

STATE OF MAINE

December 9, 1976

Governor James B. Longley and Legislative Council State House Augusta, Maine

Gentlemen:

In accordance with your requests the Joint Executive-Legislative Committee to Study Cost Effective/Low Priority Programs in State Government has reviewed those programs which have been suggested to us as low priority within the time available to the Committee. Our conclusions and recommendations are included in the attached report.

The Committee is hopeful that our efforts will provide some small benefit in suggesting areas of improved cost effectiveness for Maine State Government.

Very truly yours,

JOINT EXECUTIVE-LEGISLATIVE COMMITTEE TO STUDY COST EFFECTIVE/LOW PRIORITY PROGRAMS

Sen. David G. Huber, Co-Chairman

Roger L. Mallar, Co-Chairman

REPORT OF JOINT EXECUTIVE-LEGISLATIVE COMMITTEE

TO STUDY

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COST EFFECTIVE/LOW PRIORITY PROGRAMS

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TO STUDY

COST EFFECTIVE/LOW PRIORITY PROGRAMS

I. INTRODUCTION.

A Joint Executive-Legislative Committee to Study Cost Effective/Low Priority Programs in State Government was cooperatively developed by the 107th Maine Legislature and Governor James B. Longley in the spring of 1976.

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The members of the Committee are listed below.

Senator David G. Huber, Co-Chairman

Roger L. Mallar, Co-Chairman

Senator Richard N. Berry

Representative Douglas M. Smith

Representative Georgette B. Berube

John P. O'Sullivan

Allen G. Pease

Edward C. Schlick

The Committee was charged with the task of identifying and reviewing potential low cost-effective programs and, if warranted, referring the program to the appropriate legislative committee for public hearings and legislative action with the Committee's recommendation for consolidation, reduction, elimination or transfer of effort to the private sector. The Committee felt that its goal was to deal with only those programs legislatively mandated as opposed to improved management techniques that could be initiated by the executive branch of government without legislation.

II. PROCEDURES.

At its early meetings it became obvious to the Committee that the extremely large number of programs and sub-programs carried on in State government, coupled with the objective of reporting early in the 108th legislative session or before, would prevent any sophisticated prioritizing of governmental programs. For that reason requests were made to the various executive branch agencies, legislative committee chairmen, constitutional officers and others to suggest programs for consideration of the Committee that their experience identified as low priority. The Committee received nearly sixty suggestions for review from the executive branch of government, generated by department heads and others. Other recommendations were received from the Secretary of State. All were reviewed by the Committee.

With the number of issues identified for the Committee it became clear that the role of the Committee could only be to serve as a clearing-house and separate out those issues that had been suggested that might offer some promise for reduction or elimination. The large number of items to review, coupled with the part-time nature of the Committee's effort, did not allow an opportunity for the Committee to hold public hearings. The Committee did anticipate that before the implementation of any significant recommendations public hearings would be held before an appropriate legislative committee.

Once having identified areas for consideration the Committee requested and received reports developing factual information for specific areas, held eight meetings to review that factual information and met with various agency heads and management analysts to clarify for the Committee the items under consideration. The Committee was very encouraged by the positive communications made available through the joint effort of the executive and legislative The joint involvement of the two branches and the inforbranches. mal nature of the Committee's meetings created an atmosphere for frank discussion and open communications. The work done by various State departments in developing background information on various programs was extremely helpful to the Committee and without this the Committee would not have been able to make any significant progress in regard to low priority programs.

The Committee did feel that any continuation of this joint effort would be more effective if specific staff were made available to assist the Committee in information gathering and to expedite the work of the Committee itself.

III. RECOMMENDATIONS.

Listed below is a summary of those recommendations in areas where the Committee felt that a significant enough change could be developed to warrant legislative attention. Additional factual background information can be made available to the appropriate legislative committee, as desirable. The summary includes an indication of the department generally responsible for the program area suggested and the legislative committee to which it is recommended that the item be referred.

1. Study the possibility of operating fewer mental health and correctional institutes.

At its early meetings the Committee spent time in reviewing cost aspects and alternative approaches to the operation of the Bangor Mental Health Institute. It became obvious to the Committee that the executive branch of government had committed itself to fully developing a factual appraisal of the possibility of transferring some of the activities at the Bangor Mental Health Institute to the Augusta Mental Health Institute and to strengthen community mental health centers in the northern part of the State. It was further indicated to the Committee that some of these changes could be accomplished through administrative actions and it became obvious that the subject would be referred to the Legislature if deemed desirable as a result of that review. Therefore, the Committee addressed alternative issues and is hopeful that its efforts in this area will serve as a catalyst to improve the delivery of mental health services while at the same time reducing the cost to the Maine taxpayer. (Department of Mental Health and Corrections) (Legislative Committee on Appropriations and Financial Affairs)

2. Study all Human Services advisory councils, special committee functions and appropriations. The Committee reviewed material relating to the various boards and committees created by law relating to Human Services activities. This review led to a broader discussion of such committees and boards existing throughout State government. Committee members expressed concern that some of the boards had been formed to react to an immediate or temporary concern but had continued to function regardless of the priority for continued need. Additionally the Committee members were concerned about the possibility of the taxpayers of the State of Maine supporting various advisory councils with tax revenue whose major purpose could generate into advocacy activities for the expenditure of additional taxpayer funds in the area of interest.

It became clear to the Committee that the appropriate approach to a review of the numerous boards and committees would be the enactment of a so-called sunset law, since recommended by various task forces and groups. The Committee's concept of the suggested sunset law would include a requirement that legislation creating such boards would be repealed at a specific time so that positive

action on the part of the Maine Legislature would be necessary to continue the activities of such boards and committees. The Committee further felt that the review of these advisory boards and committees should receive high priority in the consideration of all activities of State government to be included in such a law.

As an additional concept the Committee felt that per diem payments should be unnecessary for advisory boards in State government. The Committee further felt that appointments to such boards should be made by the commissioner of the department related to the activity for which the board is created and the reports and recommendations of the board should be made to that same department.

(Legislative Committee on Appropriations and Financial Affairs)

3. Study placing the teacher certification and placement services on a self-supporting basis.

The Department of Educational and Cultural Services manages programs in teacher certification and provides placement services for such school teachers for Maine schools. Upon reviewing the material made available in regard to these programs the Committee concluded that the activities and efforts seemed to be a worthwhile State management endeavor but did recommend consideration for each of these programs to be placed on a self-supporting basis through a fee structure of sufficient size to offset the costs of administration of the program. (Department of Educational and Cultural Services)

(Legislative Committee on Education)

Study the alternatives to Military and Naval Children's Home. The State has operated the Military and Naval Children's Home in Bath for many years. One of the principal advantages of the existence of this home has been to assure a location where several children from one family could be housed together when conditions required it, thus keeping the family intact during a difficult or transitionary period. Based upon reports on child neglect and abuse and other considerations the Committee was advised that the Department of Human Services will be considering the development of the capability for community based group care homes located at various points throughout the State in order to assure a close geographical proximity for those children requiring such care. It appeared to the Committee that, properly developed, this possibility would create an opportunity for improved care at a savings to the taxpayers of the State. The Committee encourages the Department to develop this concept and concluded that any consideration to phase out the Military and Naval Children's Home would be logical upon a demonstration of the ability of the Department to provide adequate care in group care homes geographically distributed throughout the State. It would appear that if the Department is prepared to move into this area this issue will be presented to the Legislature through the normal budget process. (Department of Human Services)

(Legislative Committee on Appropriations and Financial Affairs)

- 5. Study the possible transfer of responsibility for regulation of non-profit or municipally-owned districts from the Public Utilities Commission to the local level. The financial and staffing difficulties facing the Public Utilities Commission, in light of the many requests for rate adjustments, create a need to determine if all of the activities carried on by the Commission are necessary State functions. In the case of non-profit or municipally-owned water district operations covering a single municipality it appears to the Committee that the municipal officers should be qualified to assume the responsibility for regulating those districts. The Committee, therefore, recommends that such responsibility be transferred from the Public Utilities Commission to the locally elected municipal officials who can consider the needs of the district operation and the tax burden on those assisted by the operation. (Public Utilities Commission) (Legislative Committee on Public Utilities)
- Study the elimination of the law providing for payments from the Town Road Improvement Fund.
 - The Committee was aware that the funding in the highway program for the 1976-77 biennium did not provide funds for the Town Road Improvement Program although the law itself directing this program remained in effect. The Committee reviewed the three highway systems in the State of Maine as follows: (a) State Highways where the State assumes the principal responsibility for maintenance and reconstruction; (b) State Aid Highways where the town and the State share the maintenance and reconstruction costs; and (c) Town Ways where the local municipality would ordinarily be expected to assume the major share of responsibility. The Committee also discussed various relatively new sources of funding at the municipal level, including State and federal revenue sharing, community development funds and off-system highway funds, as wll as the continuing program of excise taxes on motor As a result of that review the Committee recommends vehicles. that the Legislature evaluate the priority or cost-effectiveness of that program in relation to other town aid highway programs with the belief that there may be more effective utilization of such funds in the overall highway program to the benefit of local municipalities. The Committee believes that such programs as bridges on town ways requiring a significant investment on the part of an individual municipality might be more appropriate for assistance through State funds than the current program. (Department of Transportation) (Legislative Committee on Transportation)

7. Study revising the snow removal reimbursement procedures to local municipalities on other than State Highways by eliminating reimbursement on town ways, even at the cost of some additional reimbursement on State Aid Highways.

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The Committee was aware that the subject of snow removal reimbursements to local municipalities on town ways was considered by the regular session of the 107th Legislature. Again, as a result of the lower priority and use of the town way system,

the Committee recommends that the Legislative Committee on Transportation evaluate priorities for snow removal reimbursements on both the State Aid and Town Way systems to determine if State funds are being distributed in the highest priority manner. (Department of Transportation) (Legislative Committee on Transportation)

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8. Study the need for a central photo lab.

Upon request for information in this regard the Committee received a recommendation from the Commissioner of Finance and Administration that the Bureau of Purchases no longer be required to operate a central photo lab. The recommendation was based on the fact that the operation of the central photo lab does not involve sufficient activity to place it on a breakeven basis with fees that would be competitive with commercial operations. The Committee urges the elimination of this activity.

(Department of Finance and Administration) (Legislative Committee on Appropriations and Financial Affairs)

Study reorganization of sanitary disposal regulations activities. 9. In reviewing other environmental and land use legislation the Committee became involved in a discussion of the broader issue of the appropriate location for sanitary disposal activities The Committee discussed the fact that of State government. portions of the sanitary disposal activities are regulated by the Department of Human Services while other portions are requlated by the Department of Environmental Protection. This sharing of responsibility has in the past created the difficulty, when attempting to select a disposal system, of dealing with two separate State agencies in determining the best alternative. The Committee was aware of the work being carried on by the Governor's Task Force on Reorganization dealing with alternative reorganization possibilities in the natural resources and environmental protection areas. However, because of the broad nature of these considerations the Committee did feel that it would be desirable to recommend the specific change, as a separate issue, of transferring sanitary disposal related activities from the Department of Human Services to the Department of Environmental Protection. It is recommended that the two agencies involved cooperate in developing legislation to accommodate this transfer.

(Department of Human Services - Department of Environmental Protection)

(Legislative Committee on Natural Resources)

10.

Study the transfer of the Motor Vehicles Division of the <u>Secretary of State's Office to the Department of Transportation</u>. The Committee discussed the various areas of potential saving and improved effectiveness of operation which may result from the consolidation of the Maine Department of Transportation and the Motor Vehicles Division of the Secretary of State's office. The Committee noted several areas of improved effectiveness while concurring that the total cost savings would probably be relatively modest. The Committee recommends that

legislation be developed requiring a joint evaluation by the two departments of the effectiveness of the implementation of this consolidation. The Committee recommends that a report be communicated to the second annual session of the 108th Maine Legislature for consideration at that time. (Department of Transportation) (Legislative Committee on Transportation)

- Study the requirement to obtain transcripts of public hearings 11. for Department of Environmental Protection activities. The Committee was advised that existing law requires verbatim transcripts of public hearings in several areas of Department of Environmental Protection activities regardless of the complexity of the hearing or the lack of appeal from the decision of the Board of Environmental Protection. This requirement seemed to generate unnecessary costs and the Committee has recommended to the Commissioner of the Department of Environmental Protection that legislation be prepared to allow the Department to establish rules and regulations relating to the development of appropriate public hearing records, depending upon the need. The Committee further suggests that the Department have available for the consideration of the appropriate legislative committee draft regulations that it would propose so that the committee would be aware of the intent of the Department. (Department of Environmental Protection) (Legislative Committee on Natural Resources)
- 12. Study the licensing of septic tank pumpers.

As a result of some specific concerns as municipalities became more involved in the treatment of sewage effluent the Legislature enacted a law requiring the licensing of septic tank pumpers. Other environmental legislation created controls over the disposal of septic tank waste and it would appear that the licensing provision in the law accomplishes little in the way of environmental protection. The Committee recommends an evaluation of the potential for the elimination of this provision. (Department of Environmental Protection) (Legislative Committee on Natural Resources)

13. Evaluation of the State tree nursery operation.

The Committee discussed the concern that had been expressed in regard to General Fund subsidies required to operate the State tree nursery. The Department of Conservation has agreed to initiate an effort over the next year to place this operation on a break-even basis, if feasible. The Committee agreed that this approach was logical but urged that the Legislative Committee on Appropriations and Financial Affairs review the operation at the completion of a year's period of time to assure the achievement of a break-even operation as well as to consider the intent and objectives of the program itself at that time. (Department of Conservation)

(Legislative Committee on Appropriations and Financial Affairs)

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- Study the historical, archeological and related cultural ac-14. tivities of State government to eliminate duplication. The Committee discussed the various locations throughout State government where historical and cultural activities were being supported, such as the Maine Historic Preservation Commission, the Department of Conservation, funds for the Maine Historical Society and, of course, the Department of Educational and Cultural The Committee was advised that this Department was Services. developing legislation to reorganize some of the functions carried on within the Department and the Committee recommended that such legislation serve as the vehicle for consideration of the consolidation of culturally related activities in State government. (Department of Educational and Cultural Services) (Legislative Committee on Appropriations and Financial Affairs).
- 15. Study limiting to quantity of town histories required for purchase by the State Library. The Committee became aware of the wide variety of the number and quality of town histories developed by individual legislative bills over a period of time. The Committee noted that large numbers of such histories were often printed with little demand for the quantity produced. The Committee recommends that appropriate legislation be developed to define the quality, quantity and cost limitations of town histories which may be suggested for printing in the future. (Department of Finance and Administration) (Department of Educational and Cultural Services - State Library) (Legislative Committee on Appropriations and Financial Affairs)

Study various forestry disease control programs. 16. The Committee reviewed material prepared by the Department of Conservation concerning potential cost savings in various tree disease control programs such as the blister rust control program and the Dutch elm disease control program, all in relation to various other activities carried on in the forestry area. The Department of Conservation suggested to the Committee various changes in emphasis and cost-saving approaches which can be achieved administratively without the necessity for legislative adjustment. The Committee concurred in this approach to achieving improved cost effectiveness in these areas and recommends that the Committee on Appropriations and Financial Affairs review the changes suggested to determine if the potential is achieved in these areas. (Department of Conservation)

(Legislative Committee on Appropriations and Financial Affairs)

17. Study the use of alternative funding for the cystic fibrosis program.

The Committee discussed at some length with the Commissioner of Human Services alternative funding sources for various Human Services programs. It appears that in the area of cystic fibrosis program costs a reappraisal of the use of federally-funded

child health and medical assistance programs could reduce the State funding required in this area and encouraged the Department to pursue the prospects of this option. (Department of Human Services) (Legislative Committee on Appropriations and Financial Affairs)

18. Study eliminating the requirement that the Superintendent of Insurance send names of all surety insurers and all attorneysin-fact to registers of probate.

In reviewing this suggestion the Committee felt that the legislation which required publishing and transmitting the list of all surety insurers and all attorneys-in-fact should be adjusted to allow the Superintendent of Insurance the flexibility to maintain such a list without having to publish and transmit it on an automatic basis. The change proposed would eliminate the requirement to transmit to each register of probate the names of surety insurers and attorneys-in-fact but would still require the Department of Business Regulation to maintain the required list.

(Department of Business Regulation) (Legislative Committee on Business Regulation)

19. Study Maine's membership in the New England Water Pollution Control Commission.

The Committee briefly reviewed this recommendation and determined that the impact of such a change was not of adequate significance to require legislative consideration and, therefore, recommended to the Commissioner of Environmental Protection that this issue be considered as a part of the Department'spriorities in budget preparation.

(Department of Environmental Protection) (Legislative Committee on Natural Resources)

20. Study the mining and rehabilitation of land.

In response to this original suggestion the Committee was advised that legislation is being prepared for the consideration of the dissolution of the Maine Mining Bureau and the transfer of related functions within the Department of Conservation. The Committee concurred that the efforts of the Department, achieved the original recommendation.

(Department of Conservation) (Legislative Committee on Natural Resources)

21. Study log driving and storage.

After reviewing this and other related items it became obvious that it would be desirable to clarify existing statutes which have been superseded by later actions such as the elimination of log or pulp drives on rivers. This effort would assure that laws still essential would remain but superfluous or unnecessary or confusing language would be eliminated. (Legislative Committee on Natural Resources.)

IV. CONCLUSION.

The recommendations previously listed, of course, form the conclusions of the Joint Committee. Members of the Committee are hopeful that their efforts will lead to an improvement in program cost-effectiveness and savings for the taxpayers of the State of Maine. The Committee is convinced that other low priority programs could be addressed with positive results, given adequate time and staff assistance.

The legislative leadership of the 108th Maine Legislature and the Governor may wish to consider the possibility of a continuing joint operation to review low cost-effective or low priority programs, depending upon their evaluation of the results of the current effort. The increased opportunity for communications between legislative and executive branches appears to the Committee to achieve a worthwhile result. Any continued effort that may be considered should serve as a screening or clearing-house function on a relatively informal basis in keeping with the activities of the current Joint Committee.