

# MAINE STATE LEGISLATURE

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**LEGISLATIVE COUNCIL**  
**July 31, 2002**  
**1:00 p.m.**  
**Room 334, Legislative Council Chamber**  
**REVISED AGENDA**

<u>Page No.</u>	<u>Item</u>	<u>Action</u>
	<b>CALL TO ORDER</b>	
	<b>ROLL CALL</b>	
1	<b>SUMMARY OF THE JUNE 24, 2002 COUNCIL MEETING</b>	Decision
	<b>REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS</b>	Information
8	• Executive Director's Report	
17	• Fiscal Report (Pennoyer)	
18	• Office of Information Services' Report (Mayotte)	
18	• Update on Interim Studies (Elliott)	
	<b>REPORTS FROM COUNCIL COMMITTEES</b>	
	• Personnel Committee	
	• Technology and Migration Committee	
	No report	
22	• Subcommittee to Consider Additional Security Measures	Information
	Summary of the Subcommittee's meeting on June 24, 2002	
24	• Space Committee	Information
	Summary of the Committee's meeting on June 24, 2002	

## **OLD BUSINESS**

## **NEW BUSINESS**

Item #1: NCSL State House Luncheon (Diane Steward)

Decision

## **ANNOUNCEMENTS AND REMARKS**

The next Legislative Council meeting is scheduled for August 21, 2002  
at 1:00 p.m.

## **ADJOURNMENT**

REP. MICHAEL V. SAXL  
CHAIR

SEN. MICHAEL H. MICHAUD  
VICE-CHAIR



120<sup>th</sup> MAINE STATE LEGISLATURE  
LEGISLATIVE COUNCIL

SEN. BEVERLY C. DAGGETT  
SEN. MARY E. SMALL  
SEN. PAUL T. DAVIS, SR.  
SEN. SHARON ANGLIN TREAT  
REP. PATRICK COLWELL  
REP. JOSEPH BRUNO  
REP. WILLIAM S. NORBERT  
REP. WILLIAM J. SCHNEIDER

DAVID E. BOULTER  
EXECUTIVE DIRECTOR

**MEETING SUMMARY**  
**June 24, 2002**

**CALL TO ORDER**

The Chair, Speaker Michael V. Saxl, called the Legislative Council meeting to order at 1:27 p.m. in the Legislative Council Chamber.

**ROLL CALL**

Senators:	Sen. Michaud, Sen. Daggett, Sen. Small, Sen. Davis, Sen. Treat
Representatives:	Speaker Saxl, Rep. Colwell, Rep. Bruno, Rep. Norbert, Rep. Schneider
Legislative Officers:	Pamela Cahill, Secretary of the Senate Joy O'Brien, Assistant Secretary of the Senate Millicent MacFarland, Clerk of the House David Shiah, Assistant Clerk of the House David E. Boulter, Executive Director, Legislative Council Grant Pennoyer, Director, Office of Fiscal and Program Review Patrick Norton, Interim Director, Office of Policy and Legal Analysis Margaret Matheson, Revisor of Statutes Lynn Randall, State Law Librarian Paul Mayotte, Director, Legislative Information Services

**SUMMARY OF THE MAY 29, 2002 COUNCIL MEETING**

**Motion:** That the Meeting Summary of May 29, 2002 be accepted and placed on file. (Motion by Sen. Michaud, second by Sen. Michaud, unanimous).

## REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

- **Executive Director's Report**

Executive Director Boulter gave an update on current renovations in the State House. The final touch-ups on the punch list for the Hall of Flags are being done, finish work on the interior of the building is being completed and the exterior work will begin the end of June or first of July. All trailer units in the lower parking lot have been removed.

Mr. Boulter distributed to Council members the Enacted Law Digest, prepared jointly by the Offices of Fiscal and Program Review and Policy and Legal Analysis. It is a summary of all the laws, joint orders and resolves passed during the 120<sup>th</sup>, 2<sup>nd</sup> Regular Session. As companion documents, bill summaries are also now available.

Executive Director Boulter also reported that the Percent for Art Committee is continuing its work and within the next several months, will be making a recommendation to the Legislative Council with respect to artists and art work for the 1<sup>st</sup> floor of the State House.

- **Legislative Budget Update**

Rose Marie Breton, Assistant for Administrative Services, Office of the Executive Director said she had been notified by the Budget Office of the Governor's plan for addressing the revenue short fall that includes a \$200,000 reduction to the Legislature. Based on a preliminary review of the accounts, the Legislature will meet the reduction from savings through budget reduction measures implemented by the Chair and Vice-Chair of the Council and the Senate President. In FY 03 the Legislature is also expected to absorb the costs of salary increases, totaling approximately \$700,000.

Rep. Bruno asked if the Legislative Council intended to make further decisions to reduce its budget by 5%. The Speaker responded that with already approved actions, including self-funding collective bargaining, furlough days, restricting travel, limiting off-site committee meetings and postponing filling position vacancies, that amount could be reached.

No Council action required.

- **Fiscal Report**

Grant Pennoyer, Director, Office of Fiscal and Program Review, presented the following fiscal report.

1. **General Fund and Highway Fund Revenue Variances for May**

The General Fund was below revenue projections by \$37.2 million in May and below budget by \$58.5 million fiscal year to date. The problem areas are corporate income tax, individual income tax and income from investments. The positive revenue areas are insurance companies tax, estate tax, and the Inland Fisheries & Wildlife license fee.

The General Fund Revenue (excluding individual income and corporate income taxes) is more than \$15 million ahead for fiscal year to date.

Revenues for the Highway Fund are up \$3.4 million for May and up \$9.1 million for fiscal year to date.

Mr. Pennoyer reported that the FY 02 revenues will be greater than \$100 million less than projected once the final figures are in.

## **2. Revenue Forecasting Schedule**

The Economic Forecasting Commission met with the Revenue Forecasting Committee on Thursday, June 20, 2002. The release of the personal income revision will be out on July 24, 2002 at which time it is expected that the Bureau of Economic Analysis will be revising the personal income numbers downward for 2001 and will affect the Economic Forecast. The Consensus Economic Forecasting Commission is scheduled to meet July 25<sup>th</sup> or 26<sup>th</sup>, immediately after the release of the data. The Revenue Forecasting Committee is scheduled to meet August 14<sup>th</sup> and if further discussion is needed, will meet again on August 28<sup>th</sup>. The meetings will be held in the Appropriations Committee Room, Room 228, State House.

No Council action required.

- **Office of Information Services' Report**

Paul Mayotte, Director, Legislative Information Services, reported on two items.

### **1. Computer Migration/Bill Drafting System**

The implementation of Contract Amendment 4 with Compaq is well underway. Compaq is on schedule and on track to the work plan. There are no major issues at the present. Compaq has assigned a new project manager to the Legislature and the transition has gone very well.

### **2. Legislative Direct Internet Access**

Mr. Mayotte reported there were only two issues remaining to be resolved and he is receiving support from the State's CIO in resolving them. He is working with BIS on the global address list, (exchanging addresses between the Executive Branch and the Legislative Branch) and the final approval from the CIO on the "Maine.gov" address for the Legislature.

Sen. Treat asked the timetable for the address changes. Mr. Mayotte said they would continue to use the current "state.me.us" address for both the Web page and email addresses, and will activate "Maine.gov" so the Legislature would have both addresses. The plan would be to phase out the old address by the time the 121<sup>st</sup> Legislature is sworn in so stationery, business cards, etc. could be printed with the new address.

No Council action required.

- **Update on Interim Study Appointments**

Patrick Norton, Interim Director, Office of Policy and Legal Analysis, reported that his office is tracking nine new legislative studies that require legislative appointments. To date, the only study that has completed its appointments is the Study of Benefits and Costs for Increasing Access to Family and Medical Leave for Maine Families and its first meeting will be set up shortly.

No Council action required.

## **REPORTS FROM COUNCIL COMMITTEES**

- **Personnel Committee**

- a) **Recommendation to appoint David C. Elliott as OPLA Director**

Speaker Saxl, Chair of the Personnel Committee, reported that the Committee has concluded the search for the OPLA Director and offered the following motion:

**Motion:** That the Legislative Council appoint David C. Elliott of Whitefield, Maine as director of the Office of Policy and Legal Analysis; that Mr. Elliott's appointment be for a 3-year term pursuant to 3 MRSA, section 162, subsection 6, subject to a 1-year probationary period; and that Mr. Elliott's initial salary in the position be a salary grade 14, step 6; further that,

the organizational structure of the Office of Policy and Legal Analysis be changed from the current director/principal analyst to director/deputy director structure, with implementation of the changed structure be carried out by the director and the executive director; and further that,

the executive director, develop, subject to approval of the Personnel Committee, performance standards and goals for the director of the Office of Policy and Legal Analysis for his first year of appointment. (Motion by Speaker Saxl, second by Sen. Small, approved 9-0-1. Rep. Schneider abstained).

[**Note:** Mr. Elliott's appointment became effective on July 1, 2002.]

The Legislative Council congratulated Mr. Elliott on his appointment as Director.

- b) **Request for Income Protection**

**Motion:** That income protection, as provided for under the Legislative Council's Personnel Policies and Guidelines for a legislative employee, be granted as reviewed and recommended by the Personnel Committee at its June 24, 2002 meeting. (Motion by Rep. Bruno, seconded by Sen. Small, unanimous).

- c) **Update on MSEA Request for Union Recognition and Agreement Information to Bargaining Units.**

Speaker Saxl said a letter had been sent on June 20, 2002 to MSEA agreeing to meet for the sole purpose of discussing the scope and composition of a bargaining unit(s). The Personnel Committee appointed Legal Counsel Linda McGill, Esq., Sen. Small and Sen. Daggett and Executive Director Boulter to the Subcommittee to discuss the bargaining unit(s). The Speaker may participate ex officio.

Discussion on the status of certification of the union followed. Speaker Saxl said the Personnel Committee has discussed how to certify or how to allow employees to certify the unionization effort. There is disagreement among members of the Personnel Committee on certification; the committee has not yet resolved the issue of whether it would be by election or by card check. MSEA has submitted a revised proposed bargaining unit composition, changing from 3 bargaining units to 1 unit, which is now under consideration by the Personnel Committee.

There was discussion by Council members on whether the union bargaining unit(s) should be decided before the procedure for certifying the election or certifying the cards is determined. Some Council members wanted to move forward and have the union recognized and other members believed that the bargaining unit(s) should be established first, especially in light of 2 employee communications already received. The first was a letter received from the Office of Fiscal and Program Review stating that MSEA Executive Director Carl Lenenion misrepresented its position whether or not OFPR employees wanted to be in a union and a second memo from employees requesting an election.

**Motion:** That the Legislative Council accept the card certification method as the way of verifying that those employees that seek to organize can form a collective bargaining unit. Also that the Legislative Council also charge the Personnel Committee with the task of recommending to the Council the makeup of that bargaining unit. (Motion by Rep. Colwell, second by Sen. Treat).

**Discussion:** The Legislative Council had further discussion on the method(s) of union certification before the bargaining unit(s) were established. After discussion, the Chair referred back to the motion on the floor. Clarification of the motion was requested. In order to have a card check or an election, the bargaining unit(s) must be agreed upon or decided upon by the Maine Labor Relations Board, so under any circumstance, that would have to come first. The motion is not to recognize the union, but is to set up a process whereby once the bargaining units are decided, this would be the method in determining whether a union is recognized. The motion was restated.

**Motion:** That the Legislative Council establish a process of voluntary recognition of MSEA as the bargaining agent for eligible legislative employees, subject to verification of signed union cards by the Maine Labor Relations Board that a majority exists in the bargaining unit(s) once they are agreed to or determined. (Motion by Rep. Colwell, second by Sen. Treat, Motion approved 6-4. Sen. Small, Sen. Davis, Rep. Bruno and Rep. Schneider opposed).

#### **d) Personnel Policies**

The Chair, Speaker Saxl, reported that the Personnel Committee has completed its review of the revised proposed personnel policies. The Committee will conduct a final review of the final draft with the goal of presenting them at the next Legislative Council meeting for adoption.

#### **e) June 12, 2002 Meeting Summary**

No Council action required.

#### **• Technology and Migration Committee**

No report



- **Subcommittee to Consider Additional Security Measures**

The Subcommittee will be meeting June 24, 2002 immediately following the Legislative Council meeting.

- **Space Committee**

The Space Committee will be meeting Monday, June 24, 2002 at 3:15 in the Legislative Council Chamber.

## **OLD BUSINESS**

None.

## **NEW BUSINESS**

**Item #1: Request for \$2,500 from Jonathan Connick, Maine Center on Deafness, to cover the cost of producing a videotape presentation for members of the Deaf Community in Maine regarding the Legislature's final report on its action to create the Baxter Compensation Authority**

Executive Director Boulter referred Council members' to the letter in the packet received from Jonathan Connick of the Maine Center on Deafness requesting \$2,500 from the Legislature to produce a videotape presentation for members of the deaf community in Maine regarding the final report and recommendations for the Baxter Compensation Authority. The Baxter Compensation Authority was an outgrowth of a study report. The Authority is underway and producing informational material to help interested members of the public as well as victims to work through claims for compensation. Mr. Connick is requesting the Legislature to pay for the videotape of the final report.

The Speaker asked if the Legislature made a request to the Maine Center on Deafness to produce the videotape or if the Legislature has a provision in the budget to pay for the videotape. Mr. Boulter said the Legislature did not make the request, that he understood that the Maine Center on Deafness did not make such a request, and the \$2,500 had not been budgeted.

**Motion:** That the Legislative Council decline to approve the request and instead send a letter to the Maine Center on Deafness suggesting that it make the request for the videotape to the Baxter Compensation Authority, and, further, that the Legislative Council would support that expense as an allowable expense by the Baxter Compensation Authority. (Motion by Rep. Schneider, second by Sen. Michaud, unanimous).

**Item #2: Consideration of furlough days for legislative employees**

Executive Director Boulter reported that Governor King had outlined his plan to deal with the current budget shortfall. Among the steps he is implementing is requiring Executive Branch employees to take 3 furlough days within the next fiscal year, the first being July 5<sup>th</sup>. In and of itself, the Governor's decision does not affect legislative employees; that is

a decision of the Legislative Council. If the Council decides to follow the Governor's decision and place legislative employees on furlough (unpaid leave with benefits paid) for 3 days, the estimated Personal Services savings would be about \$105,000 for FY 03.

There was discussion among Legislative Council members on the use of furlough days and options: Take no action; track the Governor's decision and take same furlough days, closing offices; track the governor's decision but not his schedule, allowing employees to stagger their furlough days thereby keeping offices open; or require reductions and adjustments to legislative accounts to achieve a similar savings to the budget, but through means other than the use of employee furlough days.

**Motion:** That the Legislative Council follow the action that the Governor has outlined for other state employees and require legislative employees to take 3 days without pay and closing offices on those days. (Motion by Rep. Colwell, second by Speaker Saxl).

**Discussion:** Several members noted that the Council had already voted by ballot to furlough employees on July 5, 2002. (See attached ballot). There was consensus among the members that before the Legislative Council takes any action mandating 2 additional furlough days for legislative employees, that other available options should be fully considered.

Rep. Colwell and Speaker Saxl withdrew the above motion.

## ANNOUNCEMENTS AND REMARKS

The next Legislative Council meeting is scheduled for July 31, 2002 at 1:00 p.m.

## ADJOURNMENT

The Legislative Council meeting was adjourned at 2:40 p.m. (Motion by Sen. Michaud, second by Rep. Colwell, unanimous).

# Fiscal Briefing for the Legislative Council

Legislative Council Meeting  
July 31, 2002

*Prepared by the  
Office of Fiscal & Program Review*

## 1. General Fund and Highway Fund Revenue Variances for June 2002 and FY02

### A. General Fund – Up by \$1.4M in June/Down for FY02 by \$92.5M

- General Fund Problem Areas
  - Individual Income Tax – Down \$1.4M in June/Down for FY02 by \$106.2M
  - Corporate Income Tax – Down \$1.8M in June/Down for FY02 by \$12.5M
  - Estate Tax – Up slightly in June/Down for FY02 by \$2.0M
  - Income from Investments – Down \$0.4M in June/Down for FY02 by \$1.9M
- General Fund Positive Variances
  - Insurance Companies Tax – Up \$5.3M in June/Up for FY02 by \$11.9M
  - Other Revenue Line – Up by \$4.6 in June/Up for FY02 by \$11.4M
    - See attachment for additional detail of Other Revenue variances

### B. Highway Fund Revenue – Up by \$0.5M for June/Up for FY02 by \$9.6M

## 2. Economic and Revenue Forecasting Schedule

- Economic Forecasting Commission met Friday, July 26 (See attached summary)
  - Revenue Forecasting Committee – August 14<sup>th</sup> and August 28<sup>th</sup>
- All meetings of the Revenue Forecasting Committee will be held in the Appropriations Committee Room (Rm. 228, State House)

## 3. Cash Pool Status

- June 2002 Cash Pool Summary attached – General Fund \$114.0M negative; \$261.8M negative without reserve fund balances
- General Fund – Historical graph shows worsening trend
- Highway Fund – Historical graph shows improving trend
- Tax Anticipation Note (TAN) issue of \$250M in early August will improve cash position

## Revenue Update - Fiscal Year 2001-02

General Fund Revenue Variance Summary For the Month of June 2002 (Revised to Reflect Final Budgeted Amounts for Fiscal Year 2001-02)		
Revenue Source	In Millions	
	June 2002	Fiscal Year-to-Date June 2002
Sales and Use Tax	(\$5.6)	(\$4.9)
Individual Income Tax	(\$1.4)	(\$106.2)
Corporate Income Tax	(\$1.8)	(\$12.5)
Cigarette and Tobacco Tax	(\$0.3)	\$2.7
Public Utilities Tax	\$0.0	\$0.4
Insurance Companies Tax	\$5.3	\$11.9
Estate Tax	\$0.0	(\$2.0)
Property Tax - Unorganized Territories	\$0.3	\$0.3
Income from Investments	(\$0.4)	(\$1.9)
Transfer to Municipal Revenue Sharing	\$0.4	\$6.3
Transfer from Liquor	\$0.1	\$0.4
Transfer from Lottery	\$0.0	\$1.6
Other Revenues	\$4.6	\$11.4
<b>Total General Fund - Variances</b>	<b>\$1.4</b>	<b>(\$92.5)</b>

Highway Fund Revenue Variance Summary For the Month of June 2002 (Revised to Reflect Final Budgeted Amounts for Fiscal Year 2001-02)		
Revenue Source	In Millions	
	June 2002	Fiscal Year-to-Date June 2002
Fuel Taxes	\$1.1	\$4.9
Motor Vehicle Registration and Fees	(\$0.6)	\$5.9
Inspection Fees	\$0.0	\$0.1
Other Revenues	\$0.0	(\$1.2)
<b>Total Highway Fund - Variances</b>	<b>\$0.5</b>	<b>\$9.6</b>

*Prepared by the Office of Fiscal and Program Review  
Based on Preliminary Data; Subject to Change*

STATE OF MAINE  
Undedicated Revenues - General Fund  
For the Twelfth Month Ended June 30, 2002

PRELIMINARY AND TENTATIVE  
FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

Jun-02

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2002
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Sales and Use Tax	154,269,819	159,852,796	(5,582,977)	(3.5%)	836,134,084	841,060,667	(4,926,583)	(0.6%)	841,060,667
Individual Income Tax	149,125,749	150,533,347	(1,407,598)	(0.9%)	1,069,834,791	1,176,031,661	(106,196,870)	(9.0%)	1,176,031,661
Corporate Income Tax	16,234,404	18,021,036	(1,786,632)	(9.9%)	77,366,103	89,843,041	(12,476,938)	(13.9%)	89,843,041
Cigarette and Tobacco Tax	8,694,190	8,964,974	(270,784)	(3.0%)	97,599,599	94,910,131	2,689,468	2.8%	94,910,131
Public Utilities Tax	(735)	-	(735)	-	30,479,783	30,100,000	379,783	1.3%	30,100,000
Insurance Companies Tax	16,083,772	10,760,874	5,322,898	49.5%	55,244,333	43,381,856	11,862,477	27.3%	43,381,856
Estate Tax	6,419,047	6,404,253	14,794	0.2%	23,420,240	25,382,026	(1,961,786)	(7.7%)	25,382,026
Property Tax - Unorg Territory	1,506,396	1,157,493	348,903	30.1%	10,333,984	9,985,081	348,903	3.5%	9,985,081
Income from Investments	440,911	817,359	(376,448)	(46.1%)	3,829,583	5,729,372	(1,899,789)	(33.2%)	5,729,372
Transfer to Municipal Revenue Sharing	(16,301,129)	(16,748,766)	447,637	(2.7%)	(101,150,084)	(107,453,704)	6,303,620	(5.9%)	(107,453,704)
Transfer from Liquor Commission	2,348,215	2,241,630	106,585	4.8%	25,168,524	24,805,507	363,017	1.5%	24,805,507
Transfer from Lottery Commission	3,151,722	3,122,951	28,771	0.9%	39,317,891	37,762,402	1,555,489	4.1%	37,762,402
Other Revenues	22,452,627	17,848,173	4,604,454	25.8%	164,081,732	152,658,634	11,423,098	7.5%	152,658,634
<b>Total General Fund Revenues</b>	<b>364,424,989</b>	<b>362,976,120</b>	<b>1,448,869</b>	<b>0.4%</b>	<b>2,331,660,564</b>	<b>2,424,196,674</b>	<b>(92,536,110)</b>	<b>(3.8%)</b>	<b>2,424,196,674</b>

NOTES: (1) Included in the above is \$16,301,129 for the month and \$101,150,084 year to date, that was set aside for Revenue Sharing with cities and towns.

(2) Figures reflect revised estimates of the Revenue Forecasting Committee as of April 2002.

(3) This report has been prepared from preliminary month end figures and is subject to change.

PRELIMINARY AND TENTATIVE

Exhibit V

FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2002
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Fuel Taxes	35,127,113	34,038,341	1,088,772	3.2%	184,732,999	179,876,344	4,856,655	2.7%	179,876,344
Motor Vehicle Registration & Fees	8,516,730	9,156,410	(639,680)	(7.0%)	83,285,014	77,418,092	5,866,922	7.6%	77,418,092
Inspection Fees	430,812	388,505	42,307	10.9%	3,412,662	3,338,354	74,308	2.2%	3,338,354
All Other	1,110,512	1,102,110	8,402	0.8%	10,553,341	11,715,067	(1,161,726)	(9.9%)	11,715,067
Total Revenue	45,185,168	44,685,366	499,802	1.1%	281,984,017	272,347,857	9,636,160	3.5%	272,347,857

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

**General Fund and Highway Fund Revenue  
FY 02 Preliminary Revenue Variance Analysis**

**GENERAL FUND**

Revenue Line	FY02 Budget	FY02 Variance*	% Variance
Sales and Use Tax	841,060,667	(4,926,583)	-0.59%
Individual Income Tax	1,176,031,661	(106,196,870)	-9.03%
Corporate Income Tax	89,843,041	(12,476,938)	-13.89%
Cigarette and Tobacco Tax	94,910,131	2,689,468	2.83%
Public Utilities Tax	30,100,000	379,783	1.26%
Insurance Companies Tax	43,381,856	11,862,477	27.34%
Estate Tax	25,382,026	(1,961,786)	-7.73%
Property Tax - Unorganized Territory	9,985,081	348,903	3.49%
Income from Investments	5,729,372	(1,899,851)	-33.16%
Transfer to Municipal Revenue Sharing	(107,453,704)	6,303,620	-5.87%
Transfer from Liquor Commission	24,805,507	363,017	1.46%
Transfer from Lottery Commission	37,762,402	1,555,489	4.12%
Other Revenue **	152,658,634	11,423,158	7.48%
<b>Totals</b>	<b>2,424,196,674</b>	<b>(92,536,112)</b>	<b>-3.82%</b>

**\*\* General Fund - Other Revenue - Major Revenue Variances**

Real Estate Transfer Tax	7,931,428	1,277,495	16.11%
Commercial Forestry Excise Tax	3,146,000	535,764	17.03%
Aeronautical Gas Tax	1,105,000	(205,696)	-18.62%
Banking/Securities Fees	8,165,000	1,191,930	14.60%
Fine Revenue	26,194,758	399,023	1.52%
DHS - Federal Grants - Other Purposes	19,042,182	1,955,426	10.27%
MH Case Management	2,287,871	603,665	26.39%
MR Medicaid Waiver - Case Mgmt	9,713,592	482,954	4.97%
Abandoned Property	6,500,000	1,336,243	20.56%
STA-CAP Program	9,083,000	1,148,444	12.64%
Other - General Fund Other Revenue	59,489,803	2,697,910	4.54%

**HIGHWAY FUND**

Revenue Line	FY02 Budget	FY02 Variance*	% Variance
Fuel Taxes	179,876,344	4,856,655	2.70%
Motor Vehicle Registration and Fees	77,418,092	5,866,922	7.58%
Inspection Fees	3,338,354	74,308	2.23%
Other Revenue ***	11,715,067	(1,161,726)	-9.92%
<b>Totals</b>	<b>272,347,857</b>	<b>9,636,160</b>	<b>3.54%</b>

**\*\*\* Highway Fund - Other Revenue - Major Revenue Variances**

Fines	2,780,982	(822,632)	-29.58%
Interest Earnings	3,000,000	(142,791)	-4.76%
Highway Fund - STA-CAP Offset	1,496,535	(737,187)	-49.26%
Sale of Autos	150,000	150,784	100.52%
Other Settlements	50,000	186,705	373.41%
Other - Highway Fund Other Revenue	4,237,550	203,395	4.80%

\* Preliminary Estimates - Includes closing transactions during "Period 13" - Still Subject to Change

Shaded Items are Revenue Sources with negative variances

## Consensus Economic Forecasting Commission

Recommendations - Historical Projections vs. Current Projections

Calendar Years	1998	1999	2000	2001	2002	2003	2004	2005
<b>• W&amp;S Employment (Annual Percentage Change)</b>								
> Consensus 9/98	1.6	1.0	1.0	1.1	1.2	1.2		
> Consensus 1/99	2.0	1.5	1.3	1.1	1.2	1.2		
> Consensus 11/99	2.9	2.5	1.1	1.3	1.3	1.3		
> Consensus 1/2000	2.9	2.6	1.7	1.3	1.3	1.3		
> Consensus 9/2000	2.8	2.9	2.5	1.1	1.3	1.3	1.3	1.3
> Consensus 1/2001	2.8	2.9	2.5	1.1	1.3	1.3	1.3	1.3
> Consensus 2/2001	2.8	2.9	2.5	1.1	1.3	1.3	1.3	1.3
> Consensus 11/2001	2.8	3.0	3.0	1.0	-0.7	1.4	1.0	1.0
> Consensus 1/2002	2.8	3.0	3.0	1.0	0.5	1.2	1.2	1.2
> Consensus 7/2002	2.8	3.0	2.9	1.0	0.4	1.0	1.0	1.0
Change in Forecast from Jan. 2002:				0.0	-0.1	-0.2	-0.2	-0.2
<b>• Personal Income (Annual Percentage Change)</b>								
> Consensus 9/98	5.5	5.2	5.4	5.4	5.4	5.4		
> Consensus 1/99	5.0	5.0	5.1	5.1	5.2	5.2		
> Consensus 11/99	5.1	5.0	4.8	5.0	5.0	5.0		
> Consensus 1/2000	5.1	5.0	5.0	4.8	4.8	5.0		
> Consensus 9/2000	5.7	5.0	5.5	5.5	5.0	5.0	5.0	5.0
> Consensus 1/2001	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0
> Consensus 2/2001	5.7	5.0	5.0	4.5	5.0	5.0	5.0	5.0
> Consensus 11/2001	6.1	4.3	5.5	5.0	3.0	4.7	4.5	4.5
> Consensus 1/2002 *	6.1	4.3	5.5	5.0	5.0	5.0	5.0	5.0
> Consensus 7/2002	6.1	4.3	5.4	4.6	3.8	4.0	4.5	4.5
Change in Forecast from Jan. 2002:				-0.4	-1.2	-1.0	-0.5	-0.5
* 2001 Personal Income growth percentage reduced from 5.5% to 5.0% by the Revenue Forecasting Committee								
<b>• CPI (Annual Percentage Change)</b>								
> Consensus 9/98	1.7	2.8	2.8	3.0	3.0	2.9		
> Consensus 1/99	1.7	2.8	2.8	3.0	3.0	2.9		
> Consensus 11/99	1.6	2.2	2.5	2.5	2.5	2.5		
> Consensus 1/2000	1.6	2.2	2.5	2.5	2.5	2.5		
> Consensus 9/2000	1.6	2.2	3.0	2.5	2.5	2.5	2.5	2.5
> Consensus 1/2001	1.6	2.2	3.0	2.5	2.5	2.5	2.5	2.5
> Consensus 2/2001	1.6	2.2	3.0	2.5	2.5	2.5	2.5	2.5
> Consensus 11/2001	1.6	2.2	3.4	2.0	2.0	2.0	2.0	2.0
> Consensus 1/2002	1.6	2.2	3.4	2.8	2.0	2.0	2.0	2.0
> Consensus 7/2002	1.6	2.2	3.4	2.8	1.7	2.5	2.5	2.5
Change in Forecast from Jan. 2002:				0.0	-0.3	0.5	0.5	0.5

(Amounts in italics and boxes represent actuals; shaded amounts reflect revised forecast and change from previous forecasts)



Updated: July 22, 2002

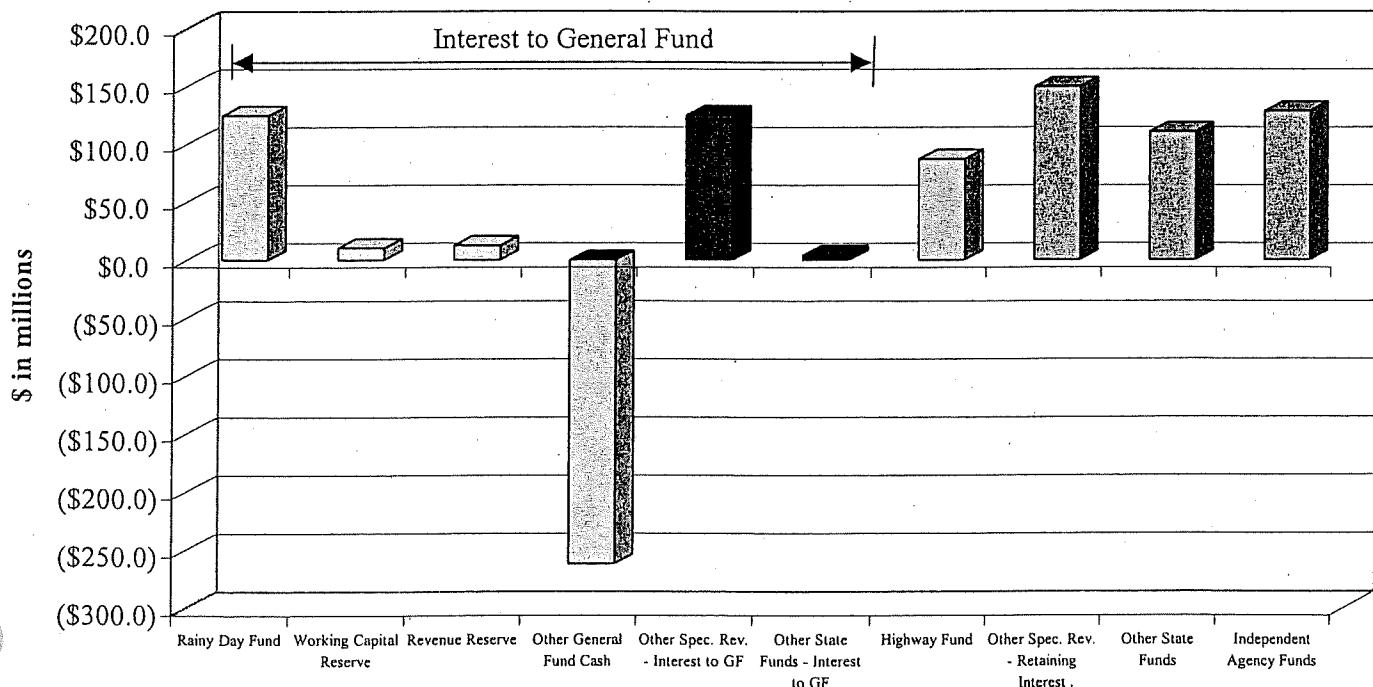
## Composition of State's Cash Pool

### June 2002 Average Daily Balances

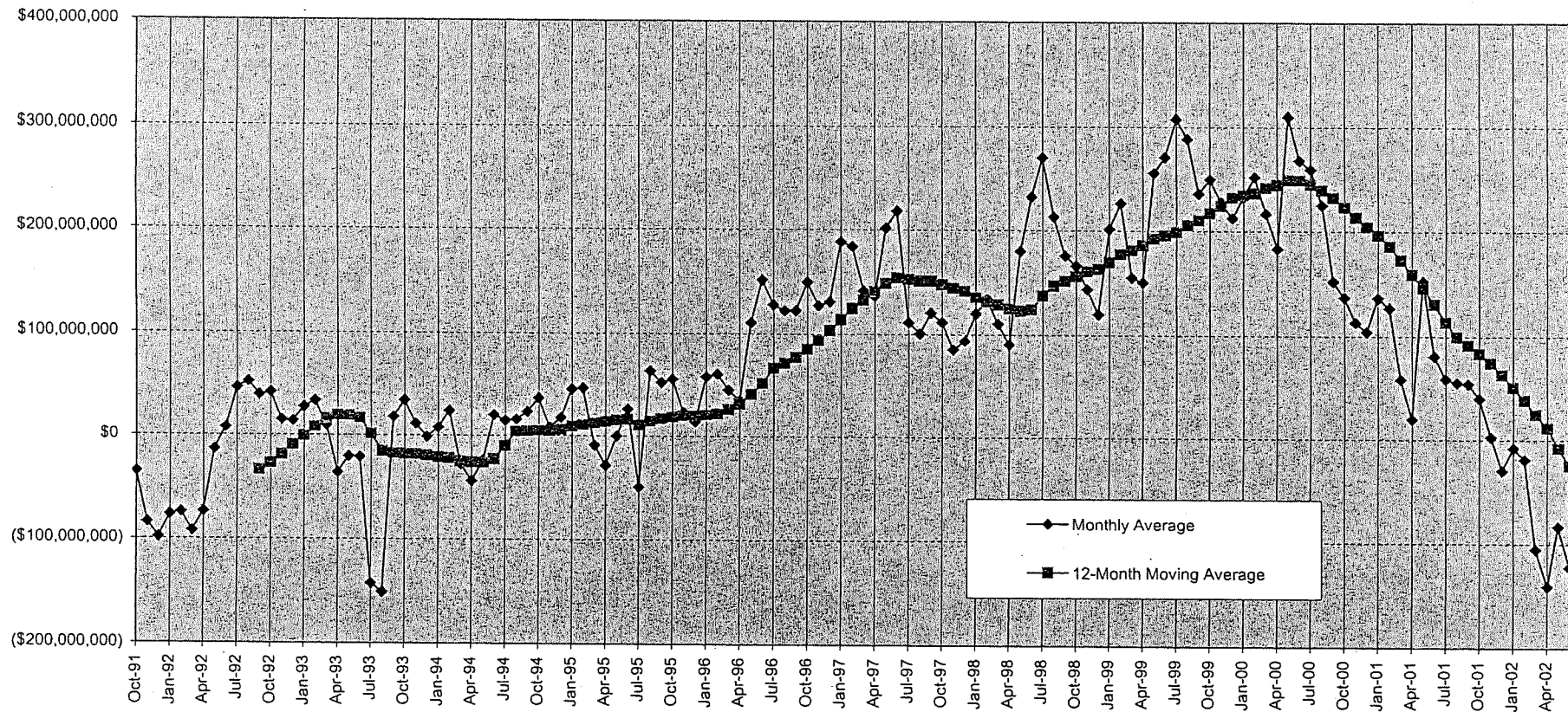
	June 2002
General Fund - Total	(\$114,001,856)
General Fund - Detail	
Rainy Day Fund	\$124,707,813
Working Capital Reserve	\$10,500,000
Revenue Reserve	\$12,557,435
General Fund - Other	(\$261,767,104)
Highway Fund	\$87,140,832
Other Special Revenue - Contributing to General Fund	\$124,930,394
Other Special Revenue - Retaining Interest Earned	\$149,542,761
Other State Funds - Contributing Interest to General Fund	\$4,423,650
Other State Funds	\$110,796,852
Independent Agency Funds	\$128,746,691
<b>Total Cash Pool</b>	<b>\$491,579,323</b>

## Composition of Cash Pool

### Average Daily Balances in May 2002



# GENERAL FUND DAILY STARTING CASH BALANCES

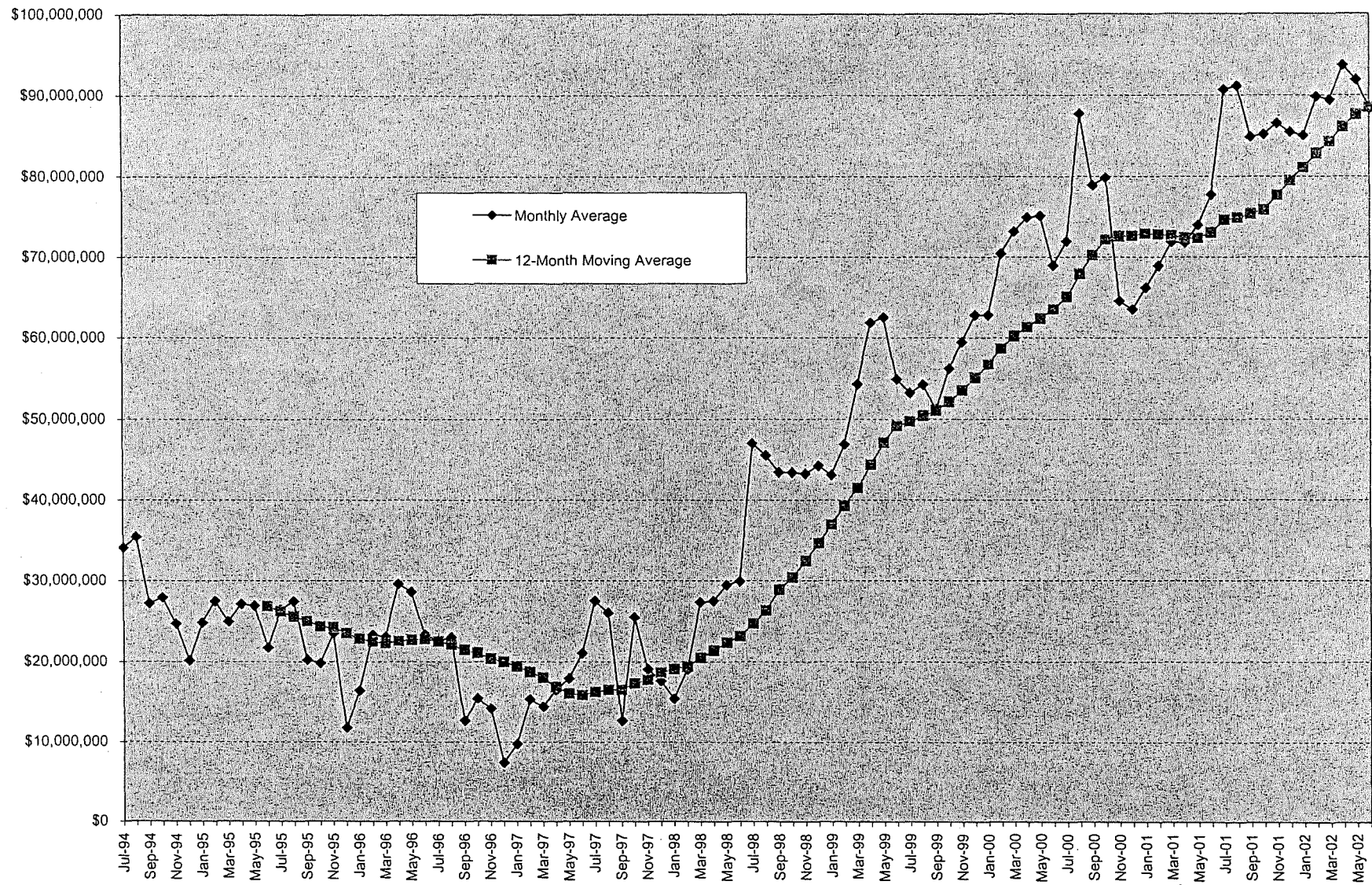


## TAX ANTICIPATION NOTES - History from FY 1990-91 <sup>(1)</sup>

Fiscal Year	Amount Authorized	Amount Issued	Reference
2002-03 <sup>(1)</sup>	\$299,836,387 <sup>(1)</sup>	\$250,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2001-02	\$100,000,000	\$0	5 MRSA, §150 (as amended by PL 2001, c. 467)
1997-98	\$100,000,000	\$0	PL 1997, c. 24, §F-1 (Repealed by PL 1997, c. 643, §E-5)
1996-97	\$190,000,000	\$150,000,000	PL 1995, c. 665 §P-1
1995-96	\$182,000,000	\$182,000,000	PL 1995, c. 368, §V-1
1994-95	\$175,000,000	\$175,000,000	PL 1993, c. 707, §P-2
1993-94	\$170,000,000	\$170,000,000	PL 1993, c. 382, §1
1992-93	\$170,000,000	\$170,000,000	PL 1991, c. 780, §BB-1
1991-92	\$150,000,000	\$150,000,000	PL 1991, c. 589, §1
1990-91	\$125,000,000	\$115,000,000	PL 1991, c. 5, §1

Notes: <sup>(1)</sup> 5 MRSA, §150 provides the statutory authorization for Tax Anticipation Notes. As amended by PL 2001, c. 705, the limit is the same as that imposed by the Constitution of Maine, Article IX, Sec. 14, 10% of total General Fund appropriations and Highway Fund allocations or 1% of the State Valuation, whichever is less. The amount authorized for fiscal year 2002-03 reflects General Fund appropriations and Highway Fund allocations for fiscal year 2002-03 through the 120th Legislature, 2nd Reg. Session. Special exceptions to the general authorization levels are detailed in this table.

# HIGHWAY FUND DAILY STARTING CASH BALANCES



120<sup>th</sup> MAINE STATE LEGISLATURE  
LEGISLATIVE COUNCIL  
Technology Report

July 31, 2002

Bill Drafting System:

- The Contract Amendment 4 scope of work is proceeding to plan and is on schedule
- Programming of added functions is underway
- Correction of the remaining problem log items is ongoing
- User testing starts on August 7<sup>th</sup>
- User training and system implementation plans are in development
- The Executive Director is meeting on a continuing basis with Compaq to monitor progress

Direct Internet Access:

- Addressing agreement reached with BIS and CIO
  - Legislature.Maine.gov
- Global Email Address List sharing between the Legislature and the Executive Branch has been agreed too. The technical process of sharing lists is being finalized.
- Email to the old address (@State.ME.US) will be automatically forwarded to the new address into 2003
- Internet access to the Legislature's Web page will work using either the old or new address
- Implementation (in August) can begin as soon as the Global Address List process and the email forwarding process are working successfully
- Legislators do not need to change their email addresses until December 2002



**Maine State Legislature**  
**OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013  
Telephone: (207) 287-1670  
Fax: (207) 287-1275

**Memorandum**

**TO:** The Honorable Michael V. Saxl, Chair  
The Honorable Michael H. Michaud, Vice-Chair  
Legislative Council  
And Honorable Members of the Legislative Council

**FROM:** David C. Elliott, Director *David C. Elliott*

**DATE:** July 29, 2002

**RE:** Interim Studies

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Attached is a progress report on legislative studies authorized for this interim. This initial report includes traditional legislative studies staffed by nonpartisan legislative staff, studies conducted or staffed by other agencies as directed by the Legislature and studies that joint standing committees wish to pursue during the interim subject to approval of the presiding officers. The list also included ongoing studies continuing from last year.

As you will see, appointments have been completed to 5 of the 9 studies requiring appointment and several meetings have been scheduled so far this interim.

I would be happy to answer any questions you may have or to provide additional information.

Attachment (Progress Report, as of 7/29/02)

cc: Senate President Richard A. Bennett  
David E. Boulter, Executive Director

**Progress Report on Legislative Studies**  
 (Studies authorized or undertaken following the 120<sup>th</sup> Legislature/2<sup>nd</sup> Regular Session)  
 Status as of 07/30/02 12:30:31 PM

<u>Study Commission</u>	<u>Date First Convened</u>	<u>Date, Time &amp; Location of Next Meeting</u>	<u>Report Date</u>	<u>Status/Progress Of Study Commission</u>
Bottle Redemption Businesses and Other Issues Related to the Handling and Collection of Returnable Containers, Committee to Study Reimbursement Rates for Maine's (PL 2001, c. 661)			06-Nov-02	Reestablishment of previous committee Staffed by SPO
Casino on the Economy, Transportation Infrastructure, State Revenue and Job Market, Resolve to Study the Impact of a Maine-based (Resolve 2001, c. 124)			06-Nov-02	3 of 16 appointments made
Community Preservation Advisory Committee, An Act to Establish the (PL 2001, c 648; sunsets 6/1/08)			Dec. 01 annually	Permanent entity Staffed by SPO; OPLA drafting assistance 5 of 11 appointments made
County Jail Population, Cost and Reimbursement by the State, Joint Order to Study (HP 1731)			06-Nov-02	CRJ interim work
Family and Medical Leave for Maine Families, Resolve to Continue the Study of Benefits and Costs for Increasing Access to (Resolve 2001, c. 115)			06-Nov-02	Appointments complete
Fatherhood Issues Study Commission, Resolve to Establish a (Resolve 2001, c. 121)			06-Nov-02	Appointments complete
Financing of Long-term Care, Resolve Establishing a Blue Ribbon Commission to Address (Resolve 2001, c. 114)			06-Nov-03	Appointments complete
Health Care System and Health Security Board (PL 2001, c. 439, Part ZZZ)	October 2001 Continuation	Monday, Aug. 5 <sup>th</sup> 10:00 a.m. – 3:00 p.m. Room 427, State House	01-Dec-02	Outside consultant selected (Mathematica Policy Research, Inc.) \$200,000 Grant Received from Maine Heath Access Foundation
MCJUSTIS Board, Resolve to Implement the Recommendations of the (Resolve 1997, c. 105, PL 1999, c. 451, PL 1999, c. 790, Resolve 2001, c. 45)	Continuation		15-Dec-02	



**Progress Report on Legislative Studies**  
 (Studies authorized or undertaken following the 120<sup>th</sup> Legislature/2<sup>nd</sup> Regular Session)  
 Status as of 07/30/02 12:32:24 PM

<u>Study Commission</u>	<u>Date First Convened</u>	<u>Date, Time &amp; Location of Next Meeting</u>	<u>Report Date</u>	<u>Status/Progress Of Study Commission</u>
Proposed Revisions to School Finance Laws and Recommendations to Implement the Essential Programs and Services Funding Model, Department of Education and State Board of Education Study (PL 2001, c. 660)			15-Jan-03	Staffed by DOE
Public Funds are Used to Acquire Conservation Easements, Resolve to Promote the Interests of the People of Maine when (Resolve 2001, c. 116)	Continuation		15-Jan-03	Staffed by SPO
Rail Transportation, Resolve to Establish and Fund the Task Force on (Resolve 2001, c. 120)	8/9/02	Friday, August 9 <sup>th</sup> 9:00 AM State House, Room 126	06-Nov-02	Appointments complete
Recodification of Title 12, chapters 701-721 (HP 613)	(Staff study – continuation)		15-Jan-02	
Salmonid Sport Fish in Maine, Commission to Study the Needs and Opportunities Associated with the Production of (PL 2001, c. 462)	Continuation		31-Oct-02	
Stormwater Management in Developed Watersheds, Resolve to Establish the Task Force to Study the Effectiveness of (LD 2186)	May 31, 2002		06-Nov-02	NAT Interim work
Unfunded Liability of the MSRS and the Equity of Retirement Benefits for State Employees and Teachers, An Act to Address the (PL 2001, c 707)			06-Nov-02	No appointments made
Victims and Heroes of the September 11, 2001 Tragedy, Resolve to Develop a Living Memorial in Capitol Park in Honor of the (Resolve 2001, c. 110)			06-Nov-02	Capitol Park Commission Study & Staffing
World War II and the Korean War Veterans in the Hall of Flags, Resolve to Recognize (PL 2001, c. 353)			04-Nov-02 Initial Rep. 01-Nov-02 Final Rep.	2 of 7 appointments made

**Progress Report on Legislative Studies**  
 (Studies authorized or undertaken following the 120<sup>th</sup> Legislature/2<sup>nd</sup> Regular Session)  
 Status as of 07/30/02 12:30:31 PM

<u>Study Commission</u>	<u>Date First Convened</u>	<u>Date, Time &amp; Location of Next Meeting</u>	<u>Report Date</u>	<u>Status/Progress Of Study Commission</u>
Youth Advisory Council, Legislative (PL 2001, c. 439, Part PPP (on-going beginning July 2002))		Wednesday, August 14 <sup>th</sup> 9:00 a.m. – 8:00 p.m. Criminal Justice Academy Vassalboro, ME  Thursday, August 15 <sup>th</sup> 8:00 a.m. – 5:00 p.m. State House Room 228	Feb. 15th annually	Appointments complete

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DAVID E. BOULTER  
EXECUTIVE DIRECTOR  
OF THE LEGISLATIVE COUNCIL



MAINE STATE LEGISLATURE

OFFICE OF THE EXECUTIVE DIRECTOR  
LEGISLATIVE COUNCIL

**Legislative Council  
Subcommittee to Consider Additional Security Measures**

Meeting Summary for  
Meeting of June 24, 2002, Approx. 3:00 p.m.

**Subcommittee members present:**

Sen. Sharon Treat  
Rep. William Schneider  
Millie MacFarland, Clerk of the House  
Pam Cahill, Secretary of the Senate  
Dave Boulter, Executive Director

The subcommittee was convened following the Legislative Council meeting. The single topic on the agenda was the purchase and installation of security cameras in the State House.

The committee was reminded that earlier this year, the subcommittee had recommended various measures to enhance security in the State House, among them being a recommendation that security cameras be installed in the State House. The cameras would be placed to cover each entrance to the State House, and the east and west entrance plaza areas. The camera security system would be compatible with and be operated in conjunction with Building Control's current security system for State buildings. Capitol Security and the MSP, Special Services Unit endorsed the recommendation for security cameras. It would have the added benefit of enhancing security for the Governor's offices.

At its last meeting, the Legislative Council referred the matter of security cameras and the proposal by E.S. Boulos to the subcommittee for its review and decision.

Mr. Boulter noted that installation of security cameras was one of the major recommendations of the committee. He recommended acceptance of E.S. Boulos option # 3 at a cost of \$63,970, including installation. Option # 3 would utilize the preferred new digital technology and the Legislature's existing Local Area Network (LAN). The

D.B.

costs would be paid for from the Reserve Fund for State House Preservation and Maintenance in FY 03. Sufficient funds are available to pay the costs. Mr. Boulter conveyed to the subcommittee that the Executive Branch had withdrawn its earlier offer to cost-share, due to current budgetary constraints.

A general discussion followed. In summary, the subcommittee concluded the following:

1. The subcommittee endorsed ESB Option #3 as the preferred option for security camera purchase and installation, subject to verification by Building Control/Capitol Security that the proposed camera placements are the preferred locations.
2. Purchase of the camera security system is contingent upon the receipt and review for acceptability of a security camera monitoring and response plan that is to be prepared by Building Control in conjunction with the Bureau of Capitol Security. The subcommittee wants assurance, through this planning exercise, that the expenditure of funds will result in tangible enhancements to the security of Legislators, legislative staff, the Governor and his staff and visitors in or about the State House.
3. The subcommittee asked Mr. Boulter to convey the subcommittee's decision to Building Control and to ask for a monitoring and response plan to be submitted within a month. The subcommittee also asked Mr. Boulter to hold off ordering and installing the equipment until the plan has been submitted for review.

With all matters having come before the subcommittee, the meeting was adjourned at approximately 4:00 p.m.

**Legislative Council  
Space Committee  
Meeting Summary  
June 24, 2003, at approximately 4:00 p.m.**

**Members Present:**

Rep. Colwell  
Rep. Schneider  
Sen. Treat

The Space Committee was convened following the Subcommittee to Consider Additional Security Measures meeting. The single agenda item was diorama restoration.

At issue is the funding to pay for completion of the restoration of the Klir Beck dioramas. By way of background, the Legislative Council has spent considerable sums of money removing the dioramas from the original location and storing them, constructing a new location in the underground connector and then reinstalling them. What remains to be done is the replacement and re-fabrication of the flora and scenery and a restoration of the fauna.

At the time of the diorama removal several years ago, a plan was developed whereby the Maine State Museum would use its existing staff, including Gary Hoyle an expert in these matters, to perform this work.

Sheila McDonald from the Museum reported that Mr. Hoyle has since retired from state service (but will perform the work on a contract basis). She also indicated the Museum has no available funding to complete the work. The Museum estimated the costs to complete at \$66,000 with a completion date of July 1, 2003. Museum staff would contribute staff time from at least 10 staff during the project period.

The request was for the Legislative Council to pay the \$66,000 so the dioramas could be completed.

The members discussed the situation and options at length. The members felt that completion of the dioramas was very important, due to their significance, the interest by the public and the money and effort already expended. They also felt that the Legislative Council had completed its share of the project based on its understanding that the Museum would complete its share. The committee discussed various options including funding the entire remainder of the project, funding 1 or 2 of the 4 dioramas and the museum funding the remaining two, and cost-sharing with the Museum on a \$46,000 - \$20,000 basis, the smaller share being the Museum's.

Concluding the discussion, the committee declined to fund the remaining costs at this time and instead, asked the Maine State Museum to explore ways to pay the costs, including private donations, federal grants, use of available unexpended funds appropriated to the Museum or organizing fund-raising through the Friends of the Maine State Museum. The committee asked that the Museum report back its progress to the committee within 30 days. Based on the Museum's progress, the committee may consider a cost-sharing of expenses at its next meeting.

No other action was taken. The meeting was adjourned.