

# MAINE STATE LEGISLATURE

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L.D. 927

(Filing No. S-409 )

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STATE OF MAINE  
SENATE  
115TH LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT " I " to COMMITTEE AMENDMENT "A" to H.P. 653, L.D. 927, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1992 and June 30, 1993"

Amend the amendment in Part II by striking out all of section II-1 and inserting in its place the following:

'Sec. II-1. Review, report and limitations on administrative costs in contract agencies. The Department of Mental Health and Mental Retardation, the Department of Corrections and the Department of Human Services shall review the administrative expenses of agencies with which they contract for the provision of client services; recommend a standard definition of administrative expenses; and recommend a maximum level of administrative expenses that it would be appropriate for the State to fund. The departments shall submit the results of the review and their recommendations for legislation and rules to the Joint Standing Committee on Human Resources and the Joint Standing Committee on Appropriations and Financial Affairs by January 1, 1992. In developing a definition of allowable administrative expenses, the departments shall consider the purpose of the contracts and costs such as dues and memberships, travel, advertising, legal and lobbying fees, consultants, donations, subscriptions, bonuses and incentives, purchase, rental or lease of vehicles and salaries attributable to administrative functions.

With respect to all contracts signed after July 1, 1991, the departments shall provide that administrative costs associated with the contract may not exceed the percentage that administrative costs of the agency were of total agency costs in fiscal year 1988-89 applied to the total amount of the contract being funded.'

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SENATE AMENDMENT " I " to COMMITTEE AMENDMENT "A" to H.P. 653,  
L.D. 927

2 Further amend the amendment in Part II in section II-2 in  
the 4th and 5th lines (page 416, lines 16 and 17 in amendment) by  
striking out the following: "of the Maine Revised Statutes,  
4 Title 5, section 1659" and inserting in its place the following:  
'established in section II-1 of this Part'


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8 Further amend the amendment in Part II in section II-4 in  
that part designated "FINANCE, DEPARTMENT OF" under the  
caption "Executive Branch Departments and Independent Agencies -  
10 Statewide" in the 9th to 11th lines (page 416, lines 48 and 49  
and page 417, line 1 in amendment) by striking out the  
12 following: "the Maine Revised Statutes, Title 5, section 1659,"  
and inserting in its place the following: 'section II-1 of this  
14 Part,'

16 Further amend the amendment in Part II in section II-4 in  
that part designated "HUMAN SERVICES, DEPARTMENT OF"  
18 under the caption "Purchased Social Services" in the 8th to 10th  
lines (page 417, lines 31 to 33 in amendment) by striking out the  
20 following: "the Maine Revised Statutes, Title 5, section 1659,"  
and inserting in its place the following: 'section II-1 of this  
22 Part,'

24 Further amend the amendment in Part II in section II-4 in  
that part designated "MENTAL HEALTH AND MENTAL  
26 RETARDATION, DEPARTMENT OF" under the caption  
"Departmentwide" in the 8th to 10th lines (page 418, lines 1 to  
28 3 in amendment) by striking out the following: "the Maine  
Revised Statutes, Title 5, section 1659," and inserting in its  
30 place the following: 'section II-1 of this Part,'

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**STATEMENT OF FACT**

36 This amendment directs the Department of Mental Health and  
Mental Retardation, the Department of Corrections and the  
38 Department of Human Services to develop a definition of allowable  
administrative expenses by rule and to report to the Legislature  
rather than placing a list of disallowed expenses in the  
40 statutes. The amendment also requires the departments to ensure  
that administrative costs are not more than the percentage of  
42 administrative costs in the preceeding fiscal year.

44  
46 (Senator BOST)  
SPONSORED BY: 

48  
50 COUNTY: Penobscot