

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

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ONE HUNDRED AND NINTH LEGISLATURE

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**Legislative Document**

**No. 669**

H. P. 538

House of Representatives, February 21, 1979

Referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Tarbell of Bangor.

Cosponsor: Mr. Kelleher of Bangor.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

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**RESOLVE, Authorizing the State to Pay the Indebtedness of Eastern Maine  
Friends of Retarded Citizens.**

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**Eastern Maine Friends of Retarded Citizens; reimbursed. Resolved:** That there is appropriated from the General Fund the sum of \$18,698.97 to pay the indebtedness of the Eastern Maine Friends of Retarded Citizens.

STATEMENT OF FACT

The Department of Human Services audited the Eastern Maine Friends of Retarded Citizens (EMFRC) and found a total of \$18,698.97 to be refundable to the State upon the completion of 10 different grants. The Department of Human Services audit division broke down the amounts owed into \$8,237.67 owed to the Federal Government Fund and \$10,461.30 owed to the Bureau of Rehabilitation. Richard Lepore, Executive Director of EMFRC explains why he feels the State should pay this amount for EMFRC:

“One exception was related to contract #K-0783 which was for service rendered under Title IV-A and VI during the period July, 1974, to June, 1975. The auditor, in essence, noted that our agency showed a fund balance that year of \$64,000. The

State felt that this profit came partially from the grant money and that a pro-rated share should be returned. This amounted to \$8,237.

The additional \$10,461 came from an audit of rehabilitation grants showing a refundable balance on grants as follows:

IQ 76-110-17	\$2,014.70
IQ 76-110-18	4,135.76
IQ 75-110-46	4,310.84

The grant IQ 75-110-46 for \$4,310.84 was a result of some equipment that was not purchased or expended in 1975 during the grant period. IQ 76-110-17 for \$2,014.70 resulted from the agency purchase of our present buildings for approximately \$180,000. We were required to put up \$36,000 of seed, but the building purchase was delayed, and the grant money accumulated some \$2,014 of interest which the auditor wished returned to the Federal Government.

The final grant IQ 76-110-18 showed an exception of \$4,135.76 due to failure to fill a position during the grant period so the money was not properly expended prior to expiration of the grant.

It is significant that for each year since July, 1975, the agency lost money in delivering services to the handicapped. The surplus that caused the audit exception back in 1975 was completely erased in the following year. The reasons for this are numerous but foremost was our desire to develop and improve services to handicapped individuals through the purchase of new buildings and equipment. One additional factor is the lack of increase in Title XX dollars since 1975 so that during 1976 we served 50 Title XX eligible clients but were only paid for 40, and last year we served 47 Title XX eligible individuals but were only paid for 31.

In order to be able to provide these services and develop our facility, our agency has increased its indebtedness yearly. At this point we now have a mortgage of \$76,000 to keep serving handicapped people.