

REP. JOHN RICHARDSON CHAIR

SEN. BETH EDMONDS VICE-CHAIR



122ND MAINE STATE LEGISLATURE

LEGISLATIVE COUNCIL

LEGISLATIVE COUNCIL DECEMBER 27, 2005 REVISED AGENDA

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Action

SEN. MICHAEL F. BRENNAN

REP. GLENN A. CUMMINGS REP. DAVID E. BOWLES

REP. ROBERT W. DUPLESSIE REP. JOSHUA A. TARDY

DAVID E. BOULTER EXECUTIVE DIRECTOR

SEN. PAUL T. DAVIS, SR. SEN. KENNETH T. GAGNON

SEN. CAROL WESTON

CALL TO ORDER

ROLL CALL

Item

SUMMARY OF THE NOVEMBER 28, 2005 COUNCIL MEETING

Acceptance

REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

- 7 Executive Director's Report (David Boulter)
 - Fiscal Report (Grant Pennoyer)
 - Update of Interim Studies (Patrick Norton)
- Office of Information Services' Report (Paul Mayotte)

REPORTS FROM COUNCIL COMMITTEES

- Personnel Committee (Rep. Cummings, Chair)
 - A) Report of the December 12, 2005 Personnel Committee meeting.
 - B) Re-appointment of Margaret Matheson as Revisor of Statutes
- State House Facilities Committee (Sen. Gagnon, Chair)

No report

OLD BUSINESS

22Item #1: Council actions taken by ballot (No action required)Information115 STATE HOUSE STATION, AUGUSTA, MAINE 04333-0115TELEPHONE 207-287-1615.FAX 207-287-1621

NEW BUSINESS

23	Item #1:	Request for Extension of Study Reporting Deadline and to Hold 1 additional meeting	Decision
		• Study Commission Regarding Livable Wages (from January 15, 2006 to February 1, 2006 second request for extension request. First request for an extension was from December 7, 2005 to January 15, 2006 was approved at November 28, 2005 Council meeting.)	
24	Item #2:	Request to Meet	Decision
		Freedom of Access Advisory Committee	
25	Item #3:	2005 Report of the Land and Water Resources Council on the Land Use Mediation Program	Information
26	Item #4:	Submission of Study Reports	
		Citizen Trade Policy Commission	Acceptance
		Task Force to Study Maine's Homeland Security Needs	Acceptance
28	Item #5:	Loring Development Authority of Maine 2005 Annual Report	Information
		- Cover memo from Carl W. Flora, President & CEO of Loring Commerce Center and Summary pages of the report are enclosed. Full report is on file in the Office of the Executive Director of the Legislative Council	
	Item #6:	Presentation by State Board of Education, Select Panel On Revising Education in Maine (Materials distributed in Earlier packet, please bring to the meeting)	Presentation

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. JOHN RICHARDSON CHAIR

SEN. BETH EDMONDS VICE-CHAIR



122ND MAINE STATE LEGISLATURE

LEGISLATIVE COUNCIL

SEN. MICHAEL F. BRENNAN SEN. PAUL T. DAVIS, SR. SEN. KENNETH T. GAGNON SEN. CAROL WESTON REP. GLENN A. CUMMINGS REP. DAVID E. BOWLES REP. ROBERT W. DUPLESSIE REP. JOSHUA A. TARDY

DAVID E. BOULTER EXECUTIVE DIRECTOR

MEETING SUMMARY NOVEMBER 28, 2005

CALL TO ORDER

The Chair, Speaker Richardson, called the Legislative Council meeting to order at 11:40 a.m. in the Legislative Council Chamber.

ROLL CALL

Senators:	President Edmonds, Sen. Brennan, Sen. Davis, Sen. Gagnon, Sen. Weston
Representatives:	Speaker Richardson, Rep. Cummings, Rep. Bowles, Rep. Duplessie Rep. Tardy joined the meeting in progress
Legislative Officers:	Michael Cote, Assistant Clerk of the House David Boulter, Executive Director, Legislative Council Grant Pennoyer, Director, Office of Fiscal and Program Review Patrick Norton, Director, Office of Policy and Legal Analysis Margaret Matheson, Revisor of Statutes

SUMMARY OF THE OCTOBER 27, 2005 COUNCIL MEETING

Motion: That the Meeting Summary of October 27, 2005 be accepted and placed on file. (Motion by President Edmonds, second by Rep. Cummings, unanimous).

Speaker Richardson asked if there was objection to taking 2 items out of order. Hearing none, the Chair then moved to New Business, Items 1 and 2.

NEW BUSINESS

Item #1: Suggested Procedures for Deciding Appeals of Legislative Bill Requests

1. Under the terms of the Maine Constitution, Section 1 of Article IV, Part Third, Legislative Power, the business of the second regular session must be limited to budgetary matters; legislation in the Governor's call; legislation of an emergency nature admitted by the Legislature; legislation referred to committees to study and report by the Legislature in the first regular session; and legislation presented to the Legislature by written petition of the electors (direct citizen initiative).

- 2. Under the 122nd Legislative Council's Rules of Procedure, any action of the Council requires the affirmative vote of at least 6 members.
- 3. Under Rule 203 of the Joint Rules of the 122nd Legislature, any vote of the Legislative Council to accept or reject a bill or resolve for introduction under the procedures established under the Joint Rules must be taken by the yeas and nays, and that vote must be recorded and made available for public inspection.
- 4. Under Rule 217 of the Joint Rules, a bill that has been introduced and finally rejected in a regular or special session may not be introduced in a subsequent session of the same Legislature except by a vote of 2/3 of both chambers. Therefore, determinations as to the relevancy of Rule 217 are within the purview of the presiding officers, not the Legislative Council.

Suggested Protocol for deciding appeals

A. The Legislative Council will review appeals alphabetically by sponsor.

- B. For procedural consistency, when voting on an appeal of a bill request that was denied, the initial motion on a bill will be presumed to be a motion to accept the bill request for introduction into the second regular session along with a second to that motion. (Yea is to let in a bill; nay is to reject the bill for introduction).
- C. In order to review all legislative appeals in a timely manner, voting will be by electronic vote or a show of hands, with each Council Member's vote on each bill being recorded. The record of each vote will be made available for public inspection following the meeting.
- D. Legislators who appeal a decision of the Legislative Council will be given a brief opportunity to make their case to the Council. A time limit of 3 minutes will be observed for Legislators making an appeal. Only by leave of the Chair of the Legislative Council may a person who is not a Legislator address the Council.
- E. Discussion of a bill request will be limited to whether it is appropriate for introduction under Constitutional provisions for second regular session bills, and will not speak to the merits of the bill itself. If a bill was turned down because it is closely related to another legislative request or to a carryover bill, the burden is on the Sponsor to convincingly distinguish his or her bill request from the closely related one.

Discussion: It was suggested that the time limit of 3 minutes be changed to 2 minutes in Paragraph D of the Suggested Protocol for deciding appeals.

Motion: That the Legislative Council adopt the suggested protocol, A-E, for deciding legislative bill requests with the time limit change from 3 minutes to 2 minutes in section D. (Motion by Sen. Gagnon, second by Rep. Duplessie, unanimous).

Item #2: Consideration of Legislators' Appeals of Council Action on Bill Requests

The Council then proceeded to consider and vote on 93 appealed requests in accordance with the adopted protocol, and using an automated voting system.

RECESS

The Council recessed at 1:10 p.m. on the motion of the Chair.

RECONVENED

The Chair reconvened the meeting at 1:57 p.m. and continued with consideration of appeal request until all appeals had been considered.

Of the 93 appeal requests, the Council authorized 37 requests for introduction in the 2nd Regular Session of the 122nd Legislature. The Speaker thanked everyone for their outstanding work.

A list of the bills and the roll call votes are attached.

The Chair proceeded with the other items on the agenda.

REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

• Executive Director's Report

David Boulter, Executive Director of the Legislative Council, did not present a report in the interest of time.

• Fiscal Report

Grant Pennoyer, Director, Office of Fiscal and Program Review presented a brief summary of the written materials provided to the council as follows:

A. Revenue Variance Report for the General Fund and Highway Fund

General Fund revenue was \$9.5 million over budget for the month of October. After the 1st four months of FY 06, the fiscal year-to-date positive variance increased to \$61.0 million (+8.3%). He noted that \$19.3 million of this variance was related to a timing issue with Circuit Breaker and BETR payments. Mr. Pennoyer also noted that in October, Maine received an unusually large estate tax payment, in excess of \$17 million. Excluding variances related to these tax programs, General Fund revenue was \$42.6 million (+5.8%) ahead of budget.

Highway Fund revenue was over budget in October by \$1.3 million, increasing the positive variance for the fiscal year-to-date to \$1.9 million (+2.0).

B. Revenue Forecasting Committee Update

Mr. Pennoyer pointed out that the materials included a summary of the major revenue categories and the recommended changes to the revenue forecast approved by the Revenue Forecasting Committee as part of its December 2005 Revenue update. This update revises the 2006-2007 biennium budgeted revenue upward for General Fund, Highway Fund and the Dedicated Revenue MaineCare Taxes. Only the Fund for a Healthy Maine was revised downward for the 2006-2007 biennium, largely the result of an assumed delay in the receipt of tobacco settlement payments pending the outcome of "significant factor proceedings" under the Master Settlement Agreement. The FHM is also adversely affected by the change of assumed start-up of the permanent slot machine facility in Bangor. The net result for the 2006-2007 biennium revenue forecast for the Fund for a Healthy Maine is a downward revision of \$20.4 million (\$5.4 million in FY06 and \$15.0 million in FY07).

For the General Fund, this forecast results in a substantial upward revision of \$164.4 million for the 2006-2007 biennium (\$112.1 million in FY06 and \$52.3 million in FY07). The upward revision for the 2008-2009 biennium is \$98.4 million, decreasing the 2008-2009 structural gap.

For the Highway Fund, this forecast results in an increase of 2006-2007 budgeted revenue by \$8.3 million (\$6.1 million in FY06 and \$2.2 million in FY07). However, the projections for 2008-2009 biennium decrease revenue estimates by \$4.2 million, thereby increasing the Highway Fund 2008-2009 structural gap.

Mr. Pennoyer noted that the Revenue Forecasting Committee will be reporting to the Appropriations Committee on November 30th. More detail will be available at that time.

C. Cash Pool and Cash Pool Trends

Mr. Pennoyer noted that there was no significant change in trends, but pointed out that a legislative change now requires documentation of internal borrowing between funds. This is new with the October cash pool report.

Director Pennoyer said he would meet with Council members if any member so requested.

• Update of Interim Studies

Patrick Norton, Director, Office of Policy and Legal Analysis, referred members to the Progress Report on Legislative Studies in their packet.

A copy of the Progress Report on Legislative Studies is attached.

• Office of Information Services' Report

No Report

REPORTS FROM COUNCIL COMMITTEES

• Personnel Committee (Rep. Cummings, Chair)

Representative Cummings, Chair, Personnel Committee, reported that the committee had not met this month.

• State House Facilities Committee

Senator Gagnon, Chair, State House Facilities Committee, reported that the committee had not met this month.

OLD BUSINESS

None

NEW BUSINESS

Item #3: Request for Extension of Study Reporting Deadline

• Committee to Study State Compliance With the Federal Indian Child Welfare Act of 1978 (from December 7, 2005 to January 9, 2006)

Motion: That the request from the Committee to Study State Compliance With the Federal Indian Child Welfare Act of 1978 for an extension of the study reporting deadline from December 7, 2005 to January 9, 2006 be approved. (Motion by Sen. Gagnon, second by President Edmonds, unanimous).

• Study Commission Regarding Liveable Wages (from December 7, 2005 to January 15, 2006)

Motion: That the request from the Study Commission Regarding Liveable Wages for an extension of the study reporting deadline from December 7, 2005 to January 15, 2006 be approved. (Motion by President Edmonds, second by Rep. Cummings, unanimous).

• Task Force to Study Cervical Cancer Prevention, Detection and Education (from December 7, 2005 to December 23, 2005)

Motion: That the request from the Task Force to Study Cervical Cancer Prevention, Detection and Education from December 7, 2005 to December 23, 2005 be approved. (Motion by President Edmonds, second by Sen. Davis, unanimous).

Item #4: Request for Extension of Study Reporting Deadline and to Hold 2 meetings after adjournment of Second Regular Session

• Commission to Study the Cost of Providing Certain Services in the Unorganized Territories (from December 7, 2005 to July 1, 2006)

Motion: That the request from the Commission to Study the Cost Providing Certain Services in the Unorganized Territories for an extension of the study reporting deadline from December 7, 2005 to July 1, 2006 and to hold two meetings after adjournment of the Second Regular Session be approved. (Motion by Rep. Duplessie, second by Sen. Gagnon, unanimous).

Item #5: Request to Hold 3 Additional Meetings

• Task Force to Study Maine Homeland Security

Motion: That the request from the Task Force to Study Maine Homeland Security to hold 3 additional meetings with funding of \$4,615.00 to be provided by the Maine Emergency Management Agency be approved. (Motion by President Edmonds, second by Sen. Davis, unanimous).

Item #6: Request Permission for Single Meeting Without Funding

· Commission to Arrange for a Monument Honoring Women Veterans of Maine

Motion: That the request from the Commission to Arrange for a Monument Honoring Women Veterans of Maine to hold a single meeting without funding and no compensation to members be approved. (Motion by President Edmonds, second by Rep. Tardy, unanimous).

Item #8: Washington County Development Authority Annual Report

That the Washington County Development Authority's Annual Report be accepted and placed on file. (Motion by President Edmonds, second by Sen. Davis, unanimous).

ANNOUNCEMENTS AND REMARKS

None,

ADJOURNMENT

The Legislative Council meeting as adjourned at 2:46 p.m. (Motion by President Edmonds, second by Sen. Gagnon, unanimous).

Legislative Council Meeting December 27, 2005

Executive Director's Report

1. State House Facilities Project

The final component of this year's renovation work, installation of new rooftop flag poles, was completed last week. With these new flagpoles, maintenance personnel will no longer need to climb onto the roof domes to raise, lower or change flags – a significant improvement in safety.

2. OPLA Analyst Positions: New Hires

As a result of Patrick Norton's appointment as OPLA Director and 2 analyst resignations, OPLA has hired several new committee analysts. They will begin work this month. They are:

- Karen Nadeau-Drillon a former Researcher with OPLA, who will staff the Transportation Committee.
- John Mitchell, a former nonpartisan committee analyst with the Florida Legislature, who will staff the Labor Committee.
- Elizabeth Cooper, a former employee of the Bureau of the Budget who will staff the Health and Human Services Committee.

3. Bill Drafting for 2nd Regular Session

The Revisor's Office, in cooperation with OPLA and OFPR analysts, has completely drafted all legislator, agency and Governor bills that have been received except for 1 bill and sent them out for signatures. Most bills have been returned and are ready for printing. Total number of bills is about 280.

Fiscal Briefing for the Legislative Council

Legislative Council Meeting December 27, 2005

Prepared by the Office of Fiscal & Program Review

1. General Fund and Highway Fund Revenue Variances for November 2005 (See Attachment A)

2. November Cash Pool and Cash Trends (See Attachment B)

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Attachment A

General Fund and Highway Fund Revenue Update

General Fund Revenue - November 2005 Variance Report (Page 3):

General Fund revenue was \$7.7 million under budget for the month of November, but it remained over budget for the fiscal year-to-date (FYTD) by \$53.3 million (+5.7%). The variances noted in this update do not reflect the December 2005 revenue revisions of the Revenue Forecasting Committee (RFC). The Individual Income Tax contributed to the negative variance in November along with the usual suspect lines, the Sales and Use Tax and Service Provider Tax lines. The Individual Income Tax line was under budget due to BETR claims catching up to the budgeted amounts and a lag in the receipt of \$3.7 million of withholding payments. The December revenue report will reflect the new revenue forecast, which increased the FY06 General Fund revenue estimate by \$112.1 million. Provided below is an overview of each of the major revenue lines, which includes an indicator of the changes made by the RFC:

- Sales and Service Provider Taxes Sales and Service Provider Taxes performance continued to under perform. These lines combined were under budget by \$6.3 million in November. For the FYTD, these lines were under budget by 14.8 million (-3.9%). RFC has revised estimate downward by \$30.5 million in FY06 and \$22.6 million in FY07.
- Individual Income Tax As noted above, this line was under budget in November, largely the result of timing issues. RFC has revised estimate upward by \$71.8 million in FY06 and \$40.7 million in FY07.
- Corporate Income Tax November revenue in this line was again very strong increasing the positive variance for the FYTD to \$20.6 (+62.3%). RFC has revised estimate upward by \$46.3 million annually in FY06 and FY07.
- Cigarette and Tobacco Tax This line rebounded in November, increasing the FYTD positive variance to \$4.7 million (+8.4%). The RFC has not revised the estimate for this category at this time.
- Public Utilities Tax No revenue is budgeted in this line until May. The RFC recommended a reduction of revenue of \$4.0 million per year due to erosion of the tax base.
- Insurance Company Tax This line was under budget in November, increasing the negative revenue variance for FYTD to \$2.1 million (-15.3%). The RFC has not revised the estimate for this category at this time.
- Estate Tax The strong performance in this category continues, increasing the FYTD positive variance in this category to \$31.2 million (+440.7%). The RFC has recommended an increase of \$33.5 million to this category in FY06 and \$6.1 million in FY07.
- **Property Tax -Unorganized Territory** The November transfer represents an estimate on based on the prior year. The RFC has recommended a minor adjustment to correct misclassification of a legislative change.
- Income from Investments This category was slight under budget. The RFC has revised the estimate for this category downward by \$1.8 million for FY06 and \$0.3 million in FY07.

- **Revenue Sharing Transfers** This revenue line is calculated based on 5.1% of Sales, Service Provider, Individual Income and Corporate Income Taxes.
- Lottery Transfer Lottery revenue was under budget for the FYTD by \$1.7 million (-7.3%). The RFC has revised this category downward by \$3.0 million per year in FY06 and FY07.
- Other Revenue The "Other Revenue" line was over budget by \$0.8 million in November, decreasing the FYTD negative variance in this line to \$1.5 million (-1.8%). The RFC has revised the estimate for this category upward by \$4.1 million in FY06, but downward by \$7.9 million in FY07.

Highway Fund Revenue – November 2005 Variance Report (Page 3)

Highway Fund revenue was under budget in November by 1.0 million, reducing the positive variance for the FYTD to 0.8 million (+0.7%). The fuel tax line has been the major drag on Highway Fund revenue. Provided below is an overview of each of the major revenue lines:

- Fuel Taxes This line was under budget by \$1.7 million in November, increasing the FYTD negative variance to \$2.3 million (-2.9%). The negative variance in this line appears to demonstrate the effect of higher fuel prices and lower discretionary consumption. The RFC has revised this category upward by \$2.0 million in FY06, but downward by \$2.0 million in FY07. The FY06 increase reflects one-time audit revenue. Note: State Tax Assessor will be notifying the Legislature that a portion of this audit may not be collected in the current biennium.
- Motor Vehicle Registration and Fees This revenue line was over budget in November by \$0.4 million, increasing the positive variance for the FYTD to \$2.8 million (+9.1%). The RFC has revised the estimate for this category upward by \$4.1 million each year in FY06 and FY07.
- Inspection Fees This revenue line was slightly over budget for the FYTD. The RFC has not revised the estimate for this category at this time.
- Fines Highway Fund fine revenue line was slightly over budget for the FYTD. The RFC has not revised the estimate for this category at this time.
- Income from Investments This revenue line was slightly over budget in November, increasing the positive FYTD variance to \$0.1 million (+18.8%). The RFC has revised the estimate for this category upward by \$0.04 million in FY06 and \$0.2 million in FY07.
- Other Revenue This revenue line was over budget in November and was over budget for the FYTD by \$0.1 million (+2.1%). The RFC has revised the estimate for this category downward by \$0.1 million in FY06 and \$0.2 million in FY07.

Historical Comparisons of Monthly General Fund and Highway Fund Revenue (See Bar Graphs on Pages 4 and 5)

Prepared by the Office of Fiscal and Program Review

General Fund and Highway Fund Revenue Fiscal Year Ending June 30, 2006 PRIOR TO DECEMBER 2005 RFC ADJUSTMENTS

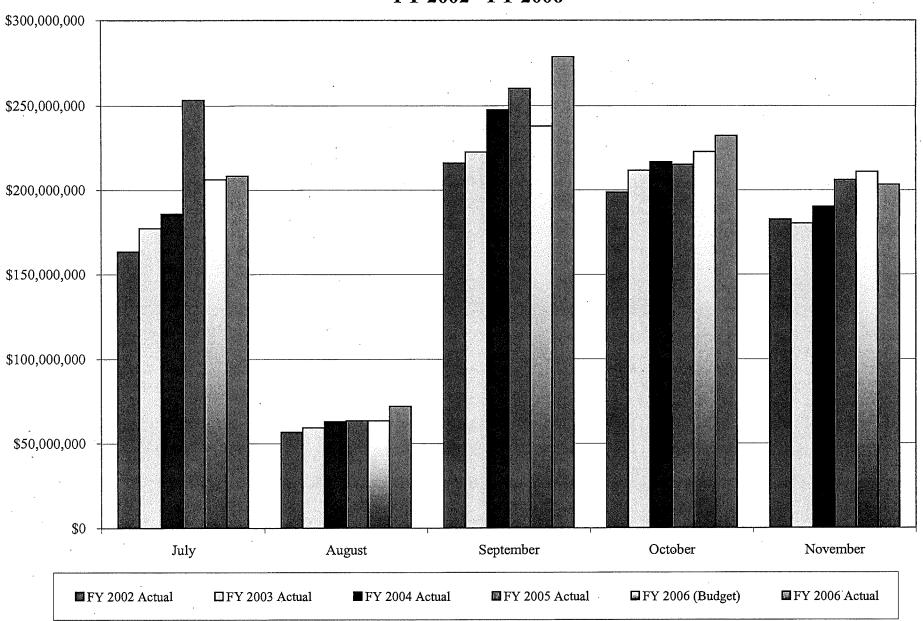
NOVEMBER 2005 VARIANCE REPORT

Revenue Line	November Budget	November Actual	November Variance	FY06 YTD Budget	FY06 YTD Actual	FY06 YTD Variance	FY06 YTD Variance %	FY06 Budgeted Totals
General Fund								
Sales and Use Tax	77,590,168	72,804,590.77	(4,785,577.23)	360,259,694	347,412,686.14	(12,847,007.86)	-3.6%	961,457,885
Service Provider Tax	4,383,776	2,904,928.05	(1,478,847.95)	15,627,841	13,697,481.02	(1,930,359.98)	-12.4%	49,287,167
Individual Income Tax	97,462,591	88,172,229.32	(9,290,361.68)	381,636,351	399,678,879.16	18,042,528.16	4.7%	1,167,504,222
Corporate Income Tax	(1,190,482)	2,120,807.50	3,311,289.50	33,104,887	53,737,876.19	20,632,989.19	62.3%	118,877,558
Cigarette and Tobacco Tax	12,586,968	15,813,813.83	3,226,845.83	55,254,993	59,923,162.72	4,668,169.72	8.4%	147,238,325
Public Utilities Tax	0	. 0.00	0.00	0	0.00	0.00	0.0%	25,440,000
Insurance Companies Tax	5,487,085	4,623,000.49	(864,084.51)	14,045,803	11,897,839.03	(2,147,963.97)	-15.3%	77,141,931
Estate Tax	2,613,640	3,396,200.17	782,560.17	7,080,443	38,283,535.56	31,203,092.56	440.7%	30,603,203
Property Tax - Unorganized Territory	0	0.00	0.00	9,522,07 7	9,560,399.00	38,322.00	0.0%	11,278,476
Income from Investments	592,519	525,792.31	(66,726.69)	2,491,309	2,429,260.97	(62,048.03)	-2.5%	6,046,546
Transfer to Municipal Revenue Sharing	(9,090,549)	(8,466,130.34)	624,418.66	(40,329,206)	(41,540,873.04)	(1,211,667.04)	3.0%	(117,153,468)
Transfer from Lottery Commission	4,102,631	4,098,207.61	(4,423.39)	22,564,495	20,906,831.99	(1,657,663.01)	-7.3%	53,334,250
Other Revenue	16,417,740	17,237,413.60	819,673.60	80,222,127	78,757,907.96	(1,464,219.04)	-1.8%	212,238,647
Totals	210,956,087	203,230,853.31	(7,725,233.69)	941,480,814	994,744,986.70	53,264,172.70	5.7%	2,743,294,742
Highway Fund					•			
Fuel Taxes	19,578,671	17,815,240.37	(1,763,430.63)	80,872,550	78,556,059.52	(2,316,490.48)	-2.9%	228,958,605
Motor Vehicle Registration and Fees	5,400,965	5,769,681.03	368,716.03	31,029,615	33,856,603.25	2,826,988.25	9.1%	83,090,358
Inspection Fees	249,322	457,533.37	208,211.37	1,850,587	1,934,973.29	84,386.29	4.6%	4,397,970
Fines	162,126	145,359.01	(16,766.99)	757,067	780,476.21	23,409.21	3.1%	1,973,665
Income from Investments	125,000	149,250.66	24,250.66	625,000	742,565.25	117,565.25	18.8%	1,556,478
Other Revenue	2,217,430	2,368,144.08	150,714.08	4,725,461	4,826,276.40	100,815.40	2.1%	9,362,596
Totals	27,733,514	26,705,208.52	(1,028,305.48)	119,860,280	120,696,953.92	836,673.92	0.7%	329,339,672

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Updated: 12/21/2005

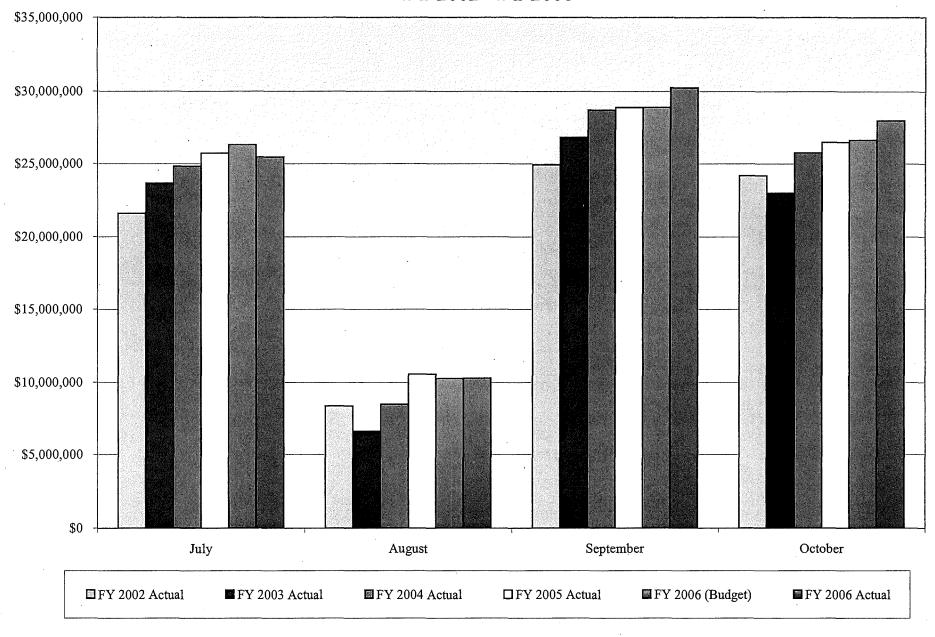
Attachment A - Page 3



Monthly Historical Comparisons - General Fund Revenue FY 2002 - FY 2006

Prepared by the Office of Fiscal and Program Review

Attachment A - Page 4



Monthly Historical Comparisons - Highway Fund Revenue FY 2002 - FY 2006

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Attachment A - Page 5

Attachment B Cash Pool and Cash Trends

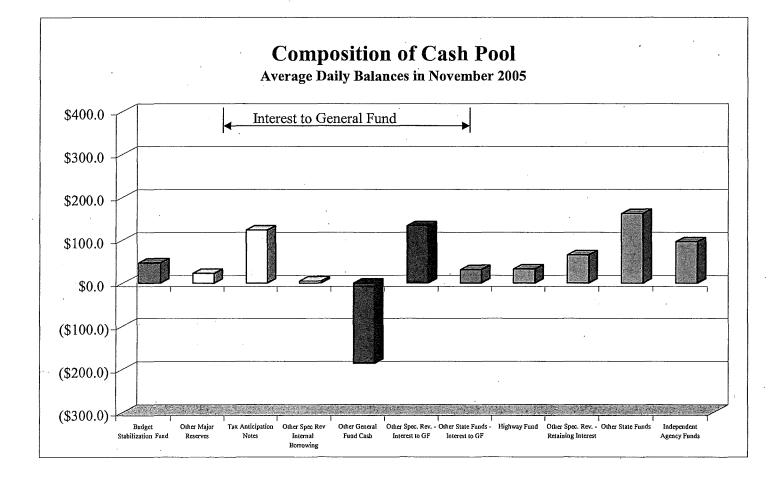
November 2005 Cash Pool Average Balances (Page 2) – General Fund cash position averaged \$13.1 million in November. This amount includes \$123.6 million in Tax Anticipation Notes (TAN's), \$47.6 million in the Budget Stabilization Fund, \$23.1 million in the Reserve for General Fund Operating Capital and \$5.0 million of internal borrowing from Other Special Revenue (Note: this documentation of internal borrowing was new effective with the October cash report). Without the TAN, Reserve Fund balances and other internal borrowings, the General Fund cash position would have had a negative average balance of -\$186.2 million. This represents a modest improvement from a year ago when this equivalent average balance was around -\$200 million. See trend discussion below.

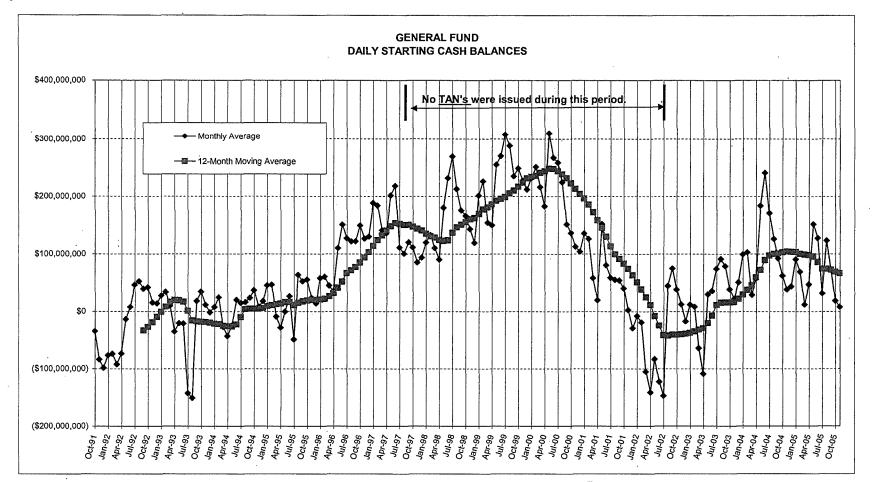
General Fund Cash Balances (Page 3 & 4) – The 2 graphs on page 3 and 4 of this attachment show the historical trends in General Fund cash balances. The average monthly balances in these graphs are generated by OFPR staff looking up and entering daily beginning balances and averaging them over each month. The first graph includes TAN's. A table at the bottom below the graph provides a table of the history of TAN authorizations and amounts issued. The second graph on page 3 excludes TAN's. The trend (measured by a 12-month moving average to smooth out monthly fluctuations) in the first graph has recently declined. This decline largely reflects the reduced reliance on TAN's and the amounts issued. The second graph eliminates the effect of the reduced TAN borrowing and gives a better sense of the underlying General Fund trend. The trends still appears to be positive in the 2^{nd} graph. The current trend has been positive despite the adverse effect on cash position created by the \$42.5 million borrowing from Other Special Revenue funds in the "Part 3" Budget Bill (PL 2005, c. 457, Part III). This change, absent any other factors, would have a tendency to reduce cash balances in FY06 and begin to build them back up in FY07. This positive trend is likely due to the recent positive revenue variances.

Highway Fund Cash Balances (Page 5) – The graph on page 5 of this attachment shows the historical trends in Highway Fund cash balances, very similar to the General Fund graphs (this data is also compiled by OFPR staff). After trending upward during the second half of FY 04, the Highway Fund trend headed downward for several months at the end of FY 05. While the Highway Fund trend looks like it briefly recovered from a downward dip, the outlook for federal funds and petroleum prices (affecting asphalt costs) may result in a significantly tighter budget situation for the Highway Fund that may create a greater drain on Highway Fund cash balances. We will need to watch this over the next few months.

Composition of State's Cash Pool November 2005 Average Daily Balances

	November 2005
General Fund - Total	\$13,067,051
General Fund - Detail	
Budget Stabilization Fund (Rainy Day Fund)	\$47,553,562
Reserve for General Fund Operating Capital	\$23,093,792
Tax Anticipation Notes	\$123,625,000
Internal Borrowing from Other Special Revenue	\$5,000,000
General Fund - Other	(\$186,205,303)
Highway Fund	\$32,976,435
Other Special Revenue - Contributing to General Fund	\$133,254,062
Other Special Revenue - Retaining Interest Earned	\$65,685,964
Other State Funds - Contributing Interest to General Fund	\$31,353,546
Other State Funds	\$161,886,737
Independent Agency Funds	\$96,317,316
Total Cash Pool	\$534,541,111

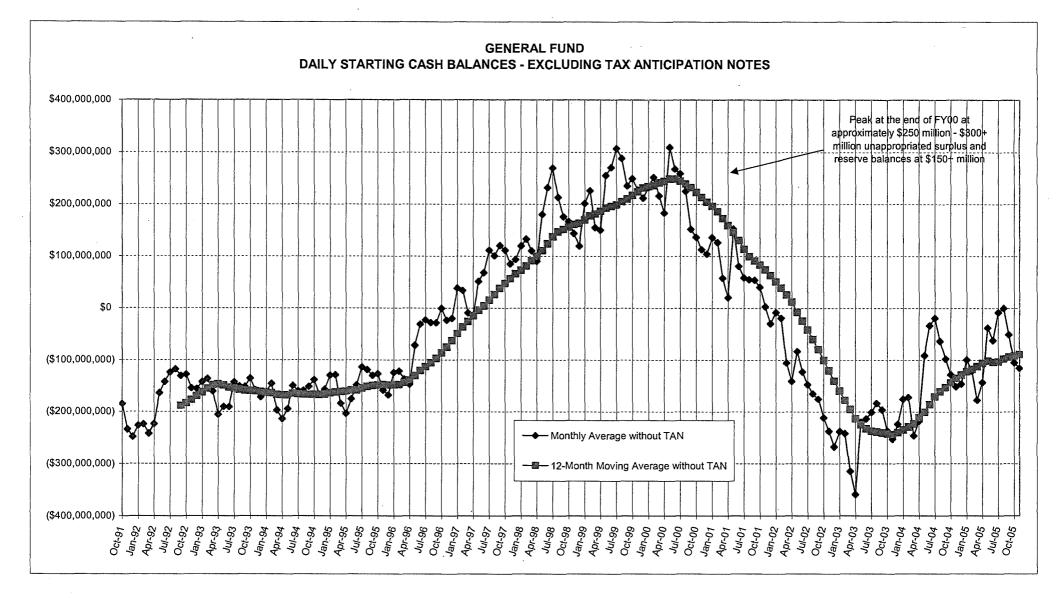




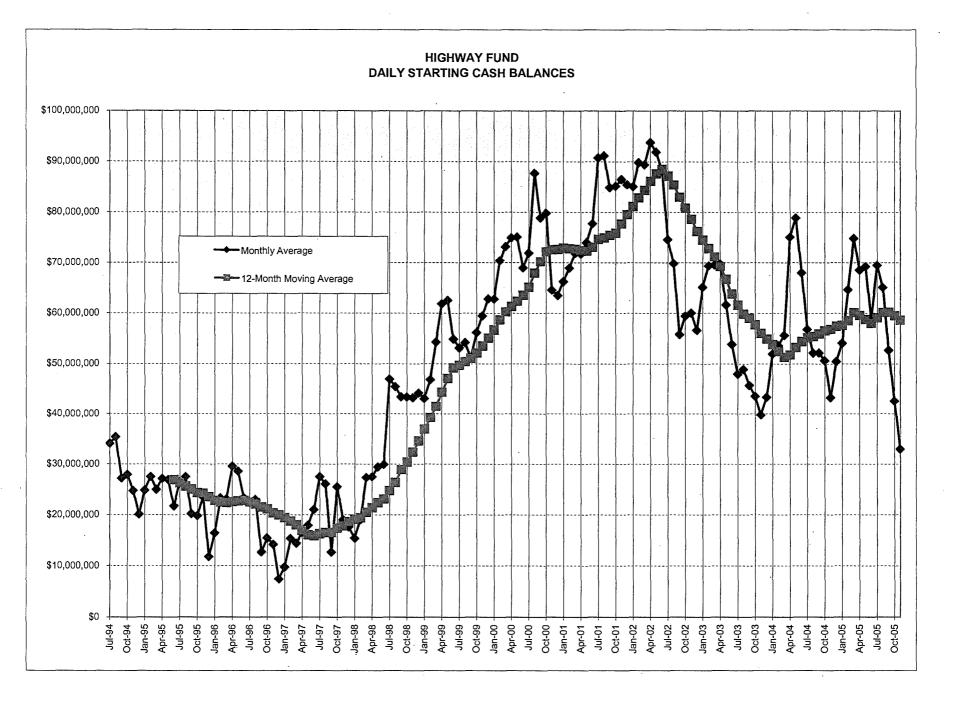
TAX ANTICIPATION NOTES (TAN's) - History from FY 1990-91⁽¹⁾

Fiscal Year	Amount Authorized	Amount Issued	Reference
2005-06 (1)	\$314,718,914 (1)	\$123,625,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2004-05 (1)	\$309,540,537 ⁽¹⁾	\$190,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2003-04 (1)	\$293,657,381 ⁽¹⁾	\$275,000,000	5 MRSA, §150 (as amended by PL 2001, c. 705)
2002-03 (1)	\$282,869,203 (1)	\$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: (*) 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 amounts authorized for fiscal years 2002-03 through 2004-05 reflect final General Fund appropriations and Highway Fund allocations. Amounts for fiscal year 2005-06 reflect budgeted amounts through the 122nd Legislature, 2nd Special Session. Special exceptions to the general authorization levels are detailed in this table.



G:\OFPR\HWYFUND\HFCSHBAL.XLS, Monthly Averages Chart Updated: 12/13/2005 $^{\circ}$



2005 Interim Study Status Report

(as of December 12, 2005)								
#	Study Name	Policy Area	Recent or Planned Meeting Dates	Report Dates/Reports to:	Total Members	Appointments made to date	Responsible Agency/Staffing	Study Status to date
1	Study of Forest Ownership in Maine (staff study in conjunction with C/O of LD 1406)	ACF	N/A	ACF .	None	<u></u>	OPLA staff study	On-going
2	Commission to Reform the State Budget Process (PL 2005, c. 386, Part O)	AFA	12/14/05; 12/22/05	To AFA Committee by 1/3/06	12	12	Bureau of the Budget	On-going
3	CRJ Committee review of Sex Offender Laws (PL 2005, c 423)	CRJ	8/9/05; 9/8/05; 9/28/05	No report	CRJ Committee	<u> </u>	OPLA staffing	CRJ met on 8/9/05 and 9/8/05. Third mtg on 9/28/05
4	Task Force to Study Maine's Homeland Security Needs (Resolve 2005, c 126)	CRJ	10/17/2005: 11/17/2005: 11/21/2005	12/7/05 Interim Report: 11/1/06 Final Report (both to Legislature)	11	11 .	OPLA and MEMA	On-going: Interim report drafted
5	Legislative Youth Advisory Council (PL 2001 c.439, as amended by PL 2005, c. 414)	EDU	12/15/2005	Annually; Legislature	2,2	16	OPLA staffing	Awaiting completion of appointments; first meeting scheduled
6	Review and Recodify Laws Pertaining to Violence in Our Schools (Resolve 2005, c 120)	EDU	. N/A .	Legislation due 12/7/05 to EDU	None	•	OPLA and ROS	On-going
7	Blue Ribbon Commission on the Future of MaineCare (<i>Resolve 2005, c.</i> 117)	HHS	10/11/2005; 11/1/2005; 11/15/2005; 12/6/2005; 12/14/05	12/7/05 to HHS and AFA	10 .	10	OPLA and OFPR staffing	On-going .
8	Governor's Committee to Study the Feasibility of the Importation of Prescription Drugs (P&S 2005, c 26)	HHS	TBD	1/15/06 to HHS	. 2	2	Governor's Office	On-going
9	Task Force to Study Cervical Cancer Prevention, Detection and Education (Resolve 2005, c. 121)	HHS	11/16/2005; 12/16/2005	12/7/05 to HHS and Gov; Final Report 11/1/06 to	16	16	OPLA staffing	On-going
			÷	HHS and Gov (Extension to 12/23/05 authorized by Council)		۰,		
10	DHHS Working Group on Department's Accounting Structure (PL 2005, c. 412)	HHS	TBD	10/1/05 to HHS; AFA and Gov	None		OPLA/OFPR will participate in working group	Interim report received.
11	Review the Establishment of the DHHS (PL 2003, c 689)	HHS	N/A	No report	None		DHHS is lead agency (with drafting assistance from OPLA and ROS)	DHHS briefing to HHS Committee on Dept structure to be scheduled
12	Health Care System and Health Security Board (PL 2001, Part ZZZ)	IFS	10/11/2005; 11/14/2005; 12/2/2005	12/7/05 to IFS	20	20	OPLA stalling	On-going
	Freedom of Access Advisory Committee (Resolve 2005, c. 123)	JUD.	12/20/2005	12/7/05 to LC, JUD and Governor		13	OPLA staffing	First meeting scheduled
4	Study State Compliance with Pederal Indian Child Welfare Act of 1978 (Resolve 2005, c 118)	JUD	12/15/2005	12/7/05 to LC & JUD (extension to 1/9/06 authorized by Council)	12	12	OPLA staffing	First meeting scheduled

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2005 Interim Study Status Report (as of December 12, 2005)

#	Study Name	Policy Area	Recent or Planned Meeting Dates	Report Dates/Reports to:	Total Members	Appointments made to date	Responsible Agency/Staffing	Study Status to date
	itudy Commission Regarding Livable Vages (Resolve 2005, c. 128)	LAB	10/5/2005; 10/27/05;	12/7/05 to Legislature	12	12	OPLA staffing	On-going
			11/16/05; 12/15/05	Extension to 1/15/06 authorized by Council)	1			
		· · · · ·						
1	Task Force on Substance Abuse Cesting and Treatment (PL 2005, c. 143)	LAB	N/A	12/7/05 to LAB	' None ·		Department of Labor	On-going
	Citizen Trade Policy Commission (PL 2003, c. 699)	LAB	9/30/05 meeting to	Annually to Legislature, Gov	22	22	OPLA staffing	On-going: 2005 report completed
	. ,		review final 2005 report flegislation	and others				
•			anticipated; 10/28/05;					
			public hearing 10/21/05 in Houlton					
			nounon					
· 1	Commission to Arrange for a Monument Honoring Women Veterans of Maine (Resolve 2005, c.	LVA	TBD	1/2/06 and 3/1/06 to Capitol Planning Commission	8	8	OPLA staffing	Appointments complete. N outside funding received.
	16)	•						
r 1	Commission to Study Alternative /oting Procedures, and Citizen nitiative Process and Minor Party Sallot Access (Resolve 2005, c. 127)	LVA	10/3/05; 10/24/05; 11/7/05	12/7/05 to Legislature	11	11	OPLA staffing	On-going; final report bein drafted
20 S	Study of State Regulation of Groundwater Withdrawal (PL 2005, c. 152)	NAT	TBD	11/1/07 to NAT	Working group		Maine Geological Survey	3 Legislators budgeted. Appointing authority not specified
1 0	Committee to Establish a Memorial	SLC	11/20/2005	1/15/06 to SLG;	9 :	9	DAFS	On-going
	or Emergency Medical Services			3/15/06 to SLG				0.0
I	ersonnel (Resolve 2005, c. 124)		•	and Capitol Planning Commission				
) T	Commission to Study the Cost of Providing Certain Services in the Juorganized Territories (Resolve	TAX	9/29/05; 11/10/05	12/7/05 to Legislature	17	17	OFPR	Ongoing
	2005, c. 125)							
1	Appointment Summary Number of appo	Inted positions	199		••••			
		is made to date	191					
ş	Study Activity Summary							
	Studies awaiting			-				
	Initial activity/r	esearch started	<u>18</u> 22					
	· · · ·		•					

122nd MAINE STATE LEGISLATURE LEGISLATIVE COUNCIL <u>Technology Report</u> December 27, 2005

Bill Drafting System:

- The printing problem reported in the 12/16/2005 preliminary Technology Report has been corrected
- The AG's Office, at the Legislature's request, is working to resolve the correction of 3 formatting issues related to Constitutional Resolutions that HP is disputing
- HP is working the remaining warranty issues appropriately
 - Weekly status meeting (Revisor, Systems, HP)
 - Daily updates from HP
 - HP's work priority set by the Legislature

Internet Video:

- Cable installation in the House begins shortly
- The hardware has been ordered
- Plan is to be ready to broadcast by January 24th

Preparations for the Start of 2nd Session:

- Scheduled PC and printer replacements are complete
- Annual printer preventative maintenance is complete
- The oldest PCs and monitors in the Legislator Cyber Room have been upgraded
- Several Committee Clerk PCs will be upgraded
- The Wireless network is active with adjustments made to improve coverage and service availability
- Network disk storage space has been cleaned up and additional network disk drives will be brought on line to provide adequate data storage capacity for session and post session activity
- Desktop anti-virus software is being upgraded to include spyware/adware protection

Actions Taken by Ballot by the Legislative Council Since the November 28, 2005 Council Meeting

1. Request for Introduction of Legislation

A.	LR 3047:	An Act To Preserve Maine's Working Waterfront
	Submitted by: Accepted:	Senator Dennis Damon December 1, 2005, $7 - 0 - 0 - 3$
В.	LR 3058:	An Act To Allow Dragging in Lower Taunton Bay
	Submitted by: Accepted:	Senator Dennis Damon December 1, 2005, $7 - 0 - 0 - 3$

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STUDY COMMISSION REGARDING LIVEABLE WAGES

MEMORANDUM

TO:	The Honorable John Richardso	on, Chair
	Legislative Council	
	·.	a .0

FROM: Senator Philip Bartlett, Senate Chair 1998 Representative Arthur Lerman, House Chair W Study Commission Regarding Liveable Wages

DATE: December 19, 2005

SUBJ: Request for extension of report date and one additional meeting

The Study Commission Regarding Liveable Wages is writing to request an extension of the deadline for filing our report with the Legislature and for one additional meeting. The commission held its final authorized meeting on December 15th and developed numerous recommendations. However, given the timeframe we were operating under we were unable to review the report and recommendations within our authorized meeting dates. Therefore, we are requesting an extension of our report date to February 1, 2006 and for permission to hold 1 more meeting to allow us the opportunity to review the report, including proposed legislation, before the report is submitted to the Legislature.

Currently, there are 5 meetings authorized and a total of \$4,485 budgeted for the commission. Thus far, \$1,951.26 has been spent, leaving a balance of \$2,533.74. We have scheduled the requested additional meeting for Wednesday, January 18th - a day the Legislature is scheduled to be in session - so legislators on the commission will not be requesting additional reimbursement. Therefore, there appears to be sufficient funds to cover an additional meeting.

Thank you for your consideration of this request for one additional meeting and an extension of the report date to February 1, 2006. Please feel free to contact either of us if you have any questions. We look forward to hearing from you.

cc: The Honorable Beth Edmonds, Vice-chair, Legislative Council David Boulter, Executive Director, Legislative Council Patrick Norton, Director, OPLA

DEC 2 1 2005

FREEDOM OF ACCESS ADVISORY COMMITTEE

Pursuant to Resolve 2005, chapter 123

December 21, 2005

- TO: Rep. John G. Richardson, Speaker of the House, Chair Sen. Beth Edmonds, Senate President, Vice Chair Legislative Council 122nd Maine Legislature
- FROM: Sen. Peggy Rotundo, Senate Chair Rep. Ted Koffman, House Chair Freedom of Access Advisory Committee

Re: Freedom of Access Advisory Committee: Request to meet

Resolve 2005, chapter 123 created the Freedom of Access Advisory Committee, a 13member study committee required to report to the Governor, the Chief Justice, the Legislative Council and the Joint Standing Committee on Judiciary by December 7, 2005. Unfortunately, the appointments to the Advisory Committee were not completed until just before Thanksgiving, and the Advisory Committee was unable to meet before the reporting date.

As chairs of the Advisory Committee, we respectfully request permission to hold up to three meetings as originally authorized in the Resolve, and make a report to the Judiciary Committee as well as the Legislative Council, the Governor, and the Chief Justice of the Supreme Judicial Court by the end of January. The Advisory Committee does not have independent authority to submit legislation, although the Judiciary Committee may report out a bill to make necessary changes in law.

While Resolve 2005, chapter 123 does not provide the Legislative Council with authority to grant an extension of the deadline, the members of the Advisory Committee are comfortable with meeting and reporting upon the Legislative Council's approval.

Thank you for your consideration of our request. Please let us know if you need additional information.

cc:David Boulter, Executive Director, Legislative Council
Patrick Norton, Director, Office of Policy and Legal Analysis
Teen Griffin, Manager, Legislative Information OfficeDEC 2 2 2005

attachment: (Resolve 2005, c. 123)



STATE OF MAINE EXECUTIVE DEPARTMENT STATE PLANNING OFFICE 38 STATE HOUSE STATION AUGUSTA, MAINE 04333

JOHN ELIAS BALDACCI GOVERNOR

MARTHA E. FREEMAN DIRECTOR

November 30, 2005

David Boulter Executive Director Legislative Council 115 State House Station Augusta, ME 04333

RE: 2005 Report of the Land and Water Resources Council on the Land Use Mediation Program

Dear Mr. Boulter;

This letter constitutes the Land and Water Resources Council's ("LWRC") report to the Governor, the Administrative Office of the Courts, the Executive Director of the Legislative Council, and the Director of the Court Alternative Dispute Resolution Service ("CADRES") on the operation and effectiveness on the Land Use Mediation Program. 5 M.R.S.A. §3331, sub-§5 specifies that the LWRC's report "list the number and types of mediation requests received, the number of mediation agreements, a summary of the final disposition of mediation agreements, a narrative discussion of the effectiveness of the program as determined by the council, a summary of deposits and expenditures from the land use mediation fund created in Title 4, section 18-B, subsection 10 and any proposals by the council with respect to the operation, improvement or continuation of the mediation program." *Id.* This report covers the period from the LWRC's most recent report on the program, dated December 1, 2003, to date.

In response to an inquiry on November 17, 2005 from the State Planning Office, Diane Kenty, Director of CADRES, indicated that CADRES received one formal request for mediation under the Program during the period covered by this report. The application was submitted on Dec. 31, 2003, by a landowner seeking mediation with the Town of Kittery over denial of a permit. The Town declined to participate in the requested mediation.¹ Since the Town had previously declined to participate in land use mediation under the Program, CADRES initially held and subsequently, when the Town declined to participate, refunded to the landowner's attorney the \$175 mediation fee submitted with the application. As a result, the Program conducted no mediation sessions and generated no signed mediation agreements during this period. Likewise, during this period there were no deposits to or expenditures from the land use mediation fund created in Title 4, section 18-B, subsection 10. Ms. Kenty advises that her office does periodically receive telephone inquiries regarding the land use mediation program.

At its December 8, 2005 meeting, the Council is scheduled to discuss the Land Use Mediation Program and may supplement this report with any recommendations that result from that discussion.

Please let me know if you need additional information or would like to discuss this matter further. Thank you for your consideration.

Sincerely Martha E. Freeman

cc: Members, LWRC

¹ Unlike state agencies, municipalities are not obligated to participate in land use mediation at the request of a landowner pursuant to CADRES' land use mediation program. 38 MRSA section 3341, subsection 8. Cf. 2 MRSA section 8.

PHONE: (207) 287-3261

OFFICE LOCATED AT 184 STATE STREET, AUGUSTA, ME.

FAX: (207) 287-6482005



MAINE STATE LEGISLATURE Augusta, Maine 04333

CITIZEN TRADE POLICY COMMISSION

November 30, 2005

The Honorable Beth Edmonds, Chair The Honorable John Richardson, Vice-Chair Legislative Council 115 State House Station Augusta, ME 04333

Dear Chair and Vice-Chair

This letter is to inform you that the Citizen Trade Policy Commission has completed its work and submitted its first annual report, pursuant to Public Law 2003, c. 699.

Sincerely,

Sen Margaret Rotundo

Senator Margaret Rotundo, Senate Chair

Rep. John Patrick

Representative John Patrick, House Chair Citizen Trade Policy Commission

Enclosure

DEC - 9 2005



MAINE STATE LEGISLATURE Augusta, Maine 04333

TASK FORCE TO STUDY MAINE'S HOMELAND SECURITY NEEDS

December 16, 2005

The Honorable John Richardson, Chair The Honorable Beth Edmonds, Vice-Chair Legislative Council 122nd Maine Legislature 115 State House Station Augusta, Maine 04333

Dear Representative Richardson and Senator Edmonds:

This letter is to inform you that the Task Force to Study Maine's Homeland Security Needs has completed its work and submitted its interim report pursuant to Resolve 2005, Chapter 126.

Sincerely,

NUH

Senator Ethan Strimling, Senate Chair

NUT Representative Stan Gerzofsky, House Chair

cc: Members of the Legislative Council (w/enc.)

DEC 2 2 2005

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LORING COMMERCE CENTRE

December 12, 2005

Mr. David Boulter Executive Director State of Maine Legislative Council 115 State House Station Augusta, ME 04333

Dear Mr. Boulter:

Enclosed please find a copy of the Loring Development Authority (LDA) 2005 Annual Report. The report provides a summary of the LDA's development activities and the audited financial statements for fiscal year 2005 (July 1, 2004 to June 30, 2005). Subsequent events through October 15, 2005 and proposed activities for fiscal year 2006 are also reported.

You received a copy of the report earlier this year with a draft version of our audited financial statements. The financial statements in this copy were approved by the LDA Board of Trustees at their meeting on November 9, 2005.

If you have any questions or need additional information, please don't hesitate to call me.

Sincerely,

CalWFlen

Carl W. Flora President & CEO.

Enclosure

cc: Senator Lynn Bromley, Chair Representative Nancy E. Smith, Chair Business Research and Economic Development Committee

DEC 13 2005

Loring Development Authority of Maine

154 Development Drive, Suite F Limestone, Maine 04750 phone: (207) 328-7005 fax: (207) 328-6811 e-mail: LDA@loring.org

2005 ANNUAL REPORT

LORING DEVELOPMENT AUTHORITY OF MAINE



To the Citizens of the State of Maine:

When I wrote this annual letter to you a year ago, I cited ten years of broad progress the Loring Development Authority of Maine (LDA) had made on a variety of fronts. In May 2005, an event occurred that threatened to reverse much of that progress – the unexpected announcement by the Department of Defense (DOD) that the Defense Finance and Accounting Service (DFAS) center located at Loring was targeted for closure. Worse yet, the announcement came as part of a package of closure plans for Maine which included the closure of the Portsmouth Naval Shipyard and the realignment of the Brunswick Naval Air Station. The implications for the state were dire, with the economic forecasts identifying the possibility of a statewide recession induced by the military cutbacks.

The local community that reacted adversely to this announcement was in some ways not the same community that reacted to the announcement in 1991 that Loring Air Force Base would close. The community in 1991 had lived for many years under the cloud of a potential closure of Loring Air Force Base. That community knew that Loring was a large – in fact, too large – part of the local economy, and that closure meant economic disaster. The community that reacted adversely to the DFAS announcement in 2005 had lived through Loring's closure, and had gained confidence in the process. The 2005 community had been severely tested over the past decade, but the people of Aroostook County had shown themselves to be bona fide survivors. Through dedicated effort and hard work, they had done everything necessary to assure the success of the new business and industry that was starting to take hold at Loring and throughout the region. The DFAS center was but one example of this success. Throughout the DFAS system nationwide, our DFAS center was widely recognized for its exemplary employees, a tradition of excellence, and extremely high productivity.

The proposal to close the DFAS center was in no way a negative reflection on the center or its employees. The DFAS center was simply caught up in a very broad consolidation scheme whereby the DOD would have reduced the number of DFAS centers nationwide from 26 to three. What was unfortunate, though, was that DFAS Limestone was never seriously considered by the DOD for potential expansion because of persistent misperceptions about Aroostook County. These misperceptions are that there is a lack of available workforce, not enough supporting infrastructure, inadequate capacity and support services in the surrounding communities.

When you consider that the closure of Loring Air Force Base led to widespread underemployment and out-migration, it's clear why there is an abundance of underutilized talent in the existing labor force, and why there's a secondary workforce consisting of people who've left their homes in Aroostook simply to find work elsewhere, but who would return for the right opportunity. And, when you consider that Aroostook County's community infrastructure used to support 15,000 more people just before Loring closed in 1994, the concerns about limited capacity disappear as well.

The BRAC Commission decided to retain the DFAS center and to expand its operations by at least 70%. In doing this, the BRAC Commission clearly endorsed the people of Aroostook County and the facilities at Loring for a commitment to excellence and a notso-obvious potential for growth.

Others have recognized and taken advantage of these attributes. The Maine Military Authority has grown to nearly 540 employees and reports an abundance of qualified applicants for every new job. Without exception, Loring employers cite the quality and work ethic of their employees as a major factor in their success.

With the projected additional employees at DFAS, assuming other employers remain at current levels, the total employment at Loring Commerce Centre will reach 1700. This is a far cry from the zero employees who reported to work at Loring on October 1, 1994, the day after Loring Air Force Base closed.

Loring is now a busy commercial and industrial park with new challenges and opportunities. One of the most serious challenges we face is financial. Until 2004, the LDA benefited from long-term "Caretaker" funding, under a precedent-setting agreement negotiated with the Air Force, which allowed the LDA to maintain Loring's unoccupied buildings and to keep Loring's infrastructure functioning in support of redevelopment.

With the termination of federal funding, the LDA relies on a combination of revenue from leases and sales and funding from the State of Maine to pay for the continued operation of Loring's infrastructure on a day-to-day basis. Over time, continued development will generate more revenue allowing the LDA to make targeted investments in major capital projects such as resurfacing roadways and aviation pavements, and replacing aging water and sewer infrastructure.

The LDA is grateful for the dedicated support and guidance of our Board of Trustees, and the financial and moral support of Maine's Legislature and Governor. The relatively modest public investment in Loring will assure that Loring Commerce Centre continues to be a powerful regional economic engine, securing a more prosperous future for Aroostook County and the State of Maine, and providing a venue for the people of Aroostook County to demonstrate a commitment to excellence in their work.

Respectfully submitted,

all?

Carl W. Flora President & CEO

DRAFT

FOR

STATE BOARD OF EDUCATION RECEIPT

SELECT PANEL REPORT