

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 436, L.D. 555, Bill, "An Act to Limit Administrative Costs in Contracted Services"

Amend the bill in the emergency preamble by striking out all of the 4th paragraph (page 1, lines 12 and 13 in L.D.) and inserting in its place the following:

'Whereas, a task force must be created as soon as possible in order that its recommendations be ready for consideration in the next regular session of the Legislature; and'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. Administrative Costs Task Force established. The Administrative Costs Task Force, referred to in this Act as the "task force," is established to develop a method for the State to define and measure administrative costs in contracted services. To the greatest extent possible, the method recommended by the task force must:

1. Reduce costs;
2. Have no negative impact on service recipients;
3. Be flexible enough to recognize the unique characteristics and missions of individual agencies;
4. Be equitable; and
5. Be administered simply and efficiently.

2 **Sec. 2. Duties.** In preparing its recommendation, the task
force shall consider at least the following:

4 1. The advisability of implementing the policy contained in
this document as originally presented to the First Regular
6 Session of the 116th Legislature;

8 2. The advisability of implementing the policy contained in
Legislative Document 230 as originally presented to the First
10 Regular Session of the 116th Legislature;

12 3. The reports submitted by state agencies in accordance
with Public Law 1991, chapter 591, Part II, section 3;

14 4. The efforts of other jurisdictions to define and limit
16 administrative costs;

18 5. The efforts of the Executive Department, Office of
Substance Abuse and of agencies in other jurisdictions to
20 implement performance-based contracts;

22 6. Whether current contracting procedures can be changed in
a manner that would enable both fiscal and performance standards
24 to be addressed; and

26 7. Whether a unified cost-finding system should be
implemented through the contracting system.

28 **Sec. 3. Membership.** The task force consists of the following
30 members:

32 1. One member of the Senate and 2 members of the House of
Representatives from the Joint Standing Committee on Human
34 Resources, appointed by the presiding officers of their
respective legislative bodies;

36 2. One member of the Senate and one member of the House of
38 Representatives from the Joint Standing Committee on
Appropriations and Financial Affairs, appointed by the presiding
40 officers of their respective legislative bodies;

42 3. Four members representing private agencies that provide
services under contracts with the State, 2 appointed by the
44 President of the Senate and 2 appointed by the Speaker of the
House of Representatives; and

46 4. Four members representing state departments, appointed
48 by the Governor.

2 At least one of the legislative members appointed by the
President of the Senate and one of the legislative members
4 appointed by the Speaker of the House of Representatives must be
from the minority party.

6 **Sec. 4. Appointment deadline; first meeting.** Appointments must
be made within 30 days of the effective date of this Act. The
8 task force shall hold its first meeting, called by the Executive
Director of the Legislative Council, before August 1, 1993.

10 **Sec. 5. Report.** The task force shall report its findings,
12 along with any necessary legislation, to the Joint Standing
Committee on Human Resources and the Joint Standing Committee on
14 Appropriations and Financial Affairs no later than November 5,
1993.

16 **Sec. 6. Staff.** Upon request of the task force, the
18 Legislative Council shall provide staff to the task force.

20 **Sec. 7. Expenses.** The legislative members of the task force
are entitled to receive expenses and legislative per diem for
22 meetings attended. Other members are reimbursed for their
expenses, except that representatives from state departments
24 receive no reimbursement. The Legislative Council shall absorb
the costs of the task force within existing resources.

26 **Sec. 8. Chair.** The President of the Senate and the Speaker of
28 the House of Representatives shall appoint jointly a chair from
among the legislative members of the task force.

30 **Emergency clause.** In view of the emergency cited in the
32 preamble, this Act takes effect when approved.

34 **FISCAL NOTE**

36 The Administrative Costs Task Force will require
38 approximately \$4,850 in fiscal year 1993-94 for the per diem and
expenses of its members. The Legislature is directed to absorb
40 these costs of the task force. The Legislature can absorb any
costs related to staffing the task force during the interim
42 between sessions. However, the ability of the Legislature to
absorb the per diem and other expenses will depend on the final
44 outcome of the Governor's proposed current services budget.

46 The Department of Human Services, the Department of
48 Corrections, the Department of Mental Health and Mental
Retardation and the Office of Substance Abuse within the
Executive Department will incur some minor additional costs to
50 participate as members of the Administrative Costs Task Force.

2 These costs can be absorbed within the respective departments'
existing budgeted resources.'

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STATEMENT OF FACT

8 The amendment replaces the original bill. The original bill
10 defined and limited administrative costs of certain contract
12 agencies. The amendment creates the Administrative Costs Task
14 Force to study the issue and recommend to the Second Regular
Session of the 116th Legislature a method for limiting
administrative costs in contract agencies.

16 The amendment also adds a fiscal note to the bill.

Reported by the Committee on Human Resources.
Reproduced and distributed under the direction of the Clerk of the House.

(4/28/93)

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