

MAINE STATE LEGISLATURE

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REP. SARA GIDEON
CHAIR

SEN. MICHAEL D. THIBODEAU
VICE-CHAIR

EXECUTIVE DIRECTOR
GRANT T. PENNOYER

128TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. GARRETT P. MASON
SEN. ANDRE E. CUSHING
SEN. TROY D. JACKSON
SEN. NATHAN L. LIBBY
REP. ERIN D. HERBIG
REP. JARED F. GOLDEN
REP. KENNETH W. FREDETTE
REP. ELEANOR M. ESPLING

**LEGISLATIVE COUNCIL
MEETING SUMMARY
August 16, 2017
Approved September 19, 2017**

CALL TO ORDER

Speaker Gideon called the August 16, 2017 meeting of the Legislative Council to order at 10:51 a.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Thibodeau, Senator Jackson and Senator Libby
Absent: Senator Mason, Senator Cushing (arrived late)

Representatives: Speaker Gideon, Representative Herbig and Representative Golden
Absent: Representative Espling, Representative Fredette (arrived late)

Legislative Officers: Robert Hunt, Clerk of the House
Grant T. Pennoyer, Executive Director of the Legislative Council
Jackie Little, Human Resources Director
Suzanne Gresser, Revisor of Statutes
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Chris Nolan, Director, Office of Fiscal and Program Review
Kevin Dieterich, Director, Legislative Information Technology

Speaker Gideon convened the meeting at 10:51 a.m. with a quorum of members present.

SUMMARY OF JULY 19, 2017 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for July 19, 2017 be accepted and placed on file. Motion by President Thibodeau. Second by Senator Jackson. **Motion passed unanimous (6-0-0-4**, with Senators Mason and Cushing and Representatives Fredette and Espling absent).

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

Grant Pennoyer, Executive Director, presented the following report.

1. RFP for MELD Bill Production System Replacement

We are meeting with the top 2 bidders this week to review their proposals and receive presentations and will make a decision shortly after these demonstrations. After these meetings, we will submit a final recommendation to the Council.

2. RFP for State House Window Project

We held a bidder conference to review the bid documents and the State House Window Project with potential bidders last week. Bid opening is set for September 6th.

3. Copper Reuse Project – Artist Selection Process

The Artist Selection Committee will meet on September 12th to receive detailed presentations from the four finalists to reuse the copper from the State House dome. The committee will make a final decision at that meeting.

4. NCSL Job Classification Project

NCSL will visit Maine as part of its job classification project from September 13th to the 15th. We will be working with them and various offices to schedule interviews with selected staff.

Fiscal Report

Chris Nolan, Director, Office of Fiscal and Program Review, presented the following report.

1. **General Fund Revenue Update**

Total General Fund Revenue - FY 2017 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
June	\$373.1	\$410.9	\$37.9	10.2%	\$369.6	11.2%
FYTD	\$3,413.5	\$3,454.9	\$41.4	1.2%	\$3,366.2	2.6%

General Fund revenue was over budget by \$37.9 million (10.2%) for the month of June and over budget by \$41.4 million (1.2%) for the fiscal year. Individual income tax revenue was over budget for the month by \$19.0 million and over budget for the fiscal year by \$9.5 million (0.6%). Strong withholding payments and a large second estimated payment both contributed to the positive variance. To the extent the now repealed surtax contributed to both these positive variances, this should be considered a one-time revenue impact that will likely need to be refunded later in FY 2018. Sales and use taxes for June (May sales) were under budget by \$0.8 million for the month but over budget by \$4.9 million (0.4%) for the fiscal year. May taxable sales increased by 7.5% over last year, led by auto/transportation and lodging sales. A large refund budgeted in May but paid in June contributed to the June negative revenue variance. Corporate income tax revenue was over budget by \$5.8 million in June and over budget by \$11.1 million (6.8%) for the fiscal year.

2. Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2017 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
June	\$25.3	\$29.7	\$4.3	17.0%	\$25.3	17.0%
FYTD	\$327.3	\$334.3	\$7.0	2.1%	\$323.9	3.2%

Highway Fund revenue was over budget by \$4.3 million (17.0%) for the month of June and over budget by \$7.0 million (2.1%) for the fiscal year. Fuel taxes were over budget for the month by \$3.1 million and by \$4.2 million (1.9%) for the fiscal year. Some of this positive variance is attributable to payments expected in July that were received the final day of June. Motor vehicle registrations and fees were over budget by \$0.9 million for the month and by \$2.8 million (3.2%) for the fiscal year.

3. Cash Balances Update

The average balance in the cash pool for June was \$992.7 million, down from May's average of \$1,010.7 million but well above both last year's average balance for June and the ten-year average for the month. General Fund internal borrowing from other funds was not needed in June and not needed for all of FY 2017. The average Highway Fund balance of \$27.8 million in June decreased from May's average of \$42.8 million. This is likely a seasonal impact reflecting the increased activity during the construction season.

4. FY 2017 Year-End Cascade Transfers

The FY 2017 closing General Fund balance totaled \$111.0 million, \$57.1 million of which was budgeted and \$53.9 million was unbudgeted. The \$53.9 million not budgeted included \$41.4 million in General Fund revenue surplus, \$8.7 million in unbudgeted lapsed program balances and \$3.8 million in other accounting adjustments. Under the current distribution rules for the year-end "cascade" of funds from the unappropriated surplus of the General Fund (5 MRSA §1507, §1511, §1519 and §1536), after all fixed dollar transfers were distributed; 80% (\$36.8 million) was distributed to the Maine Budget Stabilization Fund and 20% (\$9.2 million) was distributed to the Tax Relief Fund for Maine Residents.

The Highway Fund also has a statutory year-end transfer provision that transfers all but \$100,000 of the increase in the unallocated surplus above the budgeted amount to the Department of Transportation for highway and bridge improvement projects in the next fiscal year. The amounts that transferred and are available in FY 2018 are \$8.5 million. In addition to a \$7.0 million revenue surplus, unexpended Highway Fund allocations that lapsed back to the unallocated surplus totaled \$1.3 million and other net accounting adjustments equaled \$0.3 million.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

Speaker Gideon reported that the Personnel Committee met earlier that morning to consider the following items.

1. SOMER: New HR System – Extent of Legislative Participation

Mr. Pennoyer provided the committee with an update with respect to the SOMER time and attendance module. No Legislative Council action is required.

2. Collective Bargaining

Mr. Pennoyer and Ms. Little briefed the committee about upcoming collective bargaining negotiations with MSEA and IANLP. This item will be discussed later in today's meeting.

2. **State House Facilities Committee**

No Report

NEW BUSINESS

Item #1: Health Care Task Force Outside Funding

The Council received an update from Mr. Pennoyer on outside funding for the Health Care Task Force. The study is unique in that it covers two fiscal years. The funding required for the first year is about \$4,700, and donations so far have totaled about \$3,700. He sought guidance from the Council on whether the Task Force would be authorized to begin its work and continue through Fiscal Year 2018 if it raises enough funding for that year, then evaluate funding for Fiscal Year 2019.

Motion: That the Legislative Council allow the Health Care Task Force to begin and continue its work throughout Fiscal Year 2018 upon meeting the fundraising goal of \$4,682. Motion by President Thibodeau. Second by Senator Jackson. **Motion passed unanimous (8-0-0-2, with Senator Mason and Representative Espling absent).**

Item #2: Executive session: collective bargaining Matters and Employment Terms and Conditions for Legislative Employees

Motion: That in accordance with 1 MRSA § 405, sub§ 6, the Legislative Council enter into an executive session for the purpose of discussing collective bargaining negotiations. Motion by President Thibodeau. Second by Senator Libby. **Motion passed unanimous (8-0-0-2, with Senator Mason and Representative Espling absent).**

The Legislative Council entered into an executive session at 11:40 a.m. At the conclusion of its executive session, on a motion by Senator Cushing, seconded by Senator Libby, the Legislative Council voted unanimously to end its executive session at 12:12 p.m. and reconvene its regular meeting during which the following motion regarding collective bargaining was made.

Motion: That the Legislative Council authorizes its Executive Director to enter into negotiations with the bargaining agents for the Maine State Employees Association (MSEA, Local 1989, SEIU) and the Independent Association of Nonpartisan Legislative Professionals (IANLP) over terms and conditions of employment for legislative employees in the MSEA and IANLP bargaining units. Motion by President Thibodeau. Second by Representative Herbig. **Motion passed unanimous (7-0-0-3, with Senators Mason, Jackson and Representative Espling absent).**

ANNOUNCEMENTS AND REMARKS

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 12:13 p.m.