JOINT STANDING COMMITTEE
ON
LEGAL & VETERANS AFFAIRS

LD 499

BIENNIAL BUDGET

2008 - 2009

Ethics and Elections Practices, Commission on Governmental

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Department Summary - All Funds					
Positions - LEGISLATIVE COUNT		7.000	7.000	7.000	7.000
Personal Services		497,485	542,304	483,265	499,308
All Other		4,836,450	877,544	2,158,786	2,199,439
	Total	5,333,935	1,419,848	2,642,051	2,698,747
Department Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		3.000	3.000	3.000	3.000
Personal Services		127,961	129,818	140,246	145,813
All Other		15,704	15,362	15,362	15,362
	Total	143,665	145,180	155,608	161,175
Department Summary - OTHER SPECIAL REVENUE FUNDS					
Positions - LEGISLATIVE COUNT		4.000	4.000	4.000	4.000
Personal Services		369,524	412,486	343,019	353,495
All Other		4,820,746	862,182	2,143,424	2,184,077
	Total	5,190,270	1,274,668	2,486,443	2,537,572

GOVERNMENTAL ETHICS & ELECTION PRACTICES - COMMISSION ON 0414

What the Budget purchases:

The commission monitors legislative ethics standards, lobbyist disclosure requirements, campaign finance reporting laws, and Maine Clean Election Act and fund administration.

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - GENERAL FUND				
Positions - LEGISLATIVE COUNT	3.000	3.000	3.000	3.000
Personal Services	127,961	129,818	140,246	145,813
All Other	15,704	15,362	15,362	15,362
Total	143,665	145,180	155,608	161,175
Program Summary - OTHER SPECIAL REVENUE FUNDS				
Positions - LEGISLATIVE COUNT	4.000	4.000	4.000	4.000
Personal Services	369,524	412,486	337,213	347,336
All Other	4,820,746	862,182	902,224	902,224
Total	5,190,270	1,274,668	1,239,437	1,249,562

Initiative: Reduces funding for the Clean Elections Act account to stay within available resources.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	(752,994)	(711,990)
Total	(752,994)	(711,990)

Initiative: Adjusts funding for the reorganization of one Office Associate II position funded 82% General Fund, 18% Other Special Revenue Funds, to a Secretary Specialist position funded 74% General Fund, 26% Other Special Revenue Funds, as a continuation of the proposal included in the fiscal year 2006-07 emergency budget request.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	5,808	6,157
All Other	(5,808)	(6,157)
Total	0	0

Initiative: Transfers funding from the General Fund to establish dedicated revenue for the administration of the Maine Clean Election Act as authorized by Maine Revised Statutes, Title 21-A, section 1124.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	2,000,000	2,000,000
Total	2,000,000	2,000,000

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - GENERAL FUND				
Positions - LEGISLATIVE COUNT	3.000	3.000	3.000	3.000
Personal Services	127,961	129,818	140,246	145,813
All Other	15,704	15,362	15,362	15,362
Total	143,665	145,180	155,608	161,175
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS				
Positions - LEGISLATIVE COUNT	4.000	4.000	4.000	4.000

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Ethics and Elections Practices, Commission on Governmental

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS					
Personal Services		369,524	412,486	343,019	353,495
All Other		4,820,746	862,182	2,143,424	2,184,077
	Total	5,190,270	1,274,668	2,486,443	2,537,572

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COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES

0414 Governmental Ethics and Election Practices - Commission on

Initiative:

BASELINE BUDGET

	2007-08	2008-09
General Fund	$155,608	$161,175
Other Special Revenue Funds	$1,239,437	$1,249,562

Justification:

The budget request of the Maine Commission on Governmental Ethics and Election Practices is based on the costs necessary for the administration of Maine's legislative ethics standards, lobbyist registration and disclosure requirements, and the statutory requirements for campaign finance reporting by candidates, party committees, and political action committees, including administration of the Maine Clean Election Act, as mandated by Title 1, chapter 25, Title 3, chapter 15 and Title 21-A, chapters 13 and 14.

Initiative:

Reduces funding for the Maine Clean Election Act account to stay within available resources.

	2007-08	2008-09
Other Special Revenue Funds	$(752,994)	$(711,990)

Justification:

Reduces the Clean Elections Act account All Other funding to the revenue amount for fiscal year 2007-08 and fiscal year 2008-09.

Initiative:

Adjusts funding for the reorganization of one Office Associate II position funded 82% General Fund, 18% Other Special Revenue Funds, to a Secretary Specialist position funded 74% General Fund, 26% Other Special Revenue Funds, as a continuation of the proposal included in the fiscal year 2006-07 emergency budget request.

	2007-08	2008-09
Other Special Revenue Funds	$-	$-

Justification:

The commission wishes to add new responsibilities to the Office Associate II position in order for the position to provide greater assistance to candidates and so that the executive director and assistant director can delegate more administrative projects to the position.

Initiative:

Transfers funding from the General Fund to establish dedicated revenue for the administration of the Maine Clean Election Act as authorized by Maine Revised Statutes, Title 21-A, section 1124.

	2007-08	2008-09
Other Special Revenue Funds	$2,000,000	$2,000,000

Justification:

As authorized in Maine Revised Statutes, Title 21-A, section 1124, $2,000,000 shall be transferred from the General Fund to fund the Maine Clean Election Act on or before January 1st of each year. These funds are used to pay candidates participating in the program during the 2008 elections.

Defense, Veterans and Emergency Management, Department of

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Department Summary - All Funds					
Positions - LEGISLATIVE COUNT		**174.000**	**176.000**	**180.500**	**180.500**
Positions - FTE COUNT		**2.000**	**2.000**	**2.500**	**2.500**
Personal Services		**44,389,176**	**54,402,576**	**54,142,695**	**56,988,594**
All Other		**136,935,099**	**123,012,043**	**123,458,433**	**123,467,423**
	Total	**181,324,275**	**177,414,619**	**177,601,128**	**180,456,017**
Department Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		73.000	73.000	75.500	75.500
Positions - FTE COUNT		2.000	2.000	2.500	2.500
Personal Services		3,560,729	3,649,431	4,226,845	4,350,463
All Other		1,465,382	2,388,372	1,743,950	1,747,029
	Total	5,026,111	6,037,803	5,970,795	6,097,492
Department Summary - FEDERAL EXPENDITURES FUND					
Positions - LEGISLATIVE COUNT		97.000	98.000	100.000	100.000
Personal Services		6,905,582	7,695,321	7,292,549	7,506,876
All Other		84,738,128	74,892,105	74,939,599	74,945,859
	Total	91,643,710	82,587,426	82,232,148	82,452,735
Department Summary - OTHER SPECIAL REVENUE FUNDS					
Positions - LEGISLATIVE COUNT		4.000	5.000	5.000	5.000
Personal Services		509,565	550,560	289,219	300,829
All Other		1,009,884	1,223,463	2,266,781	2,266,432
	Total	1,519,449	1,774,023	2,556,000	2,567,261
Department Summary - MAINE MILITARY AUTHORITY ENTERPRISE FUND					
Personal Services		33,413,300	42,507,264	42,334,082	44,830,426
All Other		49,721,705	44,508,103	44,508,103	44,508,103
	Total	83,135,005	87,015,367	86,842,185	89,338,529

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ADMINISTRATION - DEFENSE, VETERANS AND EMERGENCY MANAGEMENT 0109

What the Budget purchases:

Administration consists of the Commissioner, Deputy Commissioner and staff, who administer all programs of the department.

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - GENERAL FUND				
Positions - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	156,378	160,022	182,805	183,997
All Other	32,748	32,826	32,826	32,826
Total	189,126	192,848	215,631	216,823
Program Summary - FEDERAL EXPENDITURES FUND				
Positions - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	59,908	62,895	58,386	61,451
All Other	100	100	100	100
Total	60,008	62,995	58,486	61,551

	2007-08	2008-09
Initiative: NONE		

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - GENERAL FUND				
Positions - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	156,378	160,022	182,805	183,997
All Other	32,748	32,826	32,826	32,826
Total	189,126	192,848	215,631	216,823
Revised Program Summary - FEDERAL EXPENDITURES FUND				
Positions - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	59,908	62,895	58,386	61,451
All Other	100	100	100	100
Total	60,008	62,995	58,486	61,551

DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY MANAGEMENT

0109 Administration - Defense, Veterans and Emergency Management

Initiative:

BASELINE BUDGET

	2007-08	2008-09
General Fund	$215,631	$216,823
Federal Expenditures Fund	$58,486	$61,551

Justification:

Administration consists of the Commissioner and Deputy Commissioner, who administer all programs of the Department.

LORING REBUILD FACILITY 0843

What the Budget purchases:

The Maine Military Authority provides manpower, equipment, facilities and other resources to repair, rebuild and overhaul vehicles and equipment for the National Guard Bureau, numerous Department of Defense, Veterans and Emergency Management, state and civil entities.

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - FEDERAL EXPENDITURES FUND					
All Other		48,742,500	49,586,066	49,586,066	49,586,066
	Total	48,742,500	49,586,066	49,586,066	49,586,066

	2007-08	2008-09
Initiative: NONE		

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - FEDERAL EXPENDITURES FUND					
All Other		48,742,500	49,586,066	49,586,066	49,586,066
	Total	48,742,500	49,586,066	49,586,066	49,586,066

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0843 Loring Rebuild Facility

Initiative:

BASELINE BUDGET

	2007-08	2008-09
Federal Expenditures Fund	$49,586,066	$49,586,066

Justification:

This program is currently utilized to receive all federal funds being allocated to the Department for the Readiness Sustainment Maintenance Center from the National Guard Bureau to maintain and repair military equipment. The Department has contracted with the Maine Military Authority to assist in this action.

MILITARY EDUCATIONAL BENEFITS 0922

What the Budget purchases:

The Department of Defense, Veterans and Emergency Management through its initiative with the Maine Military Authority and the State of Maine provides college education tuition grants to eligible members of the Maine National Guard.

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other	390,000	250,000	250,000	250,000
Total	390,000	250,000	250,000	250,000

	2007-08	2008-09
Initiative: NONE		

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other	390,000	250,000	250,000	250,000
Total	390,000	250,000	250,000	250,000

0922 Military Educational Benefits

Initiative:

BASELINE BUDGET

	2007-08	2008-09
Other Special Revenue Funds	$250,000	$250,000

Justification:

A Maine National Guard member who meets the prerequisites is entitled to a 100% tuition grant to any state postsecondary education institution. The Maine National Guard shall provide the cost of tuition to a member who meets the requirements (LD2585).

MILITARY TRAINING & OPERATIONS 0108

What the Budget purchases:

The Military Bureau's 2 components, the Army National Guard and the Air National Guard both perform dual missions; a state mission as a resource to the Governor to provide trained and disciplined forces for domestic emergencies or needs such as helping communities deal with floods, tornadoes, hurricanes, snowstorms or other emergency situations, a federal mission as a resource to the President for prompt mobilization for war or emergency in support of our national security.

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		32.000	32.000	32.000	32.000
Personal Services		1,568,990	1,633,290	1,823,786	1,873,179
All Other		911,984	955,180	955,180	955,180
	Total	2,480,974	2,588,470	2,778,966	2,828,359
Program Summary - FEDERAL EXPENDITURES FUND					
Positions - LEGISLATIVE COUNT		86.000	87.000	86.000	86.000
Personal Services		5,666,858	6,443,181	5,746,478	5,912,623
All Other		3,972,672	4,054,509	4,054,509	4,054,509
	Total	9,639,530	10,497,690	9,800,987	9,967,132
Program Summary - OTHER SPECIAL REVENUE FUNDS					
Positions - LEGISLATIVE COUNT		1.000	2.000	2.000	2.000
Personal Services		353,240	389,237	113,995	120,244
All Other		343,553	448,021	356,485	356,485
	Total	696,793	837,258	470,480	476,729
Program Summary - MAINE MILITARY AUTHORITY ENTERPRISE FUND					
Personal Services		33,413,300	42,507,264	42,334,082	44,830,426
All Other		49,721,705	44,508,103	44,508,103	44,508,103
	Total	83,135,005	87,015,367	86,842,185	89,338,529

Initiative: Provides funding for repairs and maintenance of state armories in accordance with Public Law 2005, chapter 634.

		2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS			
All Other		543,263	543,263
	Total	543,263	543,263

		2007-08	2008-09

Initiative: Reallocates Personal Services for one Financial Analyst position from 100% Federal Expenditures Fund to 90% Federal Expenditures Fund and 10% General Fund; one Business Manager II position from 100% Federal Expenditures Fund to 86% Federal Expenditures Fund, 5% Other Special Revenue Funds and 9% General Fund; one Accounting Associate I position from 100% Federal Expenditures Fund to 94% Federal Expenditures Fund and 6% Other Special Revenue Funds; and one Accountant I position from 90% Federal Expenditures Fund and 10% General Fund to 80% Federal Expenditures Fund, 10% General Fund and 10% Other Special Revenue Funds.

		2007-08	2008-09
GENERAL FUND			
Personal Services		14,007	14,806
	Total	14,007	14,806
FEDERAL EXPENDITURES FUND			
Personal Services		(25,679)	(26,827)
	Total	(25,679)	(26,827)
OTHER SPECIAL REVENUE FUNDS			
Personal Services		11,672	12,021
All Other		(11,672)	(12,021)
	Total	0	0

Initiative: Establishes one Chief Volunteer Services position for the National Guard Family Assistance program.

		2007-08	2008-09
FEDERAL EXPENDITURES FUND			
Positions - LEGISLATIVE COUNT		1.000	1.000
Personal Services		68,475	69,884
	Total	68,475	69,884

Initiative: Continues one Plant Maintenance Engineer position and one Carpenter position that were continued through June 15, 2007 in Public Law 2005, chapter 386 in the Military Training/Operations program.

		2007-08	2008-09
FEDERAL EXPENDITURES FUND			
Positions - LEGISLATIVE COUNT		2.000	2.000
Personal Services		108,561	114,038
	Total	108,561	114,038

Initiative: Eliminates one Building Control Technician position.

		2007-08	2008-09
FEDERAL EXPENDITURES FUND			
Positions - LEGISLATIVE COUNT		-1.000	-1.000
Personal Services		(50,175)	(52,587)
	Total	(50,175)	(52,587)

Initiative: Eliminates one vacant Office Associate II position.

		2007-08	2008-09
GENERAL FUND			
Positions - LEGISLATIVE COUNT		-1.000	-1.000
Personal Services		(51,582)	(54,691)
	Total	(51,582)	(54,691)

		2007-08	2008-09
Initiative: Reduces funding by reducing the hours of one Custodial Worker II position from 80 hours to 30 hours bi-weekly.			
GENERAL FUND			
Positions - LEGISLATIVE COUNT		-0.500	-0.500
Personal Services		(26,696)	(27,949)
	Total	(26,696)	(27,949)

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		32.000	32.000	30.500	30.500
Personal Services		1,568,990	1,633,290	1,759,515	1,805,345
All Other		911,984	955,180	955,180	955,180
	Total	2,480,974	2,588,470	2,714,695	2,760,525
Revised Program Summary - FEDERAL EXPENDITURES FUND					
Positions - LEGISLATIVE COUNT		86.000	87.000	88.000	88.000
Personal Services		5,666,858	6,443,181	5,847,660	6,017,131
All Other		3,972,672	4,054,509	4,054,509	4,054,509
	Total	9,639,530	10,497,690	9,902,169	10,071,640
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS					
Positions - LEGISLATIVE COUNT		1.000	2.000	2.000	2.000
Personal Services		353,240	389,237	125,667	132,265
All Other		343,553	448,021	888,076	887,727
	Total	696,793	837,258	1,013,743	1,019,992
Revised Program Summary - MAINE MILITARY AUTHORITY ENTERPRISE FUND					
Personal Services		33,413,300	42,507,264	42,334,082	44,830,426
All Other		49,721,705	44,508,103	44,508,103	44,508,103
	Total	83,135,005	87,015,367	86,842,185	89,338,529

DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY MANAGEMENT

0108 Military Training and Operations

Initiative:

BASELINE BUDGET

	2007-08	2008-09
General Fund	$2,778,966	$2,828,359
Federal Expenditures Fund	$9,800,987	$9,967,132
Other Special Revenue Funds	$470,480	$476,729
Maine Military Authority Enterprise Fund	$86,842,185	$89,338,529

Justification:

The Military Bureau consists of the Army National Guard and the Air National Guard. The Army National Guard provides a force ready to serve with the Active Army in support of National security. The Air National Guard provides a combat ready force to serve in federal missions of air refueling, combat communications, and engineering installations. Both serve the Governor and the State in times of emergency.

Initiative:

Provides funding for repairs and maintenance of state armories in accordance with Public Law 2005, chapter 634.

	2007-08	2008-09
Other Special Revenue Funds	$543,263	$543,263

Justification:

This request provides funding for repairs and maintenance of State armories. The transfer of revenue is authorized by Public Law 2005, Chapter 634 which states in relevant part: "Beginning July 1, 2007, part of the rental income collected by the Department of Administrative and Financial Services, Bureau of General Services pursuant to this subsection be transferred to the Department of Defense, Veterans and Emergency Management for maintenance and repair of National Guard armories in the State".

Initiative:

Reallocates Personal Services for one Financial Analyst position from 100% Federal Expenditures Fund to 90% Federal Expenditures Fund and 10% General Fund; one Business Manager II position from 100% Federal Expenditures Fund to 86% Federal Expenditures Fund, 5% Other Special Revenue Funds and 9% General Fund; one Accounting Associate I position from 100% Federal Expenditures Fund to 94% Federal Expenditures Fund and 6% Other Special Revenue Funds; and one Accountant I position from 90% Federal Expenditures Fund and 10% General Fund to 80% Federal Expenditures Fund, 10% General Fund and 10% Other Special Revenue Funds.

	2007-08	2008-09
General Fund	$14,007	$14,806
Federal Expenditures Fund	$(25,679)	$(26,827)
Other Special Revenue Funds	$-	$-

Justification:

The reallocations are necessary to coincide with the modifications in the National Guard's Centralized Personnel Plan that occurred as a result of changes in the duties and responsibilities of the employees. The National Guard's co-operative agreement specifies that employees must be compensated under the appropriate appendix and any duties performed outside the co-operative agreement must be paid for by the corresponding program. In addition to performing duties under the co-operative agreement each of these employees also performs duties for state programs and this change package reflects the level of effort that each employee inputs into both state programs and the co-operative agreement.

Initiative:

Establishes one Chief Volunteer Services position for the National Guard Family Assistance program.

	2007-08	2008-09
Federal Expenditures Fund	$68,475	$69,884

Justification:

The Family Assistance program provides information and education to soldiers and families through a network of mutual social and emotional support especially during times of separation, and providing outreach services, information and referrals. Currently these duties are being performed by an individual in a project position. This position will end in June of 2007. The position is essential in order to continue to support soldiers and their families in times of need.

Initiative:

Continues one Plant Maintenance Engineer position and one Carpenter position that were continued through June 15, 2007 in Public Law 2005, chapter 386 in the Military Training/Operations program.

	2007-08	2008-09
Federal Expenditures Fund	$108,561	$114,038

Justification:

These positions are necessary for the continuing operational needs of the department.

Initiative:

Eliminates one Building Control Technician position.

	2007-08	2008-09
Federal Expenditures Fund	$(50,175)	$(52,587)

Justification:

Revenue in this account is not sufficient to cover the position.

Initiative:

Eliminates one vacant Office Associate II position.

	2007-08	2008-09
General Fund	$(51,582)	$(54,691)

Justification:

Eliminates one vacant Office Associate II position.

Initiative:

Reduces funding by reducing the hours of one Custodial Worker II position from 80 hours to 30 hours bi-weekly.

	2007-08	2008-09
General Fund	$(26,696)	$(27,949)

Justification:

Reduces funding by reducing the hours of one Custodial Worker II position from 80 hours to 30 hours bi-weekly.

VETERANS SERVICES 0110

What the Budget purchases:

The Bureau of Maine Veterans' Services provides support services including housing, medical and hospital care, educational aid and compensation, vocational rehabilitation, burials and nursing homes. There are 7 regional offices and a central office located at Camp Keyes to provide services to veterans.

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - GENERAL FUND				
Positions - LEGISLATIVE COUNT	25.000	25.000	25.000	25.000
Positions - FTE COUNT	2.000	2.000	2.000	2.000
Personal Services	1,377,103	1,382,764	1,557,905	1,611,147
All Other	321,413	304,848	304,848	304,848
Total	1,698,516	1,687,612	1,862,753	1,915,995
Program Summary - FEDERAL EXPENDITURES FUND				
Positions - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	45,724	49,020	43,874	46,514
All Other	82,135	84,188	84,188	84,188
Total	127,859	133,208	128,062	130,702
Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other	12,500	55,000	55,000	55,000
Total	12,500	55,000	55,000	55,000

Initiative: Provides funding to lease 2 trucks from Central Fleet Services for use within the Maine Veterans' Memorial Cemetery System.

	2007-08	2008-09
GENERAL FUND		
All Other	12,000	12,000
Total	12,000	12,000

Initiative: Provides funding to contract for mowing services at the 2 Augusta Veterans' cemeteries as recommended by the Cemetery Working Group.

	2007-08	2008-09
GENERAL FUND		
All Other	75,000	75,000
Total	75,000	75,000

Initiative: Transfers one Office Associate II position from the Federal Expenditures Fund to the General Fund within the same program and provides funding for the care of cemeteries as recommended by the Cemetery Working Group.

	2007-08	2008-09
GENERAL FUND		
Positions - LEGISLATIVE COUNT	1.000	1.000
Personal Services	43,874	46,514
Total	43,874	46,514
FEDERAL EXPENDITURES FUND		
Positions - LEGISLATIVE COUNT	-1.000	-1.000
Personal Services	(43,874)	(46,514)
All Other	43,874	46,514
Total	0	0

		2007-08	2008-09

Initiative: Provides funding for necessary major repairs to cemeteries as recommended by the Cemetery Working Group.

GENERAL FUND		2007-08	2008-09
All Other		60,000	60,000
	Total	60,000	60,000

Initiative: Provides funding for the National Guard Family Assistance program which provides information and education to soldiers and families.

OTHER SPECIAL REVENUE FUNDS		2007-08	2008-09
All Other		60,000	60,000
	Total	60,000	60,000

Initiative: Establishes one Auto Mechanic II position for the Maine Veterans' Cemetery for maintaining construction equipment as recommended by the Cemetery Working Group.

GENERAL FUND		2007-08	2008-09
Positions - LEGISLATIVE COUNT		1.000	1.000
Personal Services		60,228	61,559
	Total	60,228	61,559

Initiative: Establishes one Grounds Equipment Supervisor position and one seasonal Heavy Equipment Operator II position for the Maine Veterans' Cemetery in Caribou, Maine as recommended by the Cemetery Working Group.

GENERAL FUND		2007-08	2008-09
Positions - LEGISLATIVE COUNT		1.000	1.000
Positions - FTE COUNT		0.500	0.500
Personal Services		89,796	91,789
	Total	89,796	91,789

Initiative: Adjusts funding for supporting existing information technology agency applications within the agency.

GENERAL FUND		2007-08	2008-09
All Other		26,045	26,544
	Total	26,045	26,544

Initiative: Provides funding for new information technology system development and support.

GENERAL FUND		2007-08	2008-09
All Other		14,000	14,000
	Total	14,000	14,000

Revised Program Summary - GENERAL FUND

	Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Positions - LEGISLATIVE COUNT	25.000	25.000	28.000	28.000
Positions - FTE COUNT	2.000	2.000	2.500	2.500
Personal Services	1,377,103	1,382,764	1,751,803	1,811,009

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - GENERAL FUND					
All Other		321,413	304,848	491,893	492,392
	Total	1,698,516	1,687,612	2,243,696	2,303,401
Revised Program Summary - FEDERAL EXPENDITURES FUND					
Positions - LEGISLATIVE COUNT		1.000	1.000		
Personal Services		45,724	49,020		
All Other		82,135	84,188	128,062	130,702
	Total	127,859	133,208	128,062	130,702
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS					
All Other		12,500	55,000	115,000	115,000
	Total	12,500	55,000	115,000	115,000

DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY MANAGEMENT

0110 Veterans Services

Initiative:

BASELINE BUDGET

	2007-08	2008-09
General Fund	$1,862,753	$1,915,995
Federal Expenditures Fund	$128,062	$130,702
Other Special Revenue Funds	$55,000	$55,000

Justification:

The Bureau of Maine Veterans' Services provides support services including housing, medical and hospital care, educational aid and compensation, vocational rehabilitation, burials and nursing homes. There are seven regional offices and a Central Office located at Camp Keyes to provide services to veterans.

Initiative:

Provides funding to lease 2 trucks from Central Fleet Services for use within the Maine Veterans' Memorial Cemetery System.

	2007-08	2008-09
General Fund	$12,000	$12,000

Justification:

These funds would provide the Bureau the ability to replace some of the worn out trucks used for plowing, sanding, hauling, and grounds maintenance. Leasing the vehicles is a more cost efficient method of updating needed vehicles to ensure we are not spending money on costly repairs to maintain safe and suitable equipment. It also provides a more feasible means for procuring vehicles by spreading the costs over a four-year leasing period rather than requesting appropriation of the full purchase value at one time.

Initiative:

Provides funding to contract for mowing services at the 2 Augusta Veterans' cemeteries as recommended by the Cemetery Working Group.

	2007-08	2008-09
General Fund	$75,000	$75,000

Justification:

These funds would allow the crew of state employees at the two Augusta Cemeteries to accomplish necessary maintenance of more than 16,000 headstones and graves at these locations in addition to conducting new burials and installing new headstones. This area, identified as "perpetual care" by the National Cemetery System, was found to be the area most in need of improvement by the Cemetery Working Group established by the Governor. This Working Group recommended this change as part of their Recommendation #1.

Initiative:

Transfers one Office Associate II position from the Federal Expenditures Fund to the General Fund within the same program and provides funding for the care of cemeteries as recommended by the Cemetery Working Group.

	2007-08	2008-09
General Fund	$43,874	$46,514

Federal Expenditures Fund	**$-**	**$-**

Justification:

This position is necessary to ensure the operational needs of the Maine Veterans' Memorial Cemeteries are met. This position is responsible for conducting all of the administrative tasks associated with a burial (determining eligibility, scheduling burials, ordering headstones, data entry, etc.) The Cemetery Working Group recommends that this position be funded from the General Fund, and that the federal account be reserved for expenses directly related to perpetual care of the cemeteries.

Initiative:

Provides funding for necessary major repairs to cemeteries as recommended by the Cemetery Working Group.

	2007-08	2008-09
General Fund	**$60,000**	**$60,000**

Justification:

This funding would allow the Cemetery System to: more efficiently replace cemetery equipment when it is worn beyond its useful life cycle; allow for capital expansion projects (such as the construction of additional cremation columbaria in Caribou); and allow for needed major repairs to aging facilities at the Civic Center Drive Cemetery. The cemetery has not undergone significant capital repairs nor has capital equipment been purchased since it was first opened in 1970. The Cemetery Working Group recommends this funding as part of their Recommendation #1.

Initiative:

Provides funding for the National Guard Family Assistance program, which provides information and education to soldiers and families.

	2007-08	2008-09
Other Special Revenue Funds	**$60,000**	**$60,000**

Justification:

The Family Assistance program provides information and education to soldiers and families, especially during times of separation, by providing outreach services, information and referrals. The funds for the program are derived from Maine Taxpayers and other private sources.

Initiative:

Establishes one Auto Mechanic II position for the Maine Veterans' Cemetery for maintaining construction equipment as recommended by the Cemetery Working Group.

	2007-08	2008-09
General Fund	**$60,228**	**$61,559**

Justification:

This position is responsible for maintaining the extensive fleet of construction equipment, landscaping equipment and utility vehicles used in the daily operations and upkeep of the cemeteries. Currently, the cemetery system shares a mechanic; however, as the cemeteries have expanded this arrangement has proved inadequate and has resulted in large backlog of repair work for both agencies. The Cemetery Working Group recommends, in recommendation 1, Annex F, that this position be funded from the General Fund.

Initiative:

Establishes one Grounds Equipment Supervisor position and one seasonal Heavy Equipment Operator II position for the Maine Veterans' Cemetery in Caribou, Maine as recommended by the Cemetery Working Group.

	2007-08	2008-09
General Fund	**$89,796**	**$91,789**

Justification:

These positions are necessary to ensure the Bureau is able to meet operational needs of the Maine Veterans' Memorial Cemetery in Caribou. Responsibilities would include coordination of burials, outlaying of gravesites, site preparation to include opening and closing of graves, operating heavy equipment for excavating sites, conducting perpetual care of gravesites and overall upkeep of the cemetery buildings and grounds. The Cemetery Working Group recommends these positions.

Initiative:

Adjusts funding for supporting existing information technology agency applications within the agency.

	2007-08	2008-09
General Fund	**$26,045**	**$26,544**

Justification:

Incremental cost for the management and maintenance of existing applications not attributable to the OIT consolidation or OIT rates. Current computers are not equipped to handle the various web-based programs required for veterans' claims management nor are they capable of handling any security programs for protection of personal data stored on veterans. It is imperative that we move from storing veteran's personal data on our office computers to the State's server where it is protected. Dial-up accounts are used in the field offices for internet and e-mail access, which exposes them to a wide variety of issues ranging from security concerns, inadequate virus protection and lost time resulting from disconnections that often occur while working in web-based programs. These funds would allow the field offices to utilize DSL connections for accessing the state's wide area network, provide faster connection times with fewer interruptions as well as provide a means for accessing the State of Maine e-mail system and state server for storing data and other pertinent documents to ensure the protection of veterans' records. The equipment requirements and costs were estimated by the Office of Information Technology (OIT) using standard rates established by OIT. Replacing these computers will bring the Bureau in compliance with State policy on information services.

Initiative:

Provides funding for new information technology system development and support.

	2007-08	2008-09
General Fund	**$14,000**	**$14,000**

Justification:

Veterans' Services maintains over 500,000 discharge records of Maine veterans. These documents are required by the US Department of Veterans' Affairs for disability claims, medical enrollment, burial, vocational rehabilitation, education, home loan guarantee and numerous other VA benefits. In addition, these records support requests for state and local benefits such as burial, Maine Veterans' Homes admissions, educational assistance, property tax, motor vehicle services, job employment, membership in veterans' service organizations, as well as many other benefits. The number of requests has increased significantly over the past few years and the Bureau is not adequately staffed to handle the high volume. Currently, the Bureau receives approximately 300 new DD214's for scanning and filing and averages about 1,200 requests for DD 214's each month. The Bureau has scanned approximately 75% of the records on file into a stand-alone computer system. These funds would provide the Bureau the ability to upgrade the current scanning system to a web-based program in order to allow outlying field personnel, US Department of Veterans' Affairs personnel, and the Maine Veterans' Homes the ability to access records for determining benefits. This system would increase efficiency and timeliness of responses and allow us to meet overall operational needs of other programs that we are responsible for handling.

GAMBLING CONTROL BOARD Z002

What the Budget purchases:

The board was created to regulate, supervise, and exercise general control over the ownership and operation of slot machines, the distribution of slot machines, and slot machine facilities.

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		8.000	8.000	8.000	8.000
Personal Services		560,436	609,511	607,602	625,930
All Other		292,394	1,396,705	1,396,705	1,396,705
	Total	852,830	2,006,216	2,004,307	2,022,635
Program Summary - OTHER SPECIAL REVENUE FUNDS					
All Other		159,037	214,874	214,874	214,874
	Total	159,037	214,874	214,874	214,874

Initiative: Provides funding based on the Revenue Forecasting Committee December 2006 report on racino revenue to make payments to the host municipality.

		2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS			
All Other		90,371	250,425
	Total	90,371	250,425

Initiative: Reduces funding from savings achieved through lower operating costs by opening the permanent racino facility in the fall of 2008.

		2007-08	2008-09
GENERAL FUND			
All Other		(815,866)	(693,626)
	Total	(815,866)	(693,626)

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		8.000	8.000	8.000	8.000
Personal Services		560,436	609,511	607,602	625,930
All Other		292,394	1,396,705	580,839	703,079
	Total	852,830	2,006,216	1,188,441	1,329,009
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS					
All Other		159,037	214,874	305,245	465,299
	Total	159,037	214,874	305,245	465,299

DEPARTMENT OF PUBLIC SAFETY

Z002 Gambling Control Board

Initiative:

BASELINE BUDGET

	2007-08	2008-09
General Fund	$2,004,307	$2,022,635
Other Special Revenue Funds	$214,874	$214,874

Justification:

The Board was created to regulate, supervise, and exercise general control over the ownership and operation of slot machines, the distribution of slot machines, and slot machine facilities.

Initiative:

Provides funding based on the Revenue Forecasting Committee December 2006 report on racino revenue to make payments to the host municipality.

	2007-08	2008-09
Other Special Revenue Funds	$90,371	$250,425

Justification:

Provides funding based on the Revenue Forecasting Committee December 2006 report on racino revenue to make payments to the host municipality.

Initiative:

Reduces funding from savings achieved through lower operating costs by opening the permanent racino facility in the fall of 2008.

	2007-08	2008-09
General Fund	$(815,866)	$(693,626)

Justification:

Funding is reduced from savings achieved through lower operating costs by opening the permanent racino facility in the fall of 2008.

LIQUOR ENFORCEMENT 0293

What the Budget purchases:

The bureau maintains an inspection program whereby all premises are inspected annually for compliance, investigates complaints of alleged violations, and develops training for sellers and servers of alcohol.

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		11.000	11.000	11.000	11.000
Personal Services		617,365	620,868	675,705	692,466
All Other		147,167	154,356	154,356	154,356
	Total	764,532	775,224	830,061	846,822
Program Summary - OTHER SPECIAL REVENUE FUNDS					
All Other		19,204	19,190	19,190	19,190
	Total	19,204	19,190	19,190	19,190

	2007-08	2008-09
Initiative: NONE		

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		11.000	11.000	11.000	11.000
Personal Services		617,385	620,868	675,705	692,466
All Other		147,167	154,356	154,356	154,356
	Total	764,532	775,224	630,061	846,822
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS					
All Other		19,204	19,190	19,190	19,190
	Total	19,204	19,190	19,190	19,190

0293 Liquor Enforcement

Initiative:

BASELINE BUDGET

	2007-08	2008-09
General Fund	$830,061	$846,822
Other Special Revenue Funds	$19,190	$19,190

Justification:

The Unit maintains an inspection and licensing program whereby all premises are inspected annually for compliance, investigates complaints of alleged violations, and develops training for sellers and servers of alcohol.

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Department Summary - All Funds					
Positions - LEGISLATIVE COUNT		**1425.000**	**1427.000**	**1407.000**	**1407.000**
Positions - FTE COUNT		**1.600**	**1.600**	**1.144**	**1.144**
Personal Services		**71,010,610**	**96,677,464**	**99,196,699**	**101,025,933**
All Other		**199,887,037**	**200,792,026**	**238,832,411**	**246,588,000**
Capital Expenditures		**260,200**	**633,913**	**17,659,337**	**13,628,114**
Unallocated		**(431,500)**	**(7,702,616)**		
	Total	**270,726,347**	**290,400,787**	**355,688,447**	**361,242,047**
Department Summary - GENERAL FUND					
Positions - LEGISLATIVE COUNT		514.500	514.500	498.000	498.000
Positions - FTE COUNT		0.769	0.789	0.769	0.769
Personal Services		33,009,683	29,394,690	31,269,235	31,374,193
All Other		70,533,654	78,256,507	89,669,161	94,433,802
Capital Expenditures		260,200	268,000		
Unallocated			(6,380,116)		
	Total	103,803,537	101,539,081	120,938,396	125,807,995
Department Summary - HIGHWAY FUND					
Positions - LEGISLATIVE COUNT		23.000	23.000	25.000	25.000
Personal Services		1,081,153	1,098,196	1,515,642	1,359,184
All Other		1,914,066	1,217,205	1,863,242	1,872,328
	Total	2,995,219	2,315,401	3,378,884	3,231,512
Department Summary - FEDERAL EXPENDITURES FUND					
Personal Services		101,180	108,220		
All Other		25,450	(396,236)	523,264	523,264
	Total	126,630	(288,016)	523,264	523,264
Department Summary - OTHER SPECIAL REVENUE FUNDS					
Positions - LEGISLATIVE COUNT		2.500	2.500	2.500	2.500
Personal Services		1,043,002	262,858	192,375	200,560
All Other		18,171,663	18,828,656	19,524,747	20,218,199
Capital Expenditures			365,913	5,000,000	5,000,000
Unallocated		(431,500)	(1,322,500)		
	Total	18,783,165	18,134,927	24,717,122	25,418,759
Department Summary - FUND FOR HEALTHY MAINE					
All Other			(8,391,658)		
	Total	0	(8,391,658)	0	0
Department Summary - FINANCIAL AND PERSONNEL SERVICES FUND					
Positions - LEGISLATIVE COUNT		276.000	277.000	270.000	270.000
Personal Services		8,748,475	17,754,380	17,392,280	17,949,361
All Other		1,558,493	2,614,020	1,913,269	1,895,253
	Total	10,306,968	20,368,400	19,305,549	19,844,614
Department Summary - POSTAL, PRINTING & SUPPLY FUND					
Positions - LEGISLATIVE COUNT		51.000	51.000	50.000	50.000
Positions - FTE COUNT		0.375	0.375	0.375	0.375
Personal Services		2,590,147	2,653,368	2,710,931	2,800,634
All Other		1,529,327	1,579,933	1,579,933	1,579,933
	Total	4,119,474	4,233,301	4,290,864	4,380,567
Department Summary - OFFICE OF INFORMATION SERVICES FUND					
Positions - LEGISLATIVE COUNT		481.000	481.000	484.500	484.500
Positions - FTE COUNT		0.456	0.456		
Personal Services		19,357,868	40,090,613	40,655,930	41,748,086
All Other		7,638,432	7,641,513	16,762,839	16,762,880

Department Summary - OFFICE OF INFORMATION SERVICES FUND				
Capital Expenditures			12,659,337	8,628,114
Total	26,996,300	47,732,126	70,078,106	67,139,080
Department Summary - RISK MANAGEMENT FUND				
Positions - LEGISLATIVE COUNT	5.000	5.000	5.000	5.000
Personal Services	360,412	374,422	370,986	380,728
All Other	247,729	233,719	3,515,976	3,515,976
Total	608,141	608,141	3,886,962	3,896,704
Department Summary - WORKERS' COMPENSATION MANAGEMENT FUND				
Positions - LEGISLATIVE COUNT	12.000	12.000	13.000	13.000
Personal Services	1,240,610	1,272,545	1,365,019	1,392,231
All Other	18,104,565	18,104,565	18,111,530	18,112,182
Total	19,345,175	19,377,110	19,476,549	19,504,413
Department Summary - CENTRAL MOTOR POOL				
Positions - LEGISLATIVE COUNT	15.000	15.000	15.000	15.000
Personal Services	792,788	830,536	847,864	874,653
All Other	4,561,939	4,592,377	6,015,188	6,095,627
Total	5,354,727	5,422,913	6,863,052	6,970,280
Department Summary - REAL PROPERTY LEASE INTERNAL SERVICE FUND				
Positions - LEGISLATIVE COUNT	3.000	3.000	3.000	3.000
Personal Services	196,748	203,662	226,057	231,116
All Other	20,493,008	20,486,094	23,136,094	23,619,094
Total	20,689,756	20,689,756	23,362,151	23,850,210
Department Summary - BUREAU OF REVENUE SERVICES FUND				
All Other	625,000	150,000	150,000	150,000
Total	625,000	150,000	150,000	150,000
Department Summary - RETIREE HEALTH INSURANCE FUND				
All Other	48,400,235	48,400,235	48,400,235	48,400,235
Total	48,400,235	48,400,235	48,400,235	48,400,235
Department Summary - ACCIDENT, SICKNESS & HEALTH INSURANCE INTERNAL SERVICE FUND				
Positions - LEGISLATIVE COUNT	14.000	14.000	14.000	14.000
Personal Services	809,775	851,074	864,329	889,351
All Other	777,665	741,289	922,483	953,473
Total	1,587,440	1,592,363	1,786,812	1,842,824
Department Summary - STATEWIDE RADIO AND NETWORK SYSTEM RESERVE FUND				
All Other	279,044	1,652,040	1,712,000	3,423,253
Total	279,044	1,652,040	1,712,000	3,423,253
Department Summary - STATE ADMINISTERED FUND				
All Other	2,094,628	2,094,628	2,043,128	2,043,128
Total	2,094,628	2,094,628	2,043,128	2,043,128
Department Summary - STATE LOTTERY FUND				
Positions - LEGISLATIVE COUNT	28.000	28.000	26.000	26.000
Personal Services	1,678,769	1,756,900	1,733,842	1,771,176
All Other	2,932,139	2,932,139	2,932,139	2,932,139
Total	4,610,908	4,689,039	4,665,981	4,703,315
Department Summary - RETIREE HEALTH INSURANCE - LAW ENFORCEMENT/FIRE FIGHTERS				
Positions - LEGISLATIVE COUNT		1.000	1.000	1.000
Personal Services		26,000	52,209	54,660
All Other		55,000	57,183	57,234
Total	0	81,000	109,392	111,894

LOTTERY OPERATIONS 0023

What the Budget purchases:

The Maine State Lottery exists to provide the citizens of Maine with fun and exciting entertainment through the complete distribution and sale of instant lottery tickets and Powerball, Tri-State Pick 3 and Pick 4, Triple Play and Megabucks on-line games.

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Program Summary - STATE LOTTERY FUND					
Positions - LEGISLATIVE COUNT		28.000	28.000	27.000	27.000
Personal Services		1,678,769	1,756,900	1,777,592	1,817,566
All Other		2,932,139	2,932,139	2,932,139	2,932,139
	Total	4,610,908	4,689,039	4,709,731	4,749,705

Initiative: Eliminates one vacant Inventory and Property Assistant position. The reduction in headcount will be used to offset headcount requested in the Workers' Compensation Management Fund.

		2007-08	2008-09
STATE LOTTERY FUND			
Positions - LEGISLATIVE COUNT		-1.000	-1.000
Personal Services		(43,750)	(46,390)
	Total	(43,750)	(46,390)

		Actual 2005-06	Current 2006-07	Budgeted 2007-08	Budgeted 2008-09
Revised Program Summary - STATE LOTTERY FUND					
Positions - LEGISLATIVE COUNT		28.000	28.000	26.000	26.000
Personal Services		1,678,769	1,756,900	1,733,842	1,771,176
All Other		2,932,139	2,932,139	2,932,139	2,932,139
	Total	4,610,908	4,689,039	4,665,981	4,703,315

0023 Lottery Operations

Initiative:

BASELINE BUDGET

	2007-08	2008-09
State Lottery Fund	$4,709,731	$4,749,705

Justification:

The mission of the Lottery is to maximize revenue transfers to the General Fund through the effective management of the Lottery's sales. The Bureau will continue to be a reliable and creative organization that provides entertaining products to the public. The Lottery's goals include effectively managing game design; manage inventory and technology to improve profitability; to administer the laws of the State of Maine; and to implement the rules and regulations of the Commission. In addition, the Lottery continues to work with its external stakeholders and partners to maintain excellence in public service. The prime objectives of the Lottery are to monitor the players and agents' perspective in order to increase General Fund revenues by: introducing new types of promotions to increase overall sales and profits; increase and enhance information provided to agents and players on games, prizes, and sales promotions to maintain interest in lottery games. The Lottery will maximize the use of technology in order to produce a complete product line; capture and leverage current consumer demographic information through surveys and research projects to formulate specific strategies to address market demands; utilize new technology to enhance our product availability and increase its value to consumers by being customer friendly; and develop a partnership between the Lottery and our services providers.

Initiative:

Eliminates one vacant Inventory and Property Assistant position. The reduction in headcount will be used to offset headcount requested in the Workers' Compensation Management Fund.

	2007-08	2008-09
State Lottery Fund	$(43,750)	$(46,390)

Justification:

Eliminates one vacant Inventory and Property Assistant position that is no longer required to meet the operational needs of the program.

TESTIMONY SIGN UP SHEET

JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS
&
JOINT STANDING COMMITTEE ON LEGAL & VETERANS AFFAIRS

DATE: February 13 , 2007

PLEASE PRINT

LD: 499

NAME	TOWN/AFFILIATION	FOR	AGAINST	NEITHER FOR NOR AGAINST	EMAIL ADDRESS OR PHONE
Jonathan Wayne, Exec. Director	Gov. Ethics & Election Practices				
Major General John Libby, Comm.	Dept. Def., Vets, Emer. Management				
Thomas R. Lussier, State Commander	ME Veterans Foreign of Wars	X			tlussier1@maine.rr.com
Arnold L. Leavitt	Aubutn	X			arnold.35l@aol.com
Ray Nagel , CEO	Maine Veterans' Homes	X			rnagel@maineveteranshomes.org
James Bachelder	Acton	X			jame.Bachelder@verizon.net
Janet Richards, Ass't Commissioner	Public Safety				
Pat Fleming, Lieutenant	Special Investigations Inspector				
Rebecca Wyke, Commissioner	Dept. of Adm. & Financial Affairs				
Dan Gwadowski, Director	Alcoholic Beverages & Lottery Div.				

Testimony of Major General John Libby
Commissioner, Department of Defense, Veterans' and Emergency Management

L.D. 499

"An Act To Make Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2008 and June 30, 2009".

Before the Joint Standing Committees on Appropriations and Financial Affairs

February 13, 2007

Good Afternoon Senator Rotundo, Representative Fischer, and members of the Joint Standing Committees on Appropriations and Financial Affairs. Thank you for the opportunity to discuss DVEM's programs and the related biennial budget requests.

The Department of Defense, Veterans and Emergency Management coordinates and administers the discharge of Maine State Government's responsibility relating to military, veterans and civil emergency preparedness through the authorization, planning, provision of resources, administration, operation and audit of activities in these areas. The department is made up of, Maine Army National Guard, Maine Air National Guard, Bureau of Veterans Services, and the Maine Emergency Management Agency.

The Bureau of Veterans Services ensures that Maine veterans and their dependents receive all entitlements due under the law, are relieved to the extent possible of financial hardship, receive every opportunity for self-improvement through higher education and are afforded proper recognition for their service and sacrifice to the Nation.

The Maine Military Authority, falls under the department's umbrella. Maine Military Authority (MMA) is a public instrumentality of the State of Maine. MMA was established in 1997 to operate the Maine Readiness Sustainment Maintenance Center to repair, rebuild, and store military vehicles and equipment for the National Guard Bureau and the U. S Department of Defense.

On pages 9-6 through 9-24 we are requesting 16 initiatives that we believe are essential in order to continue to provide the citizens of Maine the same quality of services we have provided in the past.

MAINE VETERANS' MEMORIAL CEMETERY SYSTEM WORKING GROUP

REPORT TO THE GOVERNOR

on

MAINE'S VETERANS' CEMETERIES

Members:

Major General John W. Libby, Chairman
Senator John Martin, Maine State Senate Representative
Representative John L. Tuttle Jr., Maine House of Representatives
Peter Ogden, Director, Bureau of Maine Veterans' Services
David Richmond, Maine Veterans Memorial Cemetery System
Gary Lawyerson, Maine Veterans Coordinating Committee
Kelley Wynne, American Veterans (AMVETS)
Violette Murphy, American Legion
Rosemarie Lane, Veterans of Foreign Wars (VFW)
Roger Brunelle, Disabled American Veterans (DAV)
L. Michael Murphy, Maine Funeral Directors Association
Harry Hafford, Northern Maine Veterans' Cemetery Association
Arthur Roy, Maine Veterans' Cemetery Association
Raymond M. Parent, Southern Maine Veterans' Cemetery Association

Executive Summary

The Maine Veterans' Memorial Cemetery System Working Group was established by the Governor to "review and assess the State's Veterans' Cemeteries for their: ability to provide burial services befitting veterans; availability of timely burials; accessibility to families; appearance; adherence to national cemetery standards; and perpetual care requirements." In carrying out this charge the Working Group reviewed and assessed the State's ability to operate and maintain the Veterans' cemeteries as identified in State Statues 37-B, Chapter 7, § 504. The Group then prepared this comprehensive report that addresses the State's obligation to operate and maintain the veterans' cemeteries, balanced against the State's ability to fund the cemeteries. Based on these findings, the Working Group makes the following ten recommendations:

1. Implement the proposed staffing and operating budget model found in Annex F.

2. Recommend that the plot allowance of $300.00 per eligible veteran received from the Veterans Administration stay within Veterans' Cemetery System and be used for perpetual care of the cemeteries; and that it not be used to offset the cost of annual personnel positions.

3. Change the State Statues to allow use of upright headstones in all of the veteran cemeteries. Veteran/family will have choice of flat or upright headstone.

4. State of Maine continues to provide free burial of spouse and eligible dependents in the Maine Veterans' Cemetery System.

5. State of Maine continues the no-residency policy for burial in the Maine Veterans' Cemetery System.

6. State of Maine continues with the policy of not placing small miniature American flags on individual graves of veterans buried in the Maine Veterans' Memorial Cemeteries, but allows family/friends or Veterans Organizations to place them on individual veteran's graves on Memorial Day only.

7. State of Maine change policy of providing one plot each for veteran and spouse to a policy of burying veteran and spouse in same plot. This change would only effect burials in new sections of the cemeteries.

8. Change Job Description titles of workers in cemetery system from Heavy Equipment Operator and Groundskeeper to Cemetery Worker I – III. Use current National Cemetery job descriptions for basis of new jobs.

9. Show the Maine Veterans' Memorial Cemetery System Budget request as a stand-alone line-item(s), by regional cemetery, within the Departmental budget submission.

10. Charge DVEM with obtaining an opinion from the Attorney General's office regarding the possibility of adding a fee to generate revenue derived from vehicle registration and/or specialty plates, that could become dedicated revenue for MVMCS.

Note: Full text of recommendations can be found on pages 20-30.

Appropriations Committee Response

MG Bill Libby

Defense, Veterans and Emergency Management

During my testimony on the Department's Budget as outlined in LD 499, I was asked to respond to two questions.

Page 9-16, Initiative: Provides funding for repairs and maintenance of state armories

What are the Department's priorities for the proposed $543,263 and federal match money?

We have a capitol projects list on file with BGS for $9 million.

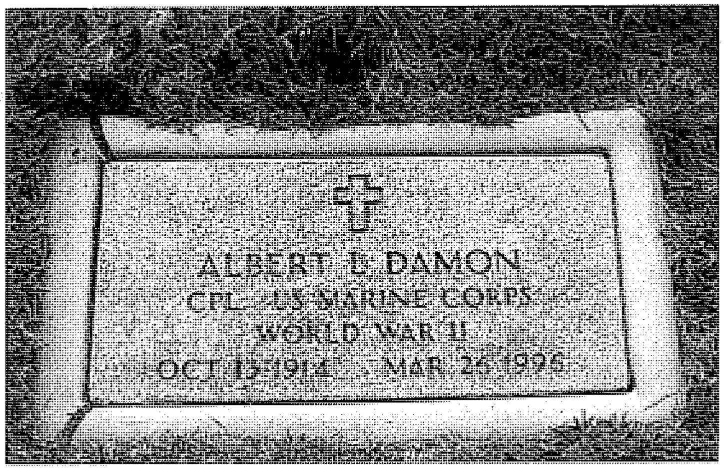
Our immediate priorities are for upgrades to the Waterville Armory ($350K State and $350K Federal) and upgrades to the Brewer Armory ($485K State and $485K Federal).

Follow-on priorities include: Sprinkler System Upgrades statewide, asbestos removal at Camp Keyes, Houlton Armory roof replacement, and the Fort Kent Armory roof replacement.

Page 9-24, Initiative: Adjusts funding for supporting existing information technology

Is this a purchase or lease program?

This money is intended to lease new technology from OIT and is based on their proposal to upgrade our existing technology to allow web based access from remote sites and provide appropriate security for personal data. Replacement of this technology in the out years would be determined by OIT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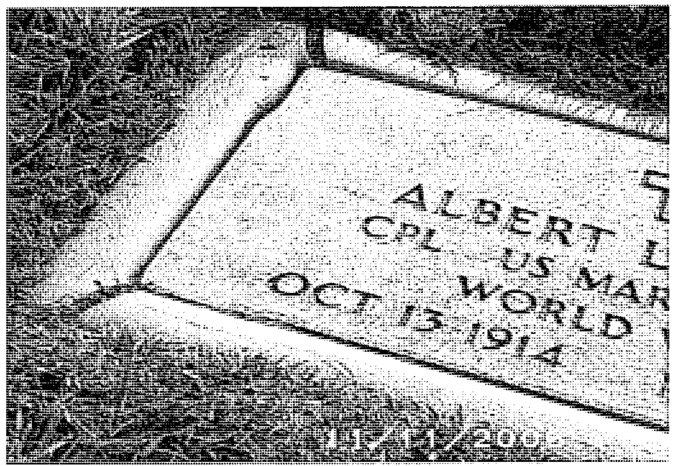
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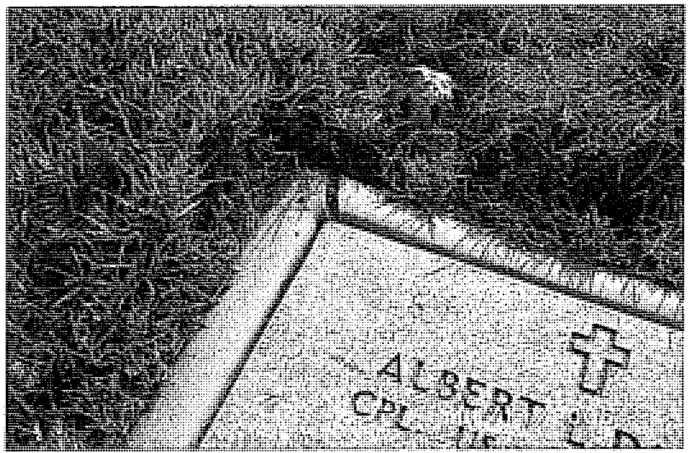
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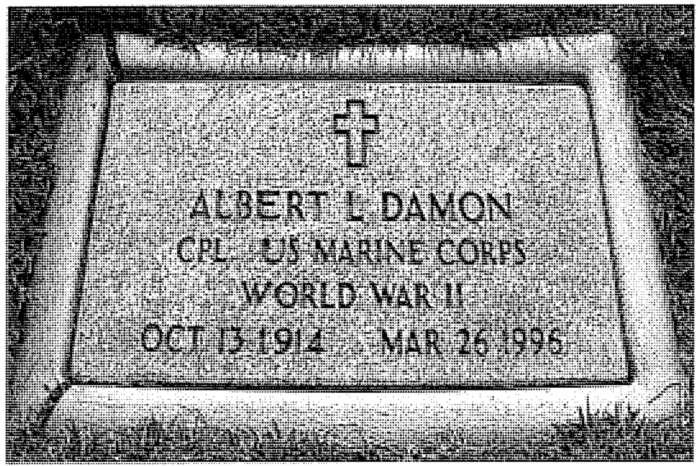
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Gen. Libby

Work Group Report Recommendations	Governor's 2008/2009 Budget
1. Implement the proposed staffing and operating budget model found in Annex F.	**Budget adds $75k for mowing contract, $60k for Capitol repair, $12k for lease of 2 diesel dump trucks, and $60k for heavy equipment mechanic**
2. Recommend that the plot allowance of $300.00 per eligible veteran received from the Veterans Administration stay within Veterans' Cemetery System and be used for perpetual care of the cemeteries; and that it not be used to offset the cost of annual personnel positions	**Budget converts Secretary (MVR), Grounds Equipment Supervisor (Caribou), and Equipment Operator (Caribou) to State employees**
3. Change the State Statues to allow use of upright headstones in all of the veteran cemeteries. Veteran/family will have choice of flat or upright headstone.	**Department Bill in to add 42 inch upright white marble headstones to law**
4. State of Maine continues to provide free burial of spouse and eligible dependents in the Maine Veterans' Cemetery System	No change
5. State of Maine continues the no-residency policy for burial in the Maine Veterans' Cemetery System	No change
6. State of Maine continues with the policy of not placing small miniature American flags on individual graves of veterans buried in the Maine Veterans' Memorial Cemeteries, but allows family/friends or Veterans Organizations to place them on individual veteran's graves on Memorial Day only.	No change
7. State of Maine change policy of providing one plot each for veteran and spouse to a policy of burying veteran and spouse in same plot. This change would only effect burials in new sections of the cemeteries.	**Policy changed will start in new cemetery sections in Caribou and MVR**
8. Change Job Description titles of workers in cemetery system from Heavy Equipment Operator and Groundskeeper to Cemetery Worker I – III. Use current National Cemetery job descriptions for basis of new jobs.	Working
9. Show the Maine Veterans' Memorial Cemetery System Budget request as a stand-alone line-item(s), by regional cemetery, within the Departmental budget submission.	State updating budgeting system Bureau budget/work program reflects regional cemetery breakout
10. Charge DVEM with obtaining an opinion from the Attorney General's office regarding the possibility of adding a fee to generate revenue derived from vehicle registration and/or specialty plates, that could become dedicated revenue for MVMCS	Working

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

Testimony of Jonathan Wayne, Executive Director
Maine Commission on Governmental Ethics and Election Practices
on LD 499 (2008 and 2009 Budget Bill)

Joint Standing Committee on Appropriations and Financial Affairs
Joint Standing Committee on Legal and Veterans Affairs
February 13, 2007

Senator Rotundo, Representative Fischer, Senator Marraché, Representative Patrick, members of the committees: My name is Jonathan Wayne. I am the Executive Director of the Maine Commission on Governmental Ethics and Election Practices.

LD 499 authorizes the Commission to reorganize the duties of our Commission Assistant. We have an excellent employee in this position, Cyndi Phillips, and we would like to assign her increased responsibilities to help us operate better. We propose to fund the increase through moving about $6,000 per year from All Other to Personnel in the Maine Clean Election Fund.

I would like to mention briefly a few items that are not in the Governor's budget bill. In its own legislation, the Commission is asking that in fiscal year 2009 the annual transfer of $2 million from the General Fund to the Maine Clean Election Fund be made four months early on September 1, 2008. This is necessary to have sufficient funding to make payments to legislative candidates in the last two months before the 2008 general election.

I also wanted to mention that the Commission had specified in its budget request that it wished to hire two project positions in 2008 to handle our increased responsibilities during the Election Year. The Legislature had approved these project positions in 2006, and last year they were important to our ability to give candidates adequate advice and to monitor how candidates spent their public funds. Due to a technical reason involving our cash carry-forward from this fiscal year to 2008, our request for these project positions was not included in the budget bill. The Bureau of the Budget has informed us that we can ask for these project positions through a financial order this fall, and that is our intention.

Also, although there is adequate funding for the Maine Clean Election Act in the 2008 elections, there will be insufficient money in the Maine Clean Election Fund for the 2010 elections. So, it is likely that two years from now the Commission will have to ask for additional amounts of the $6.7 million that was transferred from the Fund in 2002.

Thank you for your courtesy in considering this testimony.

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Joint Standing Committee on Appropriations and Financial Affairs

Cc: Joint Standing Committee on Legal and Veterans Affairs

From: Jonathan Wayne, Executive Director

Date: May 3, 2007

Re: Responses to Your Questions

In the sections below, I have responded to the questions that you posed. If you have further questions, please be aware that from May 3 to May 7 I will be out of state and Assistant Director Paul Lavin is available to respond. His direct number is 287-3024.

1. How much would the State of Maine save if the Maine Clean Election Act (MCEA) required candidates for Governor to collect 3,250 qualifying contributions in order to receive public funding?

If the Legislature were to require 3,250 qualifying contributions and collect $15,000 in seed money (the Commission has proposed the latter requirement), I estimate that the savings to the state would be $1,400,000 (by eliminating one party candidate) or $2,600,000 (by eliminating one party and one independent candidate). Please be aware that there is an unavoidable element of speculation in this estimate, because it is impossible for the Commission to predict now how many gubernatorial candidates will qualify for public funding in 2010.

I urge you to review the figures on page 4 which show that the 2010 shortfall in the Maine Clean Election Fund could be reduced considerably if higher qualifications are adopted for gubernatorial candidates and if the Commission does not advance the maximum in matching funds to legislative candidates.

2. How much would the State of Maine save if it suspended MCEA funding for the gubernatorial election in 2010 for one election only?

I estimate that the cost of the gubernatorial program for the 2010-2011 biennium would be $2,800,000 to $5,400,000. This amount could be saved if funding for the gubernatorial election were suspended for 2010. The Legislature will have much more information in the 2009 legislative session (after the 2008 elections) with which to make this decision.

OFFICE LOCATED AT: 242 STATE STREET, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS

PHONE: (207) 287-4179 FAX: (207) 287-6775

3. How much would be saved if the Commission did not advance the maximum matching funds to legislative candidates and instead paid only the matching funds that they were authorized to spend?

In prior election years, when a candidate first became authorized to spend any matching funds, the Commission advanced to the candidate the maximum amount of matching funds that the candidate might be authorized to spend. Two weeks after the general election, candidates were required to return all matching funds that they were not authorized to spend.

Total Amount Advanced to Legislative Candidates	$2,000,280
Total Candidates Were Authorized to Spend	$618,905
Total of Unauthorized Funds Returned by Candidates	$1,381,375

So, in 2006, if the Commission did not advance unauthorized matching funds it would have needed $1,381,375 less in cash reserves to make these payments. Please note that there would have been no net savings to the state, but it would have reduced the balance in the Maine Clean Election Fund that the Commission needed to administer the program.

If the Commission had not advanced matching funds in 2006, I estimate that the State of Maine could have saved $5,725 in interest. This is calculated based the interest that the $1,381,275 in unauthorized funds would have earned in the state's accounts during the period of October 27, 2006 (the median date of authorizations made to candidates) to November 20, 2006.

4. What is the Commission staff's recommendation on not advancing matching funds?

The Commission staff recommends continuing to advance some unauthorized matching funds to legislative candidates. After seeking input from legislative leadership and our oversight committee, we would be pleased to consider creative ways to advance smaller amounts of matching funds in future elections. For example, the Commission could advance ½ of the maximum amount. Alternatively, the Commission staff could identify in advance those legislative districts that are likely to be most competitive based on objective factors such as vote totals and independent expenditures in 2006, and could advance the maximum amount of matching funds only in those districts.

Advancing matching funds to candidates that they are not authorized to spend has two advantages:

(1) Candidates who receive multiple authorizations of matching funds have the cash in their bank accounts during the last week of the election so that they can spend the funds as soon as they receive a verbal authorization by the Commission. This is especially beneficial for candidates in the most competitive races – particularly in the last weekend. I confirmed with our accounting technician that even with electronic funds transfer, it takes two

business days for the state to make a payment to a candidate. If the candidate has to wait to receive separate authorized amounts from the state, during the last week before the election some candidates will not receive the funds in time to spend them before the election.

(2) It is administratively easier for the state to make a single payment to each candidate when they first receive matching funds. For example, in the 2006 general election the Commission was able to make single payments to 150 candidates who qualified for matching funds instead of 556 separate payments.

In the 2006 elections, 128 candidates for the House and 22 candidates for the Senate received matching funds for the general election. On average House candidates received 3.75 authorizations, on average Senate candidates 3.45 authorizations. The breakdown of the total 480 matching funds authorizations to House candidates was:

12 authorizations	Received by 1 candidate
10 authorizations	Received by 3 candidates
9 authorizations	Received by 4 candidates
8 authorizations	Received by 6 candidates
7 authorizations	Received by 8 candidates
6 authorizations	Received by 7 candidates
5 authorizations	Received by 15 candidates
4 authorizations	Received by 12 candidates
3 authorizations	Received by 18 candidates
2 authorizations	Received by 25 candidates
1 authorization	Received by 29 candidates

On page 5, I have included a calendar showing the number of matching funds authorizations the Commission made to legislative candidates on each day during the final two weeks before the 2006 general election. Candidates were <u>more</u> able to spend the 149 matching funds authorizations made on the Thursday through Saturday before the election, because the funds were already in many of their bank accounts. If we had to electronically transfer or mail those last-minute matching funds payments, it is less likely that the candidates would have an opportunity to spend them.

Thank you for your consideration of this memo.

Total Cost of MCEA Gubernatorial Program in 2010

Current Qualification Requirements for Governor

High Participation Scenario		*Moderate Participation Scenario*	
3 Party Candidates 1 Independent	Total Cost $5,400,000	2 Party Candidates 1 Independent	Total Cost $4,000,000

Higher Qualification Requirements for Governor

High Participation Scenario		*Moderate Participation Scenario*	
2 Party Candidates 1 Independent	Total Cost $4,000,000	2 Party Candidates	Total Cost $2,800,000

Unreturned Portion of Transfers from MCEA Fund

2002-2003 Transfers from Fund	Total Returned	Unreturned Amount
$6,725,000	$3,600,000	$3,125,000

Projected Shortfall in 2010
(includes legislative and gubernatorial races)

Notes:
- presumes no transfer of unreturned $3,125,000
- presumes full $2,000,000 transfer from General Fund in FY 2009
- 2010 shortfall can be reduced further by $1,800,000 by not advancing of matching funds to legislative candidates

	Projected shortfall in 2010	Projected shortfall w/o advances of matching funds
Preliminary Projection 3 party candidates, 1 independent	-$5,470,409	-$3,670,409
2 party candidates, 1 independent	-$4,062,569	-$2,262,569
2 party candidates	-$2,862,569	-$1,062,569

Number of Matching Funds Authorizations Made Each Day in the Two Weeks Prior to Election Day
(Legislative candidates only)

October

Sunday	*Monday*	*Tuesday*	*Wednesday*	*Thursday*	*Friday*	*Saturday*
		24 1	25 5	26 41	27 18	28 72
29 17	30 57	31 40				

November

Sunday	*Monday*	*Tuesday*	*Wednesday*	*Thursday*	*Friday*	*Saturday*
			1 39	2 64	3 21	4 64
5 4	6 1	ELECTION DAY 1				

HOUSE OF REPRESENTATIVES
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MEMORANDUM

Date: April 24, 2007

To: Senator Peggy Rotundo and Representative Jeremy Fischer, Chairs
Members, Committee on Appropriations and Financial Affairs
123rd Maine Legislature

From: Representative John L. Patrick, House-chair
Committee on Legal and Veterans' Affairs

RE: Maine Clean Election Fund

The Legal and Veterans' Affairs Committee is planning to meet with Jonathan Wayne, Executive Director of the Commission on Governmental Ethics and Election Practices, Wednesday at 1pm prior to our previously scheduled public hearings. It is my understanding that you requested that he confer with the committee regarding changes to the Maine Clean Election Act that may have as a result, a cost savings to the fund.

LVA currently has several bills up for consideration that propose amendments to the Maine Clean Election Act, some are similar to those your committee discussed with Mr. Wayne. I wanted to point out some of those changes being considered, but not yet debated or voted on, as they could potentially impact the fund. These proposals are not being considered through a lens of cost savings/increases, generally, but rather more from a policy perspective.

Some proposals to amend the Maine Clean Election Act before LVA:

1. Increasing qualifying contribution requirements for gubernatorial and legislative candidates;
2. Requiring a minimum amount of seed money be raised as a condition of MCEA certification;
3. Extending the 21 day period during which certain expenditures are considered independent expenditures that will trigger matching fund distributions;
4. Eliminating matching funds for primary races;
5. Reducing initial distributions from the fund based on how much seed money is raised during the certification process;

6. Raising the $5 qualifying contribution (up to $40);
7. Permitting the use of qualifying contributions as seed money;
8. Limiting the number of unenrolled gubernatorial candidates who may receive MCEA funds;
9. Permitting the use of private funds in addition to MCEA funds under certain circumstances;
10. Creating an MCEA funding option for leadership races; and
11. Permitting qualifying contributions to be made online and possibly including an additional option to make a donation directly to the MCEA fund.

This list is intended to give you a general idea of the issues that LVA will be considering with regard to the Maine Clean Election Act. A worksession for all MCEA bills before LVA is scheduled for May 16th.

Following LVA's meeting with Mr. Wayne, I expect that you will receive correspondence from the committee addressing the points you have asked him to consider.

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Administrative Account, funds the salaries and expenses of the Commissioner and Deputy Commissioner. We have not requested any changes to this account.

Loring Rebuild facility account; this account funds all of MMA personal, all other and capital expenditures. We have not requested any changes to this account. This account is fully funded by the Federal government; no General Fund monies are associated with this account.

Military Educational Benefits account, this Special Revenue Account is solely for the benefit of our soldiers educational pursuits.

Military Training & Operations account, funds the Army and Air National guard, personal expenses and all other expenditures. We have requested seven initiatives as seen on pages 9-13 through 9-18. In short one initiative provides funding for repairs and maintenance of State armories in accordance with Public Law 2005, chapter 634. We have streamlined our financial processes and revised the Centralized Personnel Plan (CPP) in accordance with the cooperative agreement. In doing so, it was necessary to reallocate personal service to correctly reflect each programs proportional share of the cost of four positions. One project position is being made permanent. Two temporary positions were made permanent with the passing of Public Law 2005, Chapter 386. We were able to eliminate two positions through attrition. And we are reducing the bi-weekly hours of one position to fund upgrade of another position.

Veterans' Services account supports various services to Maine veterans. We have requested nine initiatives as seen on pages 9-19 through 9-24. The first initiative provides funding to lease two trucks from Central Fleet for use in the cemeteries. Five initiatives are in direct response to the recommendation of the Cemetery Working Group. One initiative provides assistance to soldiers and their family through the National Guard Family Assistance Program, which is funded from Maine taxpayers and private funding. Two initiatives are OIT related; one adjusts funding for existing OIT support, and the other provides funding for a new system and support.

Testimony of Janet Richards
Assistant to the Commissioner of Public Safety

Regarding L.D. 499

"An Act To Make Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2008 and June 30, 2009".

Before the Joint Standing Committees on
Appropriations and Financial Affairs
and
Legal and Veterans' Affairs

February 13, 2007

Good afternoon Senator Rotundo, Representative Fischer, Senator Marraché, Representative Patrick, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Legal and Veterans' Affairs. My name is Janet Richards, and I am the Assistant to the Commissioner for Public Safety. Thank you for the opportunity to discuss with you the Department's programs and biennial budget requests.

Gambling Control Board (Z002) Committee *Packet, Page 9-25*

The Gambling Control Unit was formed following the 2003 statewide referendum that authorized slot machines in Bangor. The Gambling Control unit is responsible for the licensing, registration, inspection and monitoring of all activities at licensed slot facilities. The General Fund appropriation provides for the licensing of the machines and the employees at the facility. Inspectors also monitor the machines and operations at the facility, and work with local law enforcement on investigations of crimes involving racino employees or patrons. The Gambling Control Board also employs an auditor to monitor racino income, and to ensure proper payment of taxes to the State.

There are two initiatives included in the biennial budget package. The first item increases the Other Special Revenue fund All Other allocation, based on projections from the Revenue Forecasting Committee. A portion of the revenue is passed through to the City of Bangor. The projected increases are approximately $90,000 in 2008 and $250,000 in 2009. The large increase in 2009 is due to the opening of the permanent slot facility in Bangor, which Penn National anticipates will open in August 2008.

The second request deappropriates funds from the General Fund account. The base budget for the Gambling Control Board was developed using industry information and experiences in other states. Our experience over the last year has indicated that the original projections were higher than needed to administer the program. Therefore, $815,866 in General Funds can be deappropriated in 2008. The amount for 2009 is less, because of the opening of the permanent facility, which will increase the number of slot machines and, in turn, the cost of monitoring operations. The deappropriation in 2009 is $693,626.

Liquor Enforcement (0293) Committee ***Packet, Page 9-27***

The second and final program scheduled for this afternoon's hearing is the Liquor Enforcement program. The funds in this program provide for the licensing of alcohol sellers and servers, and for annual compliance inspections. There are 11 positions in this program, all supported by the General Fund. There are no change requests in this program.

This concludes my presentation for this afternoon. I would be happy to address any questions you may have.

TESTIMONY
OF
REBECCA WYKE, COMMISSIONER
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES

Before the Joint Standing Committee on Appropriations and Financial Affairs
And the Joint Standing Committee on Legal and Veterans Affairs

Hearing Date: February 13, 2007

"An Act To Make Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009."

Senators Rotundo and Marraché, Representatives Fischer and Patrick, and Members of the Joint Standing Committees on Appropriations and Financial Affairs and Legal and Veterans Affairs, my name is Rebecca Wyke and I am the Commissioner of the Department of Administrative and Financial Services. I am here today to present testimony in support of those Departmental items presented in the Biennial Budget Document for Lottery Operations.

LOTTERY OPERATIONS

The **Part A Current Services** request for the Bureau of Alcoholic Beverages and Lottery Operations, Division of Lottery Operations, may be found on **page 9-31 of the Committee Copy, Page A-29 of the Budget Document** and beginning on **page 23, line 31 of the LD.**

The Maine State Lottery is responsible for the distribution and sale of instant lottery tickets, as well as the Powerball, Tri-State Pick 3 and Pick 4, Paycheck and Megabucks on-line games. Through effective management of sales, game design, inventory and technology, the Maine State Lottery strives to maintain the profitability of the games for the benefit of General Fund programs. For the upcoming FY08 and 09 biennium, the Lottery is forecasted to transfer $49.8 million per year to the General Fund.

The Bureau of Alcoholic Beverages and Lottery Operations also regulates the beverage alcohol industry to ensure responsible business practices and in this capacity oversees the wholesale liquor contract. For the upcoming FY08 and 09 biennium, the State is forecasted to receive $4.2 million per year in revenue sharing to the General Fund.

The **Part A Initiative** proposes to eliminate one vacant Inventory and Property Assistant position and reduces personal services funding by $43,750 in FY 2008 and $46,390 in FY 2009. Through effective management and streamlining operations this position is no longer required. The reduction in headcount will be used to offset headcount requested in the Workers' Compensation Management Fund.

The change package for the FY08/09 Biennial Budget will include a reduction to the All Other request for allocation from $2,932,139 to $2,135,131 for both FY08 and FY09 to reflect actual expenditures.

That concludes my testimony on items for the Department of Administrative and Financial Services, Division of Lottery Operations. I would be happy to answer any questions you may have at this time.

LOTTERY OPERATIONS	C	A	7	000100	Eliminates one vacant Inventory and Property Assistant position. The reduction in headcount will be used to offset headcount requested in the Workers' Compensation Management Fund.	Eliminates one vacant Inventory and Property Assistant position that is no longer required to meet the operational needs of the program.	(43,750)	(46,390)

Inventory and Property Assistant Position:

Salary Grade 6

62 Hrs/Bi Weekly

Vacant for Approximately 2 Years

Position was responsible for assisting in the mailing and distribution of Lottery tickets and materials to agency stores. The duties are currently performed adequately by 2 Inventory and Property Associate I Positions.

The American Legion

Department of Maine, P.O. Box 900, Waterville, Maine 04903-0900
Tel: (207) 873-3229 FAX (207) 872-0501

Honorable Senator Margaret Rotundo, Chair
Honorable Representative Jeremy Fischer, Chair

12 February 2007

And Honorable Committee members of the Joint Standing Committee on Appropriations and Financial Affairs
I come before you in Support of LD 499 ("**An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009**")

Please forgive me for not being with you today. The lift on my Handicap Van has broken and is being replaced this week, so I am not able to travel until it is finished. Please feel free to contact me by E-Mail or Cell phone if you have any questions.

Within this budget is an increase of funding that has been needed for years. The committee set up by the Governor to look into the Maine Veterans Cemeteries last year found that the budget was way below the needed funding level. **The Committee found that a lot of the Donations made each year by the Veterans Organizations and Families of Veterans for the "BEAUTIFICATION" of the cemeteries was being used for items such as Trucks, Lawn Mowers, Tractors and many items that were needed for the cemetery care, but not funded by the STATE OF MAINE**. For years the complaints have hinged around the lack of Mowing, and Care in all the Maine Veterans Cemeteries. My own family who went to the Cemetery many times last year after a favorite uncle/brother was buried, never once found his grave with less than 10 - 12 inches of grass on it! It was very hard for me to deal with knowing the problems with funding and issues that the Veterans from all around the State of Maine had spoken too deft ears so many years when contacting the Cemetery or State asking why these things happen so often.

My question to you today, is very simple and the same question I have asked for years. Why is it that The State of Maine has forgotten about the Veterans of our nation's wars for so many years? Why is it that after the Civil War, what a Veterans received for his service, from his Community in Maine for service in that war, was more money than he could have earned in his lifetime. And yet his home property tax evaluation was also exempted to the amount of $5,000. Which I am sure was his complete tax bill, for the average soldier. Have we forgotten where we might be if the Soldier had not stepped up, to protect the freedoms we all take for granted?

Has this State forgotten what the Veterans gave us. Has this State forgotten the horrors of the German Death Camps? Has this State forgotten about the death marches? Has this State forgotten the terror of a Submarine off the Coast on Maine during WW2 and how close the war came to the State of Maine. Have we already forgotten those who lost their lives on Sept 11, 2001 in the Twin Towers, The Pentagon, and a field in Pennsylvania. Have we forgotten the 3,100 who have lost their lives in Iraq, or the 23,417 injured or the 353 who have lost their lives in Afghanistan or the 1,110 injured.

I ask, no, not ask, but plead with you, do not turn your backs on the Veterans again. Those Veterans are the ones who gave you the opportunity to sit hear today and listen to this plea. Those veterans gave all that was asked of them, and yes even today are still giving so we can have this great State and Nation. I believe it is time that the Veteran receives his or her Justice from the State of Maine, and is treated as a Hero that he or she really is.

I Thank You for your Time and I look forward to serving you and to Serve this Great State of Maine and Nation.

For God & Country

Don

Donald Simoneau
Commander, Department of Maine
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STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
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04333-0135

To: Joint Standing Committee on Appropriations and Financial Affairs
Joint Standing Committee on Legal and Veterans Affairs
Rebecca Wyke, Commissioner, Department of Administrative and Financial Services
Members, Maine Commission on Governmental Ethics and Election Practices

From: Jonathan Wayne, Executive Director

Date: March 16, 2007

Re: Response to Requests by Appropriations Committee

At today's meeting of the Appropriations Committee Senator Karl Turner asked whether the Ethics Commission could make a recommendation about whether to terminate the public funding of gubernatorial campaigns currently provided for in the Maine Clean Election Act.

I just spoke with Andrew Ketterer, the Commission Chair. The issue raised is an important public policy decision involving voter-initiated legislation. He believes that any recommendation by the Commission would have to be made at a public meeting of the Commission with an opportunity for public comment. <u>He directed me to put the question on the agenda of the next Commission meeting which is scheduled for Thursday, April 5</u>.

In response to Sen. Turner's question about the Commission's request to receive the annual $2 million transfer four months early, I have attached a cash flow chart for fiscal year 2009. It shows that if the annual transfer is received on January 1, 2009, the Commission will have insufficient funds to make matching funds payments in October 2008.

The Commission would be pleased to work with your staff or Commissioner Wyke on other options, including language that would permit the Commission to request a more limited advance on the January 1, 2009 transfer depending on the factual circumstances presented in September 2008.

If I can be helpful in some other way, please telephone me at 287-4179.

OFFICE LOCATED AT: 242 STATE STREET, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS

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Maine Commission on Governmental Ethics and Election Practices
Rough Cash Flow Chart in
Response to 3/16/07 Question by Sen. Karl Turner

	Revenue	Expenditures	Cash Balance
Beginning Balance			$2,433,864.00
July 2008	$4,605.41	$36,744.08	$2,401,725.33
August 2008	$4,605.41	$36,744.08	$2,369,586.66
September 2008	$4,605.41	$1,529,594.08	$844,597.99
October 2008	$4,605.41	$1,529,594.08	-$680,390.68
November 2008	$4,605.41	$36,744.08	-$712,529.35
December 2008	$1,796,025.41	$36,744.08	$1,046,751.98
January 2009	$2,004,605.41	$36,744.08	$3,014,613.31
February 2009	$4,605.41	$36,744.08	$2,982,474.64
March 2009	$4,605.41	$36,744.08	$2,950,335.97
April 2009	$4,605.41	$36,744.08	$2,918,197.30
May 2009	$4,605.41	$36,744.08	$2,886,058.63
June 2009	$220,068.41	$36,744.08	$3,069,382.96

Presumptions

1. The above chart contains the same presumptions listed in the 2/21/07 memo to Rep. Millett.
2. The Commission presumes a carry-forward of $2,433,864 from fiscal year 2008.
3. Matching funds payments totaling $2,985,700 would be made in Sept. and Oct. 2008.
4. Revenue from interest and penalties are allocated evenly through the year.
5. Personnel and administrative costs are allocated evenly through the year.
6. The December 2008 revenue is the return of unspent matching funds, and the June 2009 revenue is income from the taxpayer check-off.

The 4% Fund to Encourage Racing at Maine's Commercial Tracks Preserves Maine Racing

Statewide referendum Question 2 that passed in 2003 initially did not include a fund to share revenues among Maine's tracks. The entire industry (including Capital Seven, Bangor Historic Track and Penn National) agreed, however, in writing that such a fund should be created and funded from the share of revenues that, under Question 2, would have been kept by the slot operator. The overwhelming majorities of the Joint Standing Committee on Legal and Veteran's Affairs and of the House and Senate of the 121st Legislature agreed and created the Fund to Encourage Racing at Maine's Commercial Tracks. Here's why the Fund is desperately needed by Maine harness racing:

- The Governor's task force on harness racing concluded back in 1997 that Maine's commercial tracks need slot machines to survive. If the Downs does not receive at least some revenues from the machines, it is likely to fail;

- The Downs offers MORE live racing than all other Maine tracks and fairs combined;

- The Downs has carried the industry by accumulating operating deficits of nearly $14Million; it needs and deserves help;

- Slot machines at Bangor were expected to hurt and have hurt the simulcast business at Maine's off-track betting facilities and resulted in closing the Bangor OTB; the OTBs support Maine's fairs and tracks with a percentage of their handle; as their handle has declined, Maine's tracks have lost revenues;

- Maine statutes create five separate funds that require entities in harness racing to fund common pools that are divided among tracks based on the racing they offer; slot revenues are appropriately required to participate in such sharing;

- The monies are distributed based live race dates, encouraging tracks to offer more racing, which the tracks have done.

- Every industry group endorsed the 4% fund precisely because it is critical to preserving Maine harness racing until gaming machines arrive at both tracks;

- Because running a meet is so expensive, Maine tracks and horsemen have generally split revenues equally; but commercial tracks split only 4% of the slot monies; the horsemen get 13%;

- The monies came from the percentage that, under Referendum Question 2, would have gone to the slot operator, **not from the State's share**.

Robert J. Tardy
P.O. Box 336
Newport, Me 04953

Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS
13 State House Station, Augusta, Maine 04333-0013
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Fax: (207) 287-1275

MEMORANDUM

Date: **March 15, 2007**

To: **Members, Legal and Veterans' Affairs**
Members, Appropriation and Financial Affairs

From: **Danielle Fox, policy analyst**

RE: **Information regarding slot machine distributions**

Attached please find the statutory language that created the funds to be recipients of slot machine revenue for commercial tracks (4% divided among 2 commercial tracks) and off-track betting facilities (2% for 5 facilities, reduced to 1% in 2009). You will note that neither fund places requirements on how that money is to be spent.

Also attached is the language pertaining to the distribution of slot machine revenue as proposed by the initiated bill passed by the voters. The funds that were not considered in the initiated bill but became part of the law enacted by LD 1820 are the funds mentioned above and a distribution to the host municipality.

Finally, attached is the fiscal note with projections for slot machine revenue through 2006-07. This note anticipated an earlier start date for the racino (actual start date was 11/4/05) and operation of the maximum number of slot machines (1500) by year three. The current number of slot machines in operation is approximately 475. An increase in the number of machines (reportedly just over 1000 machines) is expected with the opening of a new facility.

LVA will be requesting information from Henry Jackson and representatives from the commercial tracks and OTBs regarding the use of funds from racino revenue.

I hope you find this information helpful. Feel free to contact me if you have any questions.

Four percent of 39% distribution from slot machine revenue:

8 § 299. Fund to Encourage Racing at Maine's Commercial Tracks

1. Fund created. The Fund to Encourage Racing at Maine's Commercial Tracks is established to provide revenues to Maine's commercial tracks.

2. Distribution. On May 30th, September 30th and January 30th, all amounts credited to the fund established by this section as of the last day of the preceding month and not distributed before that day must be distributed to each commercial track licensed under section 271, with each track receiving that amount of the money available for distribution determined by multiplying that amount times a fraction, the numerator of which is the total number of live race days conducted by the commercial track during the preceding time period and the denominator of which is the total number of race days conducted by all commercial tracks licensed under section 271 during that time period. The payment in January must be adjusted so that for the prior 3 time periods each commercial track receives that fraction of the total money distributed over the full year from the fund established by this section, the amount determined by multiplying the total amount of money times a fraction, the numerator of which is the number of live race days conducted by the commercial track during the calendar year and the denominator of which is the total number of race days conducted by all commercial tracks licensed under section 271 during that calendar year.

Section history:

2003, c. 687 , § A4 (NEW). 2003, c. 687 , § B11 (AFF).

Two percent of 39% of slot machine revenue to OTBs -reduced to 1% in 2009

8 § 300. Fund to Stabilize Off-track Betting Facilities

1. Fund created. The Fund to Stabilize Off-track Betting Facilities is established to provide revenues to those off-track betting facilities licensed and in operation as of December 31, 2003.

2. Distribution. On May 30th, September 30th and January 30th, all amounts credited to the fund established by this section as of the last day of the preceding month and not distributed before that day must be distributed to each of Maine's off-track betting facilities licensed and in operation as of December 31, 2003. Distributions must be made in equal amounts to each off-track betting facility in operation as of the date of the distribution.

Section history:

2003, c. 687 , § A4 (NEW). 2003, c. 687 , § B11 (AFF).

Distributions as proposed in initiated bill:

§923. Allocation of funds

1. Distribution from commercial track. A licensee shall collect and distribute gross slot income from slot machines operated by the licensee as follows.

A. Twenty-five percent of total gross slot income must be sent to the commission for distribution by the commission as follows:

1% State

(1) One percent of total gross slot income must be retained for administrative expenses of the commission. An amount not to exceed $250,000 may be expended by the commission for addiction counseling services in accordance with rules adopted by the commission;

7% to purses

(2) Seven percent of total gross slot income must be used by the commission to supplement harness racing purses and must be disbursed for that purpose at the times and in the manner prescribed in section 296;

1% sire stakes

(3) One percent of total gross slot income must be credited by the commission to the Sire Stakes Fund created in section 281;

3% Fairs

(4) Three percent of the total gross slot income must be forwarded by the commission to the Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund established in Title 7, section 76;

10% Pres. drugs

(5) Ten percent of the total gross slot income must be forwarded by the commission to the State Controller to be credited to the Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a separate account under Title 22, section 1511, subsection 10, with use of funds in the account restricted to the purposes described in Title 22, section 1511, subsection 6, paragraph E;

2% scholarships UMS

(6) Two percent of the total gross slot income must be forwarded by the commission to the Finance Authority of Maine for application to the University of Maine System Scholarship Fund created in Title 20-A, section 11631; and

1% scholarships Community colleges

(7) One percent of the total gross slot income must be forwarded by the commission to the board of trustees of the Maine Technical College System to be applied by the board to fund its scholarships program under Title 20-A, section 12716, subsection 1.

B. The balance of the gross slot income must be retained by the licensee from which the licensee is required to pay the slot machine distributor and all other expenses associated with the operation of the slot machines.

Please note pages 3 and 4

C~~u~~rrently
475 machines
operating at
Bangor

121st Maine Legislature
Office of Fiscal and Program Review

LD 1820
An Act To Establish the Gambling Control Board To License and Regulate Slot Machines at Commercial Harness Racing Tracks

LR 2664(03)
Fiscal Note for Bill As Amended by Committee Amendment " "
Committee: Legal and Veterans Affairs
Fiscal Note Required: Yes
Majority Report

Actual → Bangor slot machine facility operation start date 11/4/05

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	$161,116	($1,035,867)	($2,061,689)	($6,886,982)
Fund For Healthy Maine	$0	$1,076,557	$24,480	$62,400
Appropriations/Allocations				
General Fund	$0	$1,825,778	$2,178,545	$3,859,394
Other Special Revenue Funds	$0	$3,952,506	$8,088,055	$20,585,895
Revenue				
General Fund	($161,116)	$2,861,645	$4,240,234	$10,746,376
Fund For Healthy Maine	$0	($1,076,557)	($24,480)	($62,400)
Other Special Revenue Funds	($38,717)	($64,449)	$3,186,617	$8,193,428

Fiscal Detail and Notes

This bill effectively amends certain provisions of IB 2003, c.1 (LD 1371) which authorized slot machines to be located at commercial horse racing tracks. The revenue impacts of IB 2003, c.1 were factored into budgeted revenue estimates. The revenue impacts identified above for the General Fund, the Fund for a Healthy Maine and Other Special revenue Funds reflect the net (incremental) revenue impacts of amending the Inititiated Bill. However, because the Initiated Bill could not be amended by the Legislature to include the necessary appropriations and allocations it needed, the appropriations and allocations section included in this bill reflects the full costs of enacting this bill (LD 1820).

Revenue Summary of General Fund and Fund for Healthy Maine
Baseline Revenue from IB 2003, c.1 (LD 1371)

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
General Fund				
Baseline Revenue for IB 2003, c.1; LD 1371	$161,116	($337,327)	($414,236)	($1,055,603)
Revenue Generated by LD 1820	$0	$2,524,318	$3,825,998	$9,690,773
Net General Fund Revenue Effect	**($161,116)**	**$2,861,645**	**$4,240,234**	**$10,746,376**
Fund for Healthy Maine				
Baseline revenue for IB 2003, c.1; LD 1371	$0	$2,661,450	$3,257,640	$8,307,000
Revenue Generated by LD 1820	$0	$1,584,893	$3,233,160	$8,244,600
Net Fund For Healthy Maine Revenue Effect	**$0**	**($1,076,557)**	**($24,480)**	**($62,400)**
Other Special Revenue Funds				
Baseline revenue for IB 2003, c.1; LD 1371	$38,717	$4,016,955	$4,901,438	$12,392,467
Revenue Generated by LD 1820	$0	$3,952,506	$8,088,055	$20,585,895
Net Other Special Revenue Funds Effect	**($38,717)**	**($64,449)**	**$3,186,617**	**$8,193,428**

This bill is different from the initiated bill in several respects:

First, because of the delay in implementation since the initiated bill became law (effective date of January 4, 2004), the fiscal impacts for fiscal year 2003-04 identified in the initiated bill are no longer applicable.

Second, this bill replaces the State Harness Racing Commission as the agency charged with the regulatory responsibility for overseeing the use of slot machines at race tracks with a new Gambling Control Board which will be part of the Department of Public Safety. The use of a different regulatory agency results in different enforcement costs.

Third, the distribution of proceeds from gross slot income has been significantly changed, including a reduction in the distribution for the owner of the racetrack and new distributions for certain functions of state and municipal government. A number of distributions to state government remain unchanged.

Finally, the method by which the regulatory costs of state government are paid has been changed. The Initiated Bill reserved 1% of gross slot income as Other Special Revenue for the costs that would be incurred by Maine State Government to provide administrative and regulatory oversight over the operation of the authorized slot machine facilities. Because this was not adequate to cover the costs of state government, the fiscal note for the Initiated Bill reflected a significant General Fund cost. The provisions of this bill, as amended, specify that 1% of total slot income and 3% of gross slot income is to be deposited into the General Fund. The resources that have been reserved for regulatory and enforcement purposes in this bill are adequate to cover the regulatory costs of state governement.

John W. Libby
Major General
Commissioner
207-626-4205

Peter W. Ogden
Director
207-626-4464

Department of Defense, Veterans and Emergency Management
Maine Veterans' Services
117 State House Station, Augusta, ME 04333-0117
Tel.: 207-626-4464

April 23, 2007

Office of the Director

Committee on Appropriations and Financial Affairs
5 State House Station
Augusta, ME 04333-0005

Dear Appropriations and Financial Affairs Committee Members:

Senator Rotundro, Representative Fischer and Appropriations Committee members it is imperative that the Bureau of Veterans Service receives the $14,000 requested for what is called a new information technology system. This is not really a new system, it is new computer, scanner, and software to replace a failing system that we have been unable to maintain because of previous budget cuts.

We do not expect the current system to last much longer. The computer is six years old, the scanner is eleven years old, and the tape drive system on which we store the digital images is not made any more, nor can we buy any replacement tapes to backup the stored data. We started with six tapes and we are down to only two tapes that are useable.

As you know a veteran can not access any federal or state benefits without his or her DD 214, Record of Discharge, as proof of military service. Currently we are processing over 12,000 requests for copies of DD 214's we have on file and are adding over 3,000 new DD 214's to our record files yearly.

The vast majority of the DD 214's stored by the Bureau are "onion skin" carbon copies that wear out from the constant shuffling as we pull records and make copies for veterans and add new discharges alphabetically to the files. Some of these DD214's are one of a kind as we have the only record copy. Many of Maine's veterans' military records were lost in the 1973 fire at the National Records Center in Saint Louis.
To that end the Bureau received a technology grant from the Governor in 1996 to purchase a stand alone computer and scanning system to begin the process of scanning and storing the 500,000 plus DD-214's, Record of Discharge, that are stored by the Bureau for Maine's veterans.

In coordination with the State Archivist, the decision was made last year to move our paper copies of the DD 214's to the State Archives as we could not provide adequate protection from fire and water damage.

In 1996 the Bureau made the decision to purchase a scanning and imaging program from Intellinetics. Because of budgets cuts over the last several years the Bureau has been unable to upgrade the current system and now we are three versions behind. The price to convert the current files and upgrade to the current version of software is about the same as it would be for us to covert to the FORTIS system that the State is currently using for scanning and imaging. The Bureau has been working with OIT for about two years to determine what the best system is (Intellinetics versus FORTIS) for the Bureau. After much review and number crunching the decision was made to convert to FORTIS system for the following reasons:

- Would meet the Legislature's direction to standardize systems
- Allow our data to be stored and backed up on the State Server
- Local help would be available in problem solving

Hopefully this will answer any questions you have on how important this funding is to the Bureau. I will be glad to provide any more information you may require.

Thank you for all you do for our veterans.

Sincerely,

Peter W. Ogden
Director

History of Transfers by 120th and 121st Legislatures

Transfers from Maine Clean Election Fund Totaling $6,725,000		
$4.0 million to Maine Rainy Day Fund	May 2002	P.L. 2001, Chapter 559, Part E-3
$2.5 million to General Fund	November 2002	P.L. 2001, Chapter 714, Part N-1
$225,000 to General Fund	June 2003	P.L. 2003, Chapter 20, Part D-26
Returns to Maine Clean Election Fund Totaling $3,600,000		
$2.4 million from General Fund	March 2005	P.L. 2005, Chapter 3, Part P-1
$1.2 million from General Fund	April 2006	P.L. 2005, Chapter 519, Part KK
Unrestored Amount: $3,125,000		

Shortfalls Caused by Transfers, and Remedies

Year	Problem	Remedy by Legislature
2004	Insufficient funding for 2004 elections	Advance of $1,500,000 on 1/1/05 transfer of $2 million
2005	Insufficient funding for 2006 elections	Transfer of $2,400,000 from General Fund; advance of $2 million transfer on 1/1/07
2006	Insufficient funding for 2006 elections	Transfer of $1,200,000 from General Fund
2007	Insufficient funding for 2008 elections	Advance of $700,000 on 1/1/09 transfer of $2 million *(not final)*

Considerations in Favor of Full FY 2009 Transfer of $2 Million

- Annual transfer of $2 million from General Fund is required by current law (21-A M.R.S.A. §1124(2)(B)).
- Annual transfer was directly approved by Maine voters on 11/5/96.
- Under the design of the Act, the transfer in fiscal year 2009 is "spoken for" by candidates in 2010. This is a future obligation mandated by Maine voters.
- Commission already projects a shortfall in 2010 election of $4 to $5 million.
- Transferring less than $2,000,000 would exacerbate this problem and harm candidates in 2010.

Prepared by Jonathan Wayne
Executive Director, Ethics Commission
287-4179

Revenue Forecasting Committee - December 2006 - Racino Revenue

GENERAL FUND REVENUE	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
March 2006 Forecast - General Fund Revenue		$3,447,110	$3,729,607	$5,745,665		
Incremental Effect of December 2006 Forecast		$3,236,942	$2,836,227	$4,145,351		
December 2006 Forecast - Revised General Fund Revenue	$4,346,680	$6,684,052	$6,565,834	$9,891,016	$10,525,598	$10,704,610

FUND FOR A HEALTHY MAINE REVENUE	2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
March 2006 Forecast - Fund for a Healthy Maine Revenue	$1,771,173	$1,898,741	$1,994,731	$3,145,550		
Incremental Effect of December 2006 Forecast		$1,198,960	$1,057,714	$1,507,436		
December 2006 Forecast - Fund for a Healthy Maine Revenue	$1,771,173	$3,097,701	$3,052,445	$4,652,986	$4,819,650	$4,819,650

Detail of Current Revenue Forecast - Distribution of Total Slot Income

			2005-06 Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Gross Slot Income (Coin/Voucher In)	A		$309,840,487	$541,324,215	$530,860,000	$809,215,000	$838,200,000	$838,200,000
Player's Share (Payback Value)	B		$289,030,355	$504,933,968	$495,026,950	$754,592,988	$781,621,500	$781,621,500
General Fund - Administration	C	1.0%	$3,098,405	$5,413,242	$5,308,600	$8,092,150	$8,382,000	$8,382,000
"Net Slot Machine Income" (=A-B-C)			$17,711,727	$30,977,005	$30,524,450	$46,529,863	$48,196,500	$48,196,500
Licensees' Share of "Net Slot Machine Income"		**61.0%**	**$10,804,153**	**$18,895,973**	**$18,619,915**	**$28,383,216**	**$29,399,865**	**$29,399,865**

Distribution of State Share of "Net Slot Machine Income"	**39.0%**	**2005-06 Actual**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**
General Fund (other)	3.0%	$531,352	$929,310	$915,734	$1,395,896	$1,445,895	$1,445,895
General Fund (After 48 months - November 2009)	1.0%	$0	$0	$0	$0	$302,953	$481,965
Fund for Healthy Maine	10.0%	$1,771,173	$3,097,701	$3,052,445	$4,652,986	$4,819,650	$4,819,650
University of Maine Scholarship Fund (FAME)	2.0%	$354,235	$619,540	$610,489	$930,597	$963,930	$963,930
Maine Community College System - Scholarship Funds	1.0%	$177,117	$309,770	$305,245	$465,299	$481,965	$481,965
Resident Municipalities	1.0%	$177,117	$309,770	$305,245	$465,299	$481,965	$481,965
Purse Supplements	10.0%	$1,771,173	$3,097,701	$3,052,445	$4,652,986	$4,819,650	$4,819,650
Sire Stakes Fund	3.0%	$531,352	$929,310	$915,734	$1,395,896	$1,445,895	$1,445,895
Fund to Encourage Racing at Commercial Tracks	4.0%	$708,469	$1,239,080	$1,220,978	$1,861,195	$1,927,860	$1,927,860
Fund to Stabilize Off- Track betting (48 months - until Oct 2009)	2.0%	$354,235	$619,540	$610,489	$930,597	$358,024	$0
Fund to Stabilize Off- Track betting (after 48 months - Nov 2009)	1.0%	$0	$0	$0	$0	$302,953	$481,965
Agricultural Fair Support Fund	3.0%	$531,352	$929,310	$915,734	$1,395,896	$1,445,895	$1,445,895

Revenue Summary	**2005-06 Actual**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**
General Fund						
General Fund Administration	$3,098,405	$5,413,242	$5,308,600	$8,092,150	$8,382,000	$8,382,000
General Fund (Other)	$531,352	$929,310	$915,734	$1,395,896	$1,748,848	$1,927,860
Licensing revenue	$585,985	$329,500	$329,500	$389,500	$382,750	$382,750
Reimbursement - Background Checks	$130,938	$12,000	$12,000	$13,470	$12,000	$12,000
Subtotal - General Fund	**$4,346,680**	**$6,684,052**	**$6,565,834**	**$9,891,016**	**$10,525,598**	**$10,704,610**
Fund for Healthy Maine	**$1,771,173**	**$3,097,701**	**$3,052,445**	**$4,652,986**	**$4,819,650**	**$4,819,650**
Other Special Revenue Funds						
Harness Racing Commission	$3,896,580	$6,814,941	$6,715,380	$10,236,570	$10,300,277	$10,121,265
HRC - Subtotal	$3,896,580	$6,814,941	$6,715,380	$10,236,570	$10,300,277	$10,121,265
PUS- host municipalities	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
University of Maine Scholarship Fund (FAME)	$354,235	$619,540	$610,489	$930,597	$963,930	$963,930
Maine Community College System Scholarships	$177,117	$309,770	$305,245	$465,299	$481,965	$481,965
Resident Municipalities	$177,117	$309,770	$305,245	$465,299	$481,965	$481,965
Subtotal - Other Special Revenue Funds	**$4,630,049**	**$8,079,021**	**$7,961,359**	**$12,122,765**	**$12,253,137**	**$12,074,125**

Maine Citizen Trade Policy Commission Proposal for One Full Time Staff Person

The Citizen Trade Policy Commission was created by the Maine State Legislature in 2004. The Commission is a bipartisan body composed of legislators, state department officials and citizens representing the small business, manufacturing, economic development, labor, agricultural and other sectors. The Commission works to maximize the benefits and minimize any negative impacts of trade policy for the State of Maine.

Since its inception, the bipartisan Commission has operated without any full time staff. The time has come to provide the Commission with the needed staff resources – one full time staff person – so that it can fully and adequately fulfill its mission and mandate.

Our work as a commission over the last 2 ½ years has clearly taught us that s**tates need to be engaged on trade policy issues and the implementation of new trade agreements. This issue is too important for us not to be intimately involved. Trade policy impacts the state of Maine in numerous ways. We need to be actively engaged:**

A. Working to ensure that we get trade policy that supports Maine businesses, workers and our overall economy, particularly our manufacturing sector. The rules of trade agreements have an enormous impact on our state economy and we need to stay engaged on that front.

B. Protecting our sovereignty and our ability to craft sound policy at the state and local level without it being challenged or undermined by trade rules.

The bipartisan Commission has been doing just that. In fact, Maine is clearly recognized as the national leader on this issue. We have done more than any other state to actively engage on international trade issues to ensure that we are maximizing the benefits of trade and minimizing the negative impacts on our state. We have done groundbreaking work that other states are following, but there is much more that we need to do and much more that we will only be able to do with sufficient staffing.

WHAT CITIZEN TRADE POLICY STAFF PERSON WOULD DO:

1. More detailed Monitoring, Analysis & Research

The CTPC has done its best to provide the state with good analysis of how trade policies impact Maine's state and local laws, business environment, workers and cross border

(over)

economic relations. We need to do more. The staff person would provide staff support to deepen the CTPC's analysis of how unfolding trade policies impact Maine's economy.

2. Full time liason and contact with key actors/decision makers on trade issues
The staff person would serve as a full time liason with the Congressional delegation, the United States Trade Representative, National Associations, such as NCSL, and others. The staff person would assert the state's voice and interest on trade policy with these crucial actors. CTPC has been filling this role but is not as consistent and regular as we would like to be given our lack of staffing.

3. Serve as Policy Point person for the State on these issues
Maine is increasingly being asked to make important policy decisions about trade issues surrounding regulation of services, government procurement, investment rules as well as larger economic matters. The Commission has served as a valuable resource in engaging on these policy matters. The staff person would serve as a resource to the Governor's Office, the State Legislature, the Attorney General, the Maine International Trade Center and others to ensure that Maine makes good policy decisions on trade issues.

4. Educational role
Throughout the country, state legislators and state and local government officials do not fully understand how trade policy impacts their work. The staff person would expand the Commission's efforts to educate state legislators and state and local officials about the need to consider trade policy matters in their decision making.

5. Multi-state collaboration
States are increasingly working together to ensure that their voice is heard in trade policy forums and to ensure that trade rules do not undermine our sovereignty or our economy. The staff person would facilitate the CTPC's role in this work. Numerous state are asking for Maine's assistance in developing commissions and engaging on these trade issues.

Additionally, the staff person would provide general support for the commission's day in and day out work.

Farms for the Future Summary

May 2, 2007

The ideal amount to run this program is **$500,000** annually. That amount would provide approximately **20 farms** with **business planning** services and **12 farms** with **implementation grants** of up to $25,000. (The farmers match grants by 75%.) It also covers a portion of administrative costs.

$250,000 per year would provide approximately **10 farms** with **business planning** services and **7 farms** with **implementation grants** of up to $25,000. This amount does **not** cover any administrative expenses.

Historically funding has come from a combination of General Funds (pilot), Bond Funds, and CEI contributions. In April 2006, the Legislature approved $250,000 of General Funds to continue the program. This is a great step towards continuing the program.

With program funding to date, **144 farms** have received business planning services and **18,459 acres** have been placed in non-development agreements. **71** of those 144 farms have gone on to receive implementation grants which they have matched by over 75**%: the $1,465,991 State funds expended on those grants leveraged an additional $6,452,252 in other funds to complete farm projects.**

When surveyed in 2004, 100% of farmers responding indicated they believed that Farms for the Future services they received would help their farm become more profitable. Up to-date data from business plans shows that participating farms expect to **increase total net income by over $38,000 within 3 years** of entering the program.

Average expenditure is more than $500,000 annually

	FFF-FY02 10/1/01 - 9/30/02	**FFF-FY03** 10/1/02 - 9/30/03	**FFF-FY04** 10/1/03 - 9/30/04	**FFF-FY05** 10/1/04 - 9/30/05	**FFF-FY06** 10/1/05 - 9/30/06	**FFF-FY07 (Projected)** 10/1/06 - 9/30/07
Technical Assistance	$55,224.23	$72,380.57	$175,605.16	$179,492.38	$75,256.97	$165,000.00
Implementation Grants	$149,783.00	$219,856.00	$459,869.75	$457,000.00	$179,083.00	$400,000.00
Administration (CEI)*	$87,069.08	$122,919.82	$120,015.85	$95,099.35	$74,405.89	$80,000.00
Evaluation						$30,000.00
Total:	**$269,805.79**	**$394,196.99**	**$745,342.24**	**$726,577.83**	**$328,745.86**	**$675,000.00**

Pruett, Diane

From: Debra Bartlett [drcolby@fairpoint.net]
Sent: Wednesday, May 09, 2007 9:06 PM
To: Pruett, Diane
Subject: LD 499

Dear Ms. Pruett,

I would greatly appreciate it if you could forward this email to each member of the Committee on Appropriations and Financial Affairs on my behalf.

Thank you,
Debra Bartlett

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Dear Members of the Committee on Appropriations and Financial Affairs,

I am writing to request that you reconsider the recent suggestions made to unfairly increase the amount of Maine tax from 1% to 2% imposed on Hollywood Slots, the Racino in Bangor and to reduce the "player's share" of slot machine payouts in an effort to balance the State budget (LD 499).

The negative impact of these changes would far outweigh the short term fix and place an outrageous burden on one of the largest taxpayers in the State of Maine. The budget already contains excess funds resulting from greater than expected success of the one operating racino in Maine. The increase (already in the proposed budget) is expected to be larger in fiscal year 2008 as a result of the planned expansion by Hollywood Slots to a permanent location.

Reducing the revenue of the racino, or worse, driving the racino out of State would forever change the lives of hardworking, tax paying men and women involved in the harness racing industry as well as numerous construction trades. The harness racing industry has begun to rebound and bring more to the Maine economy since the racino has opened. These changes could ultimately eliminate yet another industry and further cause great damage to Maine "open space" and farming carried on in this State.

Please "Leave the Harness Racing Money Alone, Don't Break the Promise to Harness Racing, Don't Stifle Harness Racing, The Racino Law is working – Leave It Alone"

Because we understand that it is much easier to understand another's point of view by direct experience, we invite you and any of your colleagues to spend a day at the barn so that you might receive the full experience of "a day in the life". Besides, with the 30 horses currently "in training" at our stable at the Windsor Fairgrounds we appreciate any extra help we can get. I'm sure that all of the other horsemen and women in Windsor and elsewhere would welcome a visit as well.

Also, I would like to note the following points:

1) Altering the existing disbursement schedule of slot machine income would alter the result of a referendum vote, a "people's vote". Maine people voted to accept the racino under the existing terms and LD 1820 was enacted.
2) Work has ceased on the permanent expansion by Hollywood Slots which has put an immediate stop to Maine jobs which would result in more tax revenue and more income that would go back into the Maine economy, particularly in the Bangor area.
3) The work stoppage will delay or cease the possibility of excess revenue; revenue that has already been included in the proposed budget document.
4) It would seem that if this were any other business, besides Hollywood Slots, and with that kind of success in this State with the promise of expansion (promising future tax revenues), the State would be offering TIF or other tax benefits to encourage the growth and expansion.
5) Allowing the changes could result in loss of income/jobs for many hardworking taxpayers in Maine.

I appreciate your time and I hope to receive your support. Note that I have already copied this email to Senator Dow and Representative Browne, the legislators representing the Town of Windsor.

Respectfully,
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Pruett, Diane

From: krolston@verizon.net
Sent: Monday, May 14, 2007 2:38 PM
To: Pruett, Diane
Subject: Hands off The RACINO FUNDS

Hello Diane,

Would you please pass this message on to the Appropriations Committee:

The harness racing industry in Maine is one of the last agrarian-based industries left in this state. The industry is responsible for keeping an estimated 100,000 acres in Maine open and productive - and on the tax rolls without creating a strain on school systems' budgets. Two years ago, the voters of Maine approved giving harness racing a chance and farmers, horse owners, breeders, trainers and supplies to the industry made investments in their industry based on those promises. They bought horses, farm equipment, land, supplies and created jobs.

Harness racing is just beginning its RECOVERY.
What will the Legislatures tell them to do with that investment? Is it all wasted?? That's not acceptable.

In Maine, is a deal a deal only until it's no longer convenient?

DEDICATED REVENUES should mean something to Maine government. They do to the harness racing industry.

Thank you.
Kathryn Rolston
Westbrook Maine