assumptions related to capital gains outweighed the decrease in the Sales Tax projections that were constrained by higher fuel and energy prices. The recent Estate Tax experience has also increased budgeted revenue in the short-term as the forecast recognizes some very substantial one-time estate tax payments. Attachment A provides a description of the changes for the major categories of General Fund revenue.
- For the **Highway Fund**, this forecast results in an increase of 2006-2007 budgeted revenue by \$8.3 million (\$6.1 million in FY06 and \$2.2 million in FY07). However, the projections for 2008-2009 biennium decreases revenue estimates by \$4.2 million thereby increasing the Highway Fund 2008-2009 structural gap. Some unusual gas tax audits and an increase in the estimates for certain motor vehicle registration and fee revenue offsets the dampening effect of higher fuel prices on fuel consumption. Attachment A provides a description of the changes for the major categories of Highway Fund revenue.
- **RFC will be reporting to the Appropriations Committee on November 30th. More detail will be available at that time.**

Attachment C

Cash Pool and Cash Trends

October 2005 Cash Pool Average Balances (Page 2) – General Fund cash position averaged \$33.1 million in October. This amount includes \$123.6 million in Tax Anticipation Notes (TAN's), \$47.4 million in the Budget Stabilization Fund, \$23.1 million in the Reserve for General Fund Operating Capital and \$14.4 million of internal borrowing from Other Special Revenue (Note: this documentation of internal borrowing is new effective with October's cash report). Without the TAN, Reserve Fund balances and other internal borrowings, the General Fund cash position would have had a negative average balance of -\$175.4 million. This represents a modest improvement from a year ago when this equivalent average balance was -\$177.9 million. See trend discussion below.

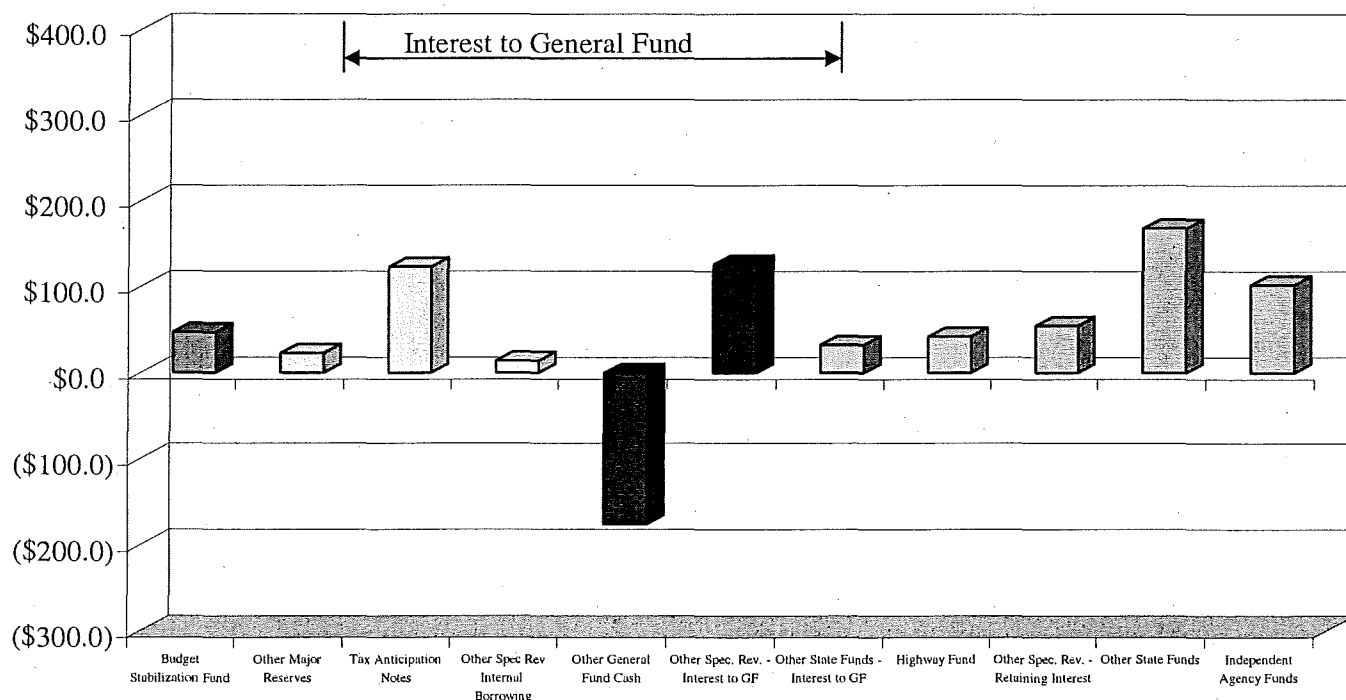
General Fund Cash Balances (Page 3 & 4) – The 2 graphs on page 3 and 4 of this attachment show the historical trends in General Fund cash balances. The average monthly balances in these graphs are generated by OFPR staff looking up and entering daily beginning balances and averaging them over each month. The first graph includes TAN's. A table at the bottom below the graph provides a table of the history of TAN authorizations and amounts issued. The second graph on page 3 excludes TAN's. The trend (measured by a 12-month moving average to smooth out monthly fluctuations) in the first graph has recently declined. This decline was largely due to the reduced reliance on TAN's and the amounts issued. The second graph eliminates the effect of the reduced TAN borrowing and gives a better sense of the underlying General Fund trend. The trends still appears to be positive, when factoring out the reduced reliance on TAN borrowing. The current trend still has been positive despite the adverse effect on cash position created by the \$42.5 million borrowing from Other Special Revenue funds in the "Part 3" Budget Bill (PL 2005, c. 457, Part III). This change, absent any other factors, would have a tendency to reduce cash balances in FY06 and begin to build them back up in FY07. This positive trend is likely due to the recent positive revenue variances.

Highway Fund Cash Balances (Page 5) – The graph on page 5 of this attachment shows the historical trends in Highway Fund cash balances, very similar to the General Fund graphs (this data is also compiled by OFPR staff). After trending upward during the second half of FY 04, the Highway Fund trend headed downward for several months at the end of FY 05. While the Highway Fund trend looks like it briefly recovered from a downward dip, the outlook for federal funds and petroleum prices (affecting asphalt costs) may result in a tighter budget situation for the Highway Fund that may create a greater drain on Highway Fund cash balances. We will need to watch this over the next few months.

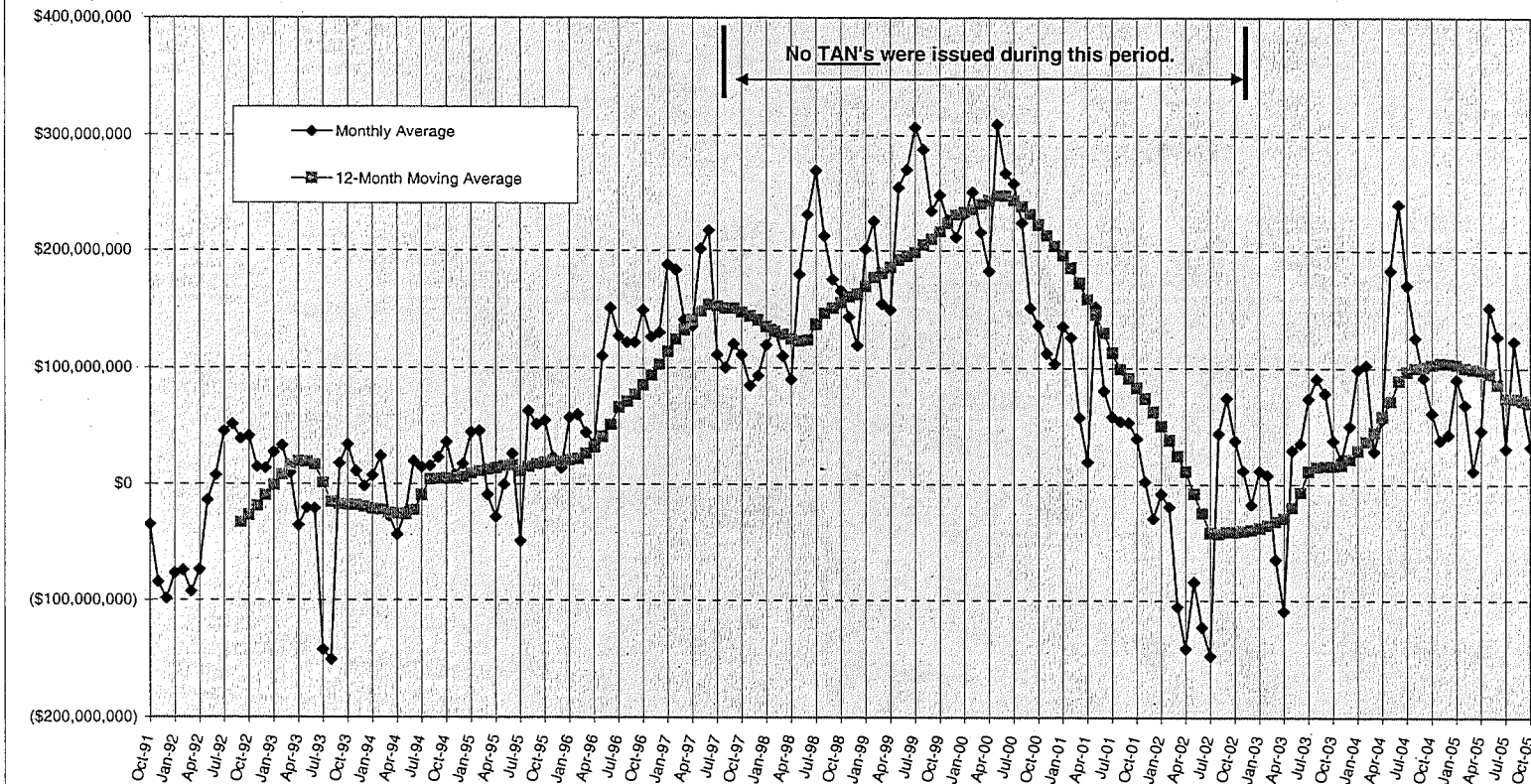
Composition of State's Cash Pool October 2005 Average Daily Balances

	October 2005
General Fund - Total	\$33,084,117
General Fund - Detail	
Budget Stabilization Fund (Rainy Day Fund)	\$47,406,200
Reserve for General Fund Operating Capital	\$23,093,792
Tax Anticipation Notes	\$123,625,000
Internal Borrowing from Other Special Revenue	\$14,354,839
General Fund - Other	(\$175,395,714)
Highway Fund	\$42,554,215
Other Special Revenue - Contributing to General Fund	\$126,569,507
Other Special Revenue - Retaining Interest Earned	\$55,317,517
Other State Funds - Contributing Interest to General Fund	\$32,969,322
Other State Funds	\$168,679,141
Independent Agency Funds	\$102,866,099
Total Cash Pool	\$562,039,919

Composition of Cash Pool Average Daily Balances in October 2005



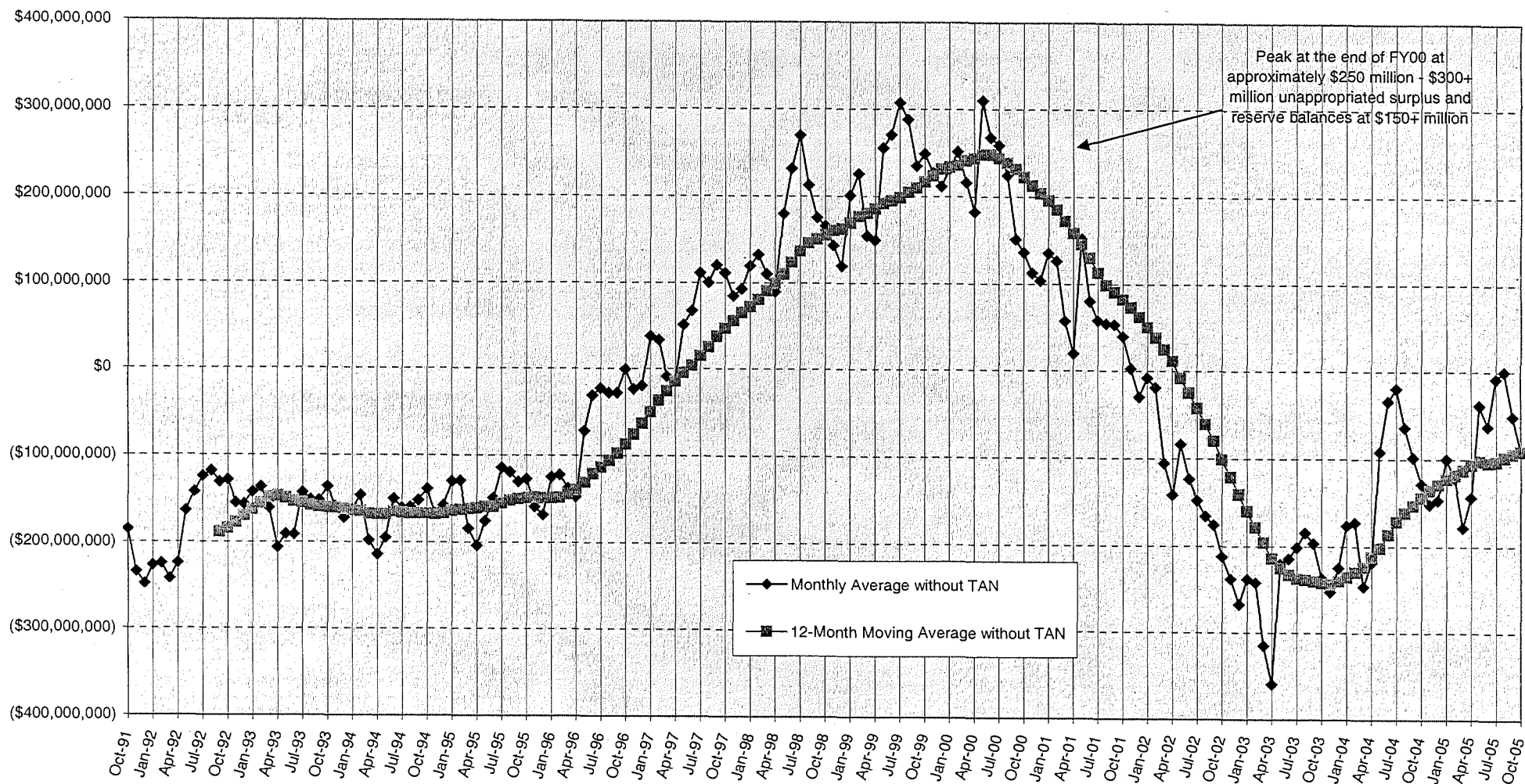
GENERAL FUND DAILY STARTING CASH BALANCES

TAX ANTICIPATION NOTES (TAN's) - History from FY 1990-91 ⁽¹⁾

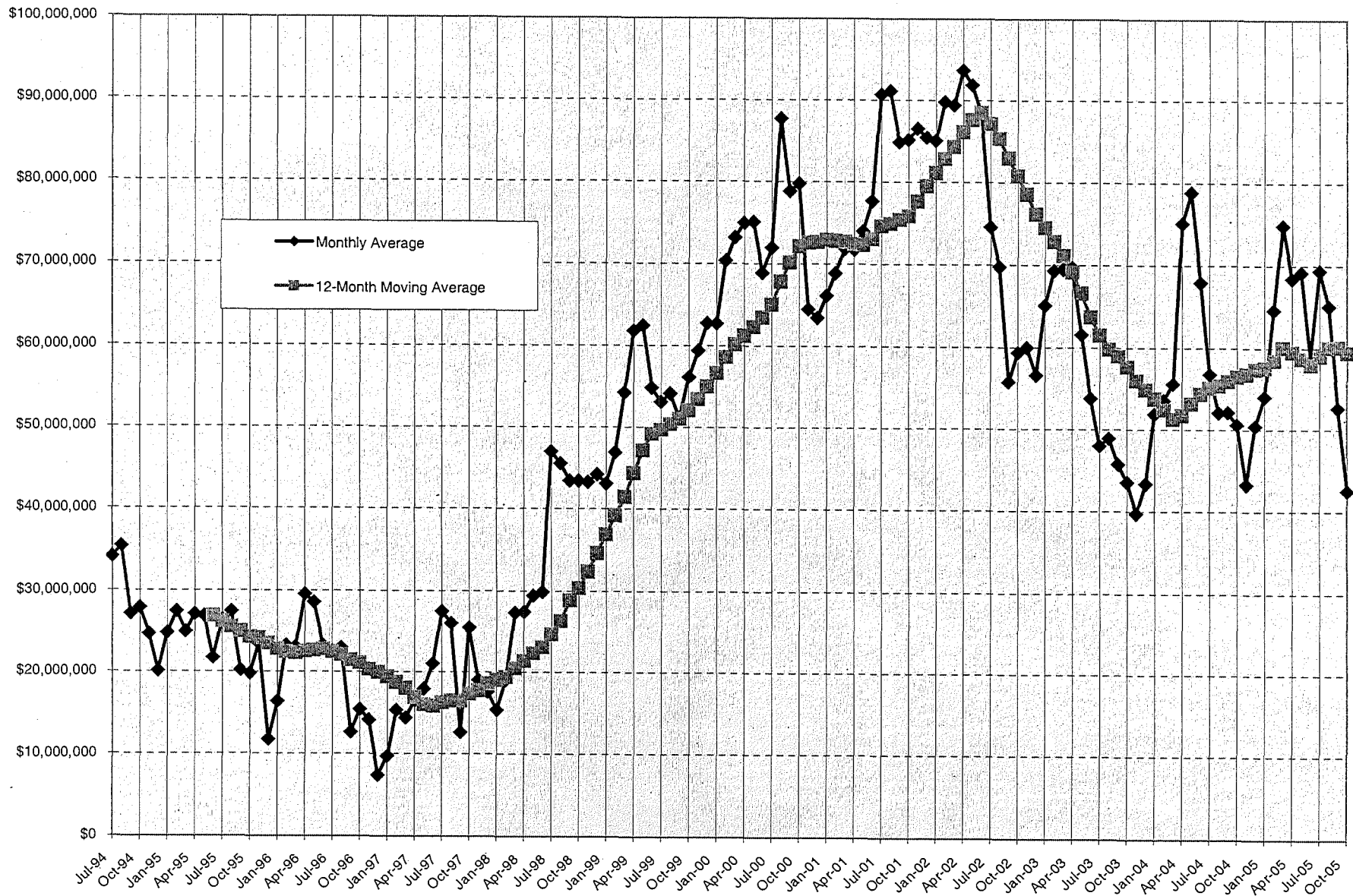
Fiscal Year	Amount Authorized	Amount Issued	Reference
2005-06 ⁽¹⁾	\$314,718,914 ⁽¹⁾	\$123,625,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2004-05 ⁽¹⁾	\$309,540,537 ⁽¹⁾	\$190,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2003-04 ⁽¹⁾	\$293,657,381 ⁽¹⁾	\$275,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2002-03 ⁽¹⁾	\$282,869,203 ⁽¹⁾	\$250,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2001-02	\$100,000,000	\$0	5 MRSA, §150 (as amended by PL 2001, c. 467)
1997-98	\$100,000,000	\$0	PL 1997, c. 24, §F-1 (Repealed by PL 1997, c. 643, §E-5)
1996-97	\$190,000,000	\$150,000,000	PL 1995, c. 665 §P-1
1995-96	\$182,000,000	\$182,000,000	PL 1995, c. 368, §V-1
1994-95	\$175,000,000	\$175,000,000	PL 1993, c. 707, §P-2
1993-94	\$170,000,000	\$170,000,000	PL 1993, c. 382, §1
1992-93	\$170,000,000	\$170,000,000	PL 1991, c. 780, §BB-1
1991-92	\$150,000,000	\$150,000,000	PL 1991, c. 589, §1
1990-91	\$125,000,000	\$115,000,000	PL 1991, c. 5, §1

Notes: ⁽¹⁾ 5 MRSA, §150 provides the statutory authorization for Tax Anticipation Notes. As amended by PL 2001, c. 705, the limit is the same as that imposed by the Constitution of Maine, Article IX, Sec. 14, 10% of total General Fund appropriations and Highway Fund allocations or 1% of the State Valuation, whichever is less. The amounts authorized for fiscal years 2002-03 through 2004-05 reflect final General Fund appropriations and Highway Fund allocations. Amounts for fiscal year 2005-06 reflect budgeted amounts through the 122nd Legislature, 2nd Special Session. Special exceptions to the general authorization levels are detailed in this table.

GENERAL FUND DAILY STARTING CASH BALANCES - EXCLUDING TAX ANTICIPATION NOTES



HIGHWAY FUND DAILY STARTING CASH BALANCES



2005 Interim Study Status Report

(as of November 21, 2005)

#	Study Name	Policy Area	Recent or Planned Meeting Dates	Report Dates/Reports to:	Total Members	Appointments made to date	Responsible Agency/Staffing	Study Status to date
1	Study of Forest Ownership in Maine (staff study in conjunction with C/O of LD 1406)	ACF	N/A	ACF	None		OPLA staff study	On-going
2	Commission to Reform the State Budget Process (PL 2005, c. 386, Part O)	AFA	9/29/2005	To AFA Committee by 1/3/06	12	12	Bureau of the Budget	On-going
3	CRJ Committee review of Sex Offender Laws (PL 2005, c. 423)	CRJ	8/9/05; 9/8/05; 9/28/05	No report	CRJ Committee		OPLA staffing	CRJ met on 8/9/05 and 9/8/05. Third mtg on 9/28/05 (Complete).
4	Task Force to Study Maine's Homeland Security Needs (Resolve 2005, c. 126)	CRJ	10/17/2005; 11/17/2005; 11/21/2005	12/7/05 Interim Report; 11/1/06 Final Report (both to Legislature)	11	11	OPLA and MEMA	On-going
5	Legislative Youth Advisory Council (PL 2001 c.439, as amended by PL 2005, c. 414)	EDU	N/A	Annually; Legislature	22	15	OPLA staffing	Awaiting completion of appointments; preliminary plans for January meeting
6	Review and Recodify Laws Pertaining to Violence in Our Schools (Resolve 2005, c. 120)	EDU	N/A	Legislation due 12/7/05 to EDU	None		OPLA and ROS	Draft legislation sent to DOE for review and comment
7	Blue Ribbon Commission on the Future of MaineCare (Resolve 2005, c. 117)	HHS	10/11/2005; 11/1/2005; 11/15/2005; 12/6/2005	12/7/05 to HHS and AFA	10	10	OPLA and OFPR staffing	On-going
8	Governor's Committee to Study the Feasibility of the Importation of Prescription Drugs (P&S 2005, c. 24)	HHS	TBD	1/15/06 to HHS	2	2	Governor's Office	On-going
9	Task Force to Study Cervical Cancer Prevention, Detection and Education (Resolve 2005, c. 121)	HHS	11/16/2005; 12/16/2005	12/7/05 to HHS and Gov; Final Report 11/1/06 to HHS and Gov	16	16	OPLA staffing	Appointments complete; first meeting being scheduled
10	DHHS Working Group on Department's Accounting Structure (PL 2005, c. 412)	HHS	TBD	10/1/05 to HHS; AFA and Gov	None		OPLA/OFPR will participate in working group	Interim report received.
11	Review the Establishment of the DHHS (PL 2003, c. 689)	HHS	N/A	No report	None		DHHS is lead agency (with drafting assistance from OPLA and ROS)	On-going (outlining structure for new Title 22-A)
12	Health Care System and Health Security Board (PL 2001, Part ZZ4)	IFS	10/11/2005; 11/14/2005; 12/2/2005	12/7/05 to IFS	20	20	OPLA staffing	On-going
13	Freedom of Access Advisory Committee (Resolve 2005, c. 123)	JUD	TBD	12/7/05 to LC, JUD and Governor	13	13	OPLA staffing	Appointments complete; first meeting being scheduled
14	Study State Compliance with Federal Indian Child Welfare Act of 1978 (Resolve 2005, c. 118)	JUD	12/15/2005	12/7/05 to LC & JUD	12	12	OPLA staffing	Appointments complete; first meeting being scheduled
15	Study Commission Regarding Livable Wages (Resolve 2005, c. 124)	LAB	10/5/2005; 10/27/05; 11/16/05; 11/30/05; 12/15/05(?)	12/7/05 to Legislature	12	12	OPLA staffing	On-going

2005 Interim Study Status Report

(as of November 21, 2005)

#	Study Name	Policy Area	Recent or Planned Meeting Dates	Report Dates/Reports to:	Total Members	Appointments made to date	Responsible Agency/Staffing	Study Status to date
16	Task Force on Substance Abuse Testing and Treatment (PL 2005, c. 443)	LAB	N/A	12/7/05 to LAB	None		Department of Labor	On-going
17	Citizen Trade Policy Commission (PL 2003, c. 699)	LAB	9/30/05 meeting to review final 2005 report (legislation anticipated; 10/28/05; public hearing 11/21/05 in	Annually to Legislature, Gov and others	22	22	OPLA staffing	On-going; Final Draft sent to print.
18	Commission to Arrange for a Monument Honoring Women Veterans of Maine (Resolve 2005, c. 116)	LVA	TBD	1/2/06 and 3/1/06 to Capitol Planning Commission	8	8	OPLA staffing	Appointments complete. No outside funding received.
19	Commission to Study Alternative Voting Procedures, and Citizen Initiative Process and Minor Party Ballot Access (Resolve 2005, c. 127)	LVA	10/3/05; 10/24/05; 11/7/05	12/7/05 to Legislature	11	11	OPLA staffing	Meetings complete. Drafting final report.
20	Study of State Regulation of Groundwater Withdrawal (PL 2005, c. 452)	NAT	TBD	11/1/07 to NAT	Working group		Maine Geological Survey	3 Legislators budgeted. Appointing authority not specified
21	Committee to Establish a Memorial for Emergency Medical Services Personnel (Resolve 2005, c. 124)	SLG	11/20/2005	1/15/06 to SLG; 3/15/06 to SLG and Capitol Planning Commission	9	9	DAFS	On-going
22	Commission to Study the Cost of Providing Certain Services in the Unorganized Territories (Resolve 2005, c. 125)	TAX	9/29/05; 11/10/05	12/7/05 to Legislature	17	17	OFPR	Ongoing

Appointment Summary

Number of appointed positions	197
Appointments made to date	190
Percent of appointments complete	96.4%

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Study Activity Summary

Studies awaiting appointments	1
On-going	20
	21

Legislative Council Meeting
November 28, 2005

Deciding Appeals of Legislative Bill Requests Turned Down By the Council

Requirements relevant to bills in the Second Regular Session

1. Under the terms of the Maine Constitution, Section 1 of Article IV, Part Third, Legislative Power, the business of the second regular session must be limited to budgetary matters; legislation in the Governor's call; legislation of an emergency nature admitted by the Legislature; legislation referred to committees to study and report by the Legislature in the first regular session; and legislation presented to the Legislature by written petition of the electors (direct citizen initiative).
2. Under the 122nd Legislative Council's Rules of Procedure, any action of the Council requires the affirmative vote of at least 6 members.
3. Under Rule 203 of the Joint Rules of the 122nd Legislature, any vote of the Legislative Council to accept or reject a bill or resolve for introduction under the procedures established under the Joint Rules must be taken by the yeas and nays, and that vote must be recorded and made available for public inspection.
4. Under Rule 217 of the Joint Rules, a bill that has been introduced and finally rejected in a regular or special session may not be introduced in a subsequent session of the same Legislature except by a vote of 2/3 of both chambers. Therefore, determinations as to the relevancy of Rule 217 are within the purview of the presiding officers, not the Legislative Council.

Suggested Protocol for deciding appeals

- A. The Legislative Council will review appeals alphabetically by sponsor.
- B. For procedural consistency, when voting on an appeal of a bill request that was denied, the initial motion on a bill will be presumed to be a motion to accept the bill request for introduction into the second regular session along with a second to that motion. (Yea is to let in a bill; nay is to reject the bill for introduction).
- C. In order to review all legislative appeals in a timely manner, voting will be by electronic vote or a show of hands, with each Council Member's vote on each bill being recorded. The record of each vote will be made available for public inspection following the meeting.
- D. Legislators who appeal a decision of the Legislative Council will be given a brief opportunity to make their case to the Council. A time limit of 3 minutes will be observed for Legislators making an appeal. Only by leave of the Chair of the Legislative Council may a person who is not a Legislator address the Council.
- E. Discussion of a bill request will be limited to whether it is appropriate for introduction under Constitutional provisions for second regular session bills, and will not speak to the merits of the bill itself. If a bill was turned down because it is closely related to another legislative request or to a carryover bill, the burden is on the Sponsor to convincingly distinguish his or her bill request from the closely related one.

***Committee to Study State Compliance with
the Federal Indian Child Welfare Act of 1978***

MEMORANDUM

TO: Representative John Richardson, Speaker of the House, Chair
Senator Beth Edmonds, President of the Senate, Vice-Chair

FROM: Senator Margaret Rotundo, Senate Chair *MR*
Representative Deborah L. Pelletier-Simpson, House Chair *DBS*
Committee to Study State Compliance with the Federal Indian Child Welfare Act
of 1978

DATE: 10 November 2005

RE: Request for Deadline Extension

Pursuant to this committee's authorizing legislation, Resolves of 2005, Ch. 118, Sec. 9, we are requesting a limited extension of our reporting deadline. Our current reporting deadline is Dec. 7th. As you know, Senate appointments to this committee were not made until late October. We are moving as quickly as possible to schedule our work, but we see no reasonable way in which the committee can conduct any meaningful study of ICWA compliance and produce a report by Dec. 7th.

Consequently, we would ask that our reporting deadline be extended to January 9th.

Thank you for your consideration of this request. If you have any questions, please do not hesitate to contact us.

cc: David Boulter, Executive Director, Legislative Council ✓
Members, ICWA Study Committee
Patrick Norton, Director, OPLA

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NOV 15 2005

STUDY COMMISSION REGARDING LIVEABLE WAGES

MEMORANDUM

TO: The Honorable John Richardson, Chair
Legislative Council

FROM: Senator Philip Bartlett, Senate Chair *PB*
Representative Arthur Lerman, House Chair *AL*
Study Commission Regarding Liveable Wages

DATE: November 16, 2005

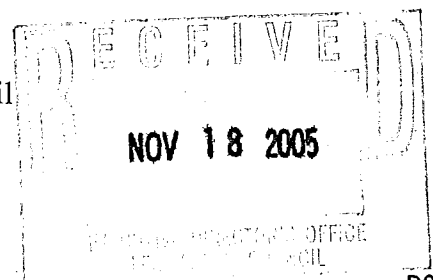
SUBJ: REPORTING DEADLINE - EXTENSION REQUEST

Pursuant to Resolve 2005, chapter 128, section 9, the Study Commission Regarding Liveable Wages respectfully requests an extension of the December 7th reporting deadline to **January 15, 2006**. This request is being made to permit the commission sufficient time to complete its review of the issues surrounding liveable wages, develop recommendations and review a draft report. We believe the extension will give the commission the opportunity it needs to make meaningful recommendations.

The commission was convened on October 5th and held additional meetings on October 27th and November 16th. Two more meetings are scheduled for November 30th and December 15th.

Thank you for your consideration. We are happy to answer any questions that you may have.

cc: The Honorable Beth Edmonds, Vice-chair, Legislative Council
David Boulter, Executive Director, Legislative Council
Patrick Norton, Director, OPLA



Task Force to Study Cervical Cancer Prevention, Detection and Education



Senator Nancy Sullivan, Co-Chair

Representative Lisa Marrache, Co-Chair

November 21, 2005

TO: The Honorable Betheda Edmonds, Chair, Legislative Council
The Honorable John Richardson, Vice-Chair, Legislative Council

FROM: Senator Nancy Sullivan, Co-Chair
Representative Lisa Marrache, Co-Chair

SUBJ: **Extension Request for the Initial Report of the Task Force to Study Cervical Cancer Prevention, Detection and Education**

Public Law 2005, chapter 121 requires the Task Force to Study Cervical Cancer Prevention, Detection and Education to submit an initial report to the Joint Standing Committee on Health and Human Services and the Governor by December 7, 2005. We are writing to request an extension of this initial reporting deadline to December 23, 2005. This request does not require any additional funding.

Our request is based on the fact that the Task Force did not convene until November 16, 2005, and the fact that the Task Force requires a reasonable amount of time to consider the complex policy issues involved in this study and to deliberate as we prepare our initial report as required by law. The task force has a second meeting scheduled for December 16, 2005, and is requesting an extension to December 23, 2005, one week following the meeting, for the submission of the initial report to the Health and Human Services Committee and the Governor.

On behalf of the Task Force, we respectfully request that the Legislative Council consider this request at the November 28, 2005, Legislative Council meeting, so that we can report your decision to the Task Force members at our meeting on December 16, 2005. If you have any questions regarding this request, please contact either one of us or contact Lucia Nixon or Nicole Dube, our Task Force staff in the Office of Policy and Legal Analysis. We thank you for your time and consideration of our request.

cc: Members of the Legislative Council
David Boulter, Executive Director, Legislative Council
Patrick Norton, Director, Office of Policy and Legal Analysis

NOV 22 2005



MAINE STATE LEGISLATURE
Augusta, Maine 04333

**COMMISSION TO STUDY THE COST OF
PROVIDING CERTAIN SERVICES IN
THE UNORGANIZED TERRITORIES**

November 21, 2005

Legislative Council
State House Station 115
Augusta, Maine 04333

Dear Members of the Legislative Council

Pursuant to Resolves 2005, chapter 125, Sec. 9, we request an extension of the deadline for completion of the work of the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories. Chapter 125 requires the commission to complete its work and issue its report by December 7, 2005. Due to delays in the completion of appointments, the complexities of the issues involved in the study and the volume of materials we have requested, we do not believe that we can complete our work in the timeframe specified.

Our initial work on this study has raised a broad range of issues affecting residents and taxpayers of the unorganized territories and surrounding jurisdictions that were not originally anticipated in planning the work of the commission. We do not believe these issues can be addressed adequately unless we have the opportunity to hear the opinions and suggestions of residents and taxpayers of the affected jurisdictions regarding the services provided and the methods of funding those services. We believe this information can only be obtained by meeting in or near the unorganized territories to provide the opportunity for public input. Such meetings cannot be conveniently scheduled and the results digested before the beginning of the Legislative session in January. Therefore, we request:

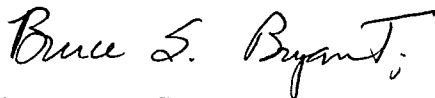
- An extension of the commission and its reporting deadline until July 1, 2006, and

- Permission to hold 2 meetings after the adjournment of the Second Regular Session in locations outside of Augusta that are convenient for permitting the residents and taxpayers in the unorganized territory to provide the commission with important information about UT services and funding.

Thus far, the commission has held 2 of its 4 authorized meetings. A third meeting is scheduled for November 29th. To date, the Commission has spent \$1,294.06 of the \$4,520.00 authorized for its budget. We hope to keep expenditures within the authorized budget and minimize additional travel expenses for commission members. We also anticipate that the meetings outside of Augusta would involve only a portion of the commission's membership.

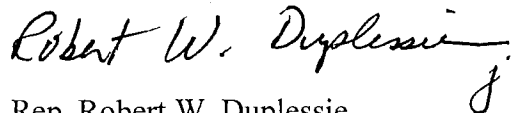
If you have any questions about this study, please do not hesitate to contact us.

Sincerely:



Sen. Bruce S. Bryant
Senate Chair

Sincerely:



Rep. Robert W. Duplessie
House Chair

Encl:

cc: David Boulter
Grant Pennoyer
Julie Jones
Teen Griffin

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NOV 21 2005



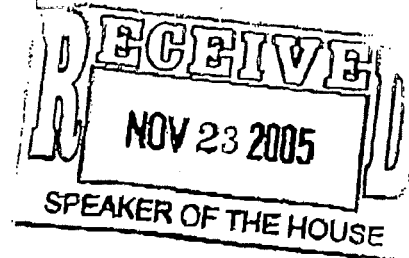
JOHN ELIAS BALDACCI
GOVERNOR
MG JOHN W. LIBBY
COMMISSIONER

STATE OF MAINE
DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY MANAGEMENT
MAINE EMERGENCY MANAGEMENT AGENCY
72 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0072

PHONE: 207-624-4400/800-452-8735
FAX: 207-287-3178

NOV 23 2005

ARTHUR W. CLEAVES
DIRECTOR



November 21, 2005

The Honorable John Richardson, Speaker
Maine House of Representatives
State House
Augusta, ME 04333

Dear Speaker Richardson:

The Task Force to Study Maine Homeland Security may be requesting the authority to hold three additional meetings. I am writing to support that request and to indicate to the Council that Maine Emergency Management will be able to fund these meetings.

First of all, the Task Force is supporting an important goal of MEMA's homeland security strategy: Objective IX - Inform and Engage the Public. Allowing citizens throughout the state to address these issues, as the additional meetings will permit, is very important. Secondly, each meeting is focusing on a particular area of homeland security. Additional meetings will insure there is a meeting in northern Maine that will, among other things, address the issue of border security.

The meeting in Brunswick showed significant public interest in these matters. I am confident additional meetings will also draw members of the public. I respectfully urge that the Council approve this request.

Thank you for your attention to this matter.

Sincerely,

Arthur W. Cleaves
Director, Maine Emergency Management Agency



**COMMISSION TO ARRANGE FOR A MONUMENT
HONORING WOMEN VETERANS OF MAINE**

MEMORANDUM

TO: Representative John Richardson, Speaker of the House, Chair
Senator Beth Edmonds, President of the Senate, Vice-Chair
Legislative Council

FROM: Senator Elizabeth Mitchell *dy Aja*
Representative Marilyn Canavan *dy Aja*

DATE: November 15, 2005

SUBJECT: Permission to Meet

As you know, the Commission to Arrange for a Monument Honoring Women Veterans of Maine was not authorized to meet unless outside funds were raised by September 15, 2005 to fully fund the costs of the commission. We have been unable to secure the funding for the Commission although we are quite certain that raising funds to build the memorial itself will not be so difficult. We believe that this project is important for honoring women veterans and would like to move forward despite this lack of funds.

We believe that this project can be carried out more efficiently than the typical funding formula would suggest. To some extent, this Commission will be joining forces with the Committee to Study the Establishment of a Memorial for Emergency Medical Services Personnel which has its own separate and self-raised funding. The Bureau of General Services will be providing much of administrative support for the two studies because of the likelihood of the memorials being sited in a new memorial park in Augusta. The Bureau of General Services has agreed to pay for the professional services associated with developing a memorial park, thus removing these costs from both memorial studies.

Therefore, we, as appointed chairs of this Commission, request permission for the full Commission to meet for a single meeting without compensation. At this meeting we would discuss possibilities about the best way to move forward both with respect to the funding issue and the memorial project itself. Please do not hesitate to contact either one of us with questions.

cc. David Boulter, Executive Director of the Legislative Council
Patrick Norton, Director, Office of Policy and Legal Analysis

NOV 15 2005



TASK FORCE TO STUDY MAINE'S HOMELAND SECURITY NEEDS

To: Rep. John E. Richardson, Speaker of the House, Chair, Legislative Council
Sen. Beth G. Edmonds, President of the Senate, Vice Chair, Legislative Council
c/o David E. Boulter, Executive Director, Legislative Council

From: Sen. Ethan Strimling, Senate Chair
Rep. Stan Gerzofsky, House Chair

Date: November 22, 2005

Re: Task Force to Study Maine's Homeland Security Needs

The Task Force to Study Maine's Homeland Security Needs requests permission to hold 3 additional off-site meetings sometime in FY 05-06 in areas of the State not yet visited. The focus of the meetings will be to gather pertinent information from emergency preparedness and response planning officials as well as public comment from members of the public. Art Cleaves, Director of the Maine Emergency Management Agency, has confirmed that homeland security funding is available to support these meetings and can be transferred to the Legislative account. Attached please find a letter from Director Cleaves advocating the importance of these proposed 3 meetings.

The proposed budget for these 3 off-site meetings, as provided by the Executive Director's Office is as follows:

Total cost: \$4,615.00. This budget provides for \$100 per person, per meeting (includes mileage, meals and hotels).

Thank you very much for your time and attention to this matter.

Cc: Patrick Norton, Director, Office of Policy and Legal Analysis
Members, Task Force to Study Maine's Homeland Security Needs

NOV 22 2005



JOHN ELIAS BALDACCI
GOVERNOR
MG JOHN W. LIBBY
COMMISSIONER

STATE OF MAINE
DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY MANAGEMENT
MAINE EMERGENCY MANAGEMENT AGENCY
72 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0072

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ARTHUR W. CLEAVES
DIRECTOR

November 21, 2005

The Honorable John Richardson, Speaker
Maine House of Representatives
State House
Augusta, ME 04333

Dear Speaker Richardson:

The Task Force to Study Maine Homeland Security may be requesting the authority to hold three additional meetings. I am writing to support that request and to indicate to the Council that Maine Emergency Management will be able to fund these meetings.

First of all, the Task Force is supporting an important goal of MEMA's homeland security strategy: Objective IX - Inform and Engage the Public. Allowing citizens throughout the state to address these issues, as the additional meetings will permit, is very important. Secondly, each meeting is focusing on a particular area of homeland security. Additional meetings will insure there is a meeting in northern Maine that will, among other things, address the issue of border security.

The meeting in Brunswick showed significant public interest in these matters. I am confident additional meetings will also draw members of the public. I respectfully urge that the Council approve this request.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur W. Cleaves".

Arthur W. Cleaves
Director, Maine Emergency Management Agency

WASHINGTON COUNTY DEVELOPMENT AUTHORITY ANNUAL REPORT

Introduction

Pursuant to the provisions of Title 5 of Maine Revised Statutes Annotated, Chapter 383, Subchapter 3, Article 2-A, the Washington County Development Authority is required to submit an annual report to the Governor, the Executive Director of the Legislative Council and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. The report must be submitted no later than 120 days after the close of the authority's fiscal year. The Authority's second fiscal year ended on June 30, 2004. This annual report must be submitted on or before the statutory deadline of October 28, 2005. The report that follows fulfills that requirement.

Section 13083-F of 5 MRSA requires that the annual report of the Authority include:

- A. A description of the authority's operations and activities;
- B. An accounting of the authority's receipts and expenditures and assets and liabilities at the end of its fiscal year;
- C. A listing of all property transactions pursuant to section 13083-D;
- D. A statement of the authority's proposed and projected activities for the ensuing year; and
- E. Recommendations regarding further actions that may be suitable for achieving the purposes of this article.

History of the Authority

The Washington County Development Authority was established by the Second Regular Session of the 120th Maine Legislature as Chapter 568 of the Laws of Maine 2001. The Authority was established in response to the need to create a state entity that could take title to the former Naval Computer and Telecommunications Station in Cutler, Maine from the United States Navy. This necessity was created by the lack of financial capacity of the Town of Cutler to take direct possession of the base, which is authorized under federal law, and the ineligibility of the Cutler Development Corporation (CDC) to take direct possession of the facility from the Navy. Federal laws do not permit the Navy to transfer the base to a local development corporation such as the CDC, which was formed by Cutler area communities for the specific purposes of ensuring that the NCTS facility is redeveloped. Current member communities of the CDC are Cutler, Machias and East Machias.

The WCDA's board of directors is comprised of nine members, seven of which were appointed by then-Gov. Angus King in October and November of 2002 and two of which were appointed by Gov. John Baldacci in early 2003. Gov. King appointed the

following members: George Finch of Eastport, Janet Toth of Eastport, Cynthia Rowden of Cutler, Wanda Cates of Cutler, Evelyn Preston of East Machias, Dianne Tilton of Harrington, and Shirley Erickson of Machiasport. Gov. Baldacci appointed Elmer Harmon of Dennysville as the eighth public member in April 2003 to replace the appointee nominated from Machias who moved from the area prior to Senate confirmation. At the same time, the Governor designated then-Acting Commissioner Dann Lewis of the Department of Economic and Community Development as the ex officio commissioner-designee member of the Authority. Mr. Lewis remains on the board as of the date of this report although he currently serves as Director of the Office of Tourism within the DECD.

The Trustees of the Authority have been appointed to staggered terms of one, two, three and four years. The Commissioner-designee serves at the pleasure of the Governor.

Since the only transaction the Authority was legally allowed to conduct, the transfer of the Cutler Navy Base, was completed in FY 04, the Authority reduced its meeting schedule and postponed its annual meeting until the outcome of LD 1339 was determined.

Annual Board Meeting

The WCDA Board of Trustees postponed its Annual Meeting and election of officers until the outcome of LD 1339 was known. If LD 1339 was enacted, the Board of Trustees would be reconfigured, making election of officers in July problematic. If LD 1339 failed, the Annual Meeting would be conducted for the purpose of disbanding the organization.

Other Meetings and Activities

The WCDA Trustees held 3 regular meetings (July 27, September 29, and November 30, 2004.) At its November meeting, the Trustees decided to suspend its regular meeting schedule and meet only when needed. Meetings would be called by the Chair. A special meeting was called and held in February 05. Most of the Authority's board meetings were devoted to items related to meeting the WCDA's due diligence in following up on the sale of the base, to ensure that the terms of the sale agreement were being adhered to. This included discussion of one proposal for the use of the base as a boarding school. Other business included inquiries to the Attorney General's office and an outside attorney to determine whether any conflict of interest had occurred in a transaction between the Cutler Development Authority and a WCDA trustee. The determination was that no conflict of interest had occurred.

Receipts and Expenditures

The WCDA disbursed sales proceeds from the base in accordance with its agreement with the Cutler Development Corporation, and paid some legal fees. These

are itemized in the financial report, attached. Cash on hand was moved to bank accounts that could yield a higher rate of interest.

Property Transactions

No property transactions occurred during this fiscal year.

Proposed and Projected Activities

The WCDA was successful in obtaining legislative approval to expand its authority, thus positioning the WCDA to work with Washington County municipalities, businesses and non-profits to undertake projects to enhance the development of the county's economy. The new legislation will take effect after the close of the 05 fiscal year, in September, 2005.

Besides continuing to ensure the terms of the purchase and sale agreement are met by the current owner, the WCDA expects to be exploring new projects in various parts of the county, and expects a period of transition while new members are being appointed to fill new and existing vacancies on the Board of Trustees.

Recommendations

The WCDA Board of Trustees proposes the following actions that will assist it in carrying out its goals and objectives:

- Immediate appointments to the Board of Trustees under the terms of the legislations resulting from LD 1339.
- Approval by a future Legislature of a multi-million bond issue question to capitalize the WCDA in its expanded role as a public economic and community development agency.
- Continued oversight of the job-creation criteria and the right of first refusal options contained in the Purchase and Sale Agreement with the Sunset Group LLC
- Continued cooperation with the Cutler Development Corporation concerning their recommendations of any future sale proceeds of the Cutler base resulting from enforcement of the \$100,000 "claw back" provision in the purchase and sale agreement with the current owners of the base.

Attachments:

- ❖ Financial reports: WCDA Annual Income Statement