

MAINE STATE LEGISLATURE

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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

**LEGISLATIVE COUNCIL
MARCH 2, 2006
1:00 p.m.
REVISED AGENDA**

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	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE FEBRUARY 16, 2006 COUNCIL MEETING	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
6	• Executive Director's Report	
6	• Fiscal Report (Mr. Pennoyer)	
7	• Office of Information Services' Report (Mr. Mayotte)	
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	• Personnel Committee (Rep. Cummings, Chair)	
	Report of the March 2, 2006 Personnel Committee meeting	
	• State House Facilities Committee (Sen. Gagnon, Chair)	
	Report of the February 16, 2006 State House Facilities Committee meeting	

OLD BUSINESS

8 **Item #1: Council actions taken by ballot** (No action required) Information

NEW BUSINESS

9 **Item #1: Consideration of After Deadline Bill Requests** Decisions

Item #2: Submission of Study Reports Acceptance

11 • Study Commission Regarding Liveable Wages

12 • Task Force to Study Maine's Homeland Security Needs

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. JOHN RICHARDSON
CHAIR

SEN. BETH EDMONDS
VICE-CHAIR



122ND MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

MEETING SUMMARY
FEBRUARY 16, 2006

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

CALL TO ORDER

The Chair, Speaker Richardson, called the Legislative Council meeting to order at 1:15 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Edmonds, Sen. Brennan, Sen. Gagnon,
Absent: Sen. Davis, Sen. Weston

Representatives: Speaker Richardson, Rep. Cummings, Rep. Bowles,
Rep. Duplessie, Rep. Tardy

Legislative Officers: Millicent MacFarland, Clerk of the House
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
Lynn Randall, State Law Librarian
Paul Mayotte, Director, Legislative Information Services

REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

• Executive Director's Report

David Boulter, Executive Director of the Legislative Council, reported on the following items:

1. Closing of Memorial Bridge in Augusta

On February 26, 2006, DOT will be closing Memorial Bridge for 3 months in order to conduct bridge repairs. DOT has identified alternative routes, including using the new third bridge for those heading east and I-95 or the Gardiner-Randolph bridge for those heading south. Significant congestion is expected, so travelers should allow extra time traveling to and from the State House.

2. Union Street renovations

DOT and the City of Augusta are developing plans to upgrade Union Street adjacent to Capitol Park. He is working with DOT, BGS and the Maine Historic Preservation Commission to secure street improvements that will enhance Capitol Park. In particular, they are exploring ways to place utilities underground similar to how utilities are installed elsewhere in the Capitol complex.

• Fiscal Report

Grant Pennoyer, Director, Office of Fiscal and Program Review reported the following:

A. General Fund and Highway Fund Revenue Update General Fund

- General Fund revenue was \$13.1 million under budget for the month of January, reducing the positive variance for the fiscal year-to-date (FYTD) to \$8.5 million (+0.6%).
- Corporate income tax, cigarette tax and estate tax revenues have been the major contributors to the positive FYTD variance (with a combined positive variance of \$23.4 million).
- Individual income tax, insurance company tax and other revenue (primarily judicial fine revenue and DHHS revenue) have partially offset positive variances lines, with combined negative variances totaling \$14.9 million for the FYTD.
- Individual income tax revenue, which fell below budget for the 1st time in January, would have been even more negative had it not been for the positive variances from the timing in BETR and Circuit Breaker program expenditures, which were \$15.3 million behind projections for the FYTD, resulting in a positive revenue variance.
- January sales tax revenue (representing December taxable sales) was ahead of budget, reflecting holiday sales above revised projections. However, after adjusting for one-time revenue of \$2.1 million from an audit settlement in December, the sales tax line would be under budget for the FYTD.
- Weaknesses in taxable sales and individual income tax seem to validate the recent downward revisions to the economic forecast made by the Consensus Economic Forecasting Commission.

The Speaker asked Mr. Pennoyer what the effect, if any, of the closing of the Brunswick Naval Air Station had on the forecast. Mr. Pennoyer said the economic forecasters did not factor the closing into this forecast because accurate information was not available.

Sen. Brennan asked whether the fact the corporate income tax revenue was doing so well and individual income tax and sales tax revenues were not, was an indicator that corporations and corporate profits were growing at the expense of salaries and wages. Mr. Pennoyer said the major reason that the corporate income tax was doing well was the apportionment method of the corporate income tax that uses income of national corporations and regional growth differentials are not factored into the calculation.

Highway Fund

- Highway Fund revenue was under budget in January by \$4.6 million, resulting in a negative variance for the FYTD of \$4.2 million (-2.3%). The Fuel Taxes' line is the major reason for this negative variance. It was under budget by \$4.3 million in

January alone, largely due to an uncollected \$3.6 million audit assessment that was budgeted for January collection.

B. Economic and Revenue Forecast Update

- This revised forecast was more pessimistic than the previous assessment of the economy in all of the major forecast variables, projecting slower employment and personal income growth and higher inflation. Major reasons for the more pessimistic economic forecast include:
 - The recent release of 4th quarter calendar year 2005 growth estimates by the U.S. Bureau of Economic Analysis (BEA) showed slower growth than previously anticipated; and
 - Oil prices, previously forecast to decline, are now assumed to remain at high levels.

The Revenue Forecasting Committee will be meeting on Thursday, February 23rd, at 9:00 a.m. in Room 228 of the State House.

C. Cash Pool and Cash Balance Trends

At the December, 2005 Council meeting, Mr. Pennoyer had noted a potential problem with the Highway Fund balances and reported the following:

- Highway Fund cash balances dropped significantly during this fiscal year.
- Highway and Bridge Improvement program shortfall due to inflationary pressures and earmarking of a higher portion of new federal funding has eroded cash balances and delayed the normal seasonal recovery in Highway Fund cash.
- February's average daily beginning balances as tracked by OFPR have shown some modest improvement, but balances remain near 10-year lows.

• Update of Interim Studies

Patrick Norton, Director, Office of Policy and Legal Analysis, referred members to the report on the status of legislative studies in their packet.

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

• Office of Information Services' Report

Paul Mayotte, Director, Legislative Information Services Office reported the following:

Bill Drafting System:

The Revisor's Office is using the MELD system to draft the new bills entering the process. MELD functions will be reviewed in a production mode during the warranty period to maximize the warranty protection. A post-session processing test will be conducted during the week of the 20th.

HP is committed to closing a block of open warranty items this week and HP has scheduled a software update for March 6, 2006.

House Internet Video:

- All work and testing will be completed during the week of the 13th.

Data Backup:

- Process changes have been made to ensure data backups are complete, current and recoverable.
- All legislative backup data is current at this time.

Rep. Bowles stated that his office did not receive any information from the Legislative Information Services Office regarding the computer problems, despite his staffs' requests to the office. He requested that in the future, the Information Services Office promptly alert all offices in the Legislature, both by email and in person, of problems with the computer system.

Wireless Network:

- Additional wireless capacity was installed in the House Chamber.
- Legislative Information Services is reviewing wireless performance on the 3rd floor and in the area of the Council Chamber.

SUMMARY OF THE JANUARY 12, 2006 COUNCIL MEETING

Motion: That the Meeting Summary of January 12, 2006 be accepted and placed on file. (Motion by President Edmonds, second by Rep. Tardy, unanimous).

REPORTS FROM COUNCIL COMMITTEES

- **Personnel Committee**

Rep. Cummings, Chair, Personnel Committee, reported that the committee had not met.

- **State House Facilities Committee**

Sen. Gagnon, Chair, State House Facilities Committee gave a report of the committee's meeting of January 12, 2006.

The committee met to consider a request by the Maine Association of Realtors for a waiver to allow serving full meals in the Hall of Flags on March 16th as part of "Realtor Rally Day." After full consideration of the request and the policy implications of changing the policy, the facilities committee unanimously felt that the policy should not be waived. The committee felt that the association can still fully interact with legislators without having to serve a full meal. It noted that the policy is working well so far, without negative effects on any group. The committee also noted that the Legislative Council agreed to review the policy within a year, after having operated under the new policy for a full session.

The facilities committee will charge the executive director with notifying the realtor's association of the State House Facilities Committee's decision to not waive the policy, explaining that the policy will be reviewed later this year.

No Legislative Council action required.

OLD BUSINESS

Item #1: Council actions taken by ballot

A copy of a list of actions taken by ballot by the Legislative Council since its January 12, 2006 meeting is attached.

NEW BUSINESS

Item #1: Consideration of After Deadline Bill Requests

Fifteen after deadline requests were considered by the Legislative Council. The Council's actions on these requests are included on the attached list.

Item #2: Submission of Study Reports

- Committee to Study State Compliance With the Federal Indian Child Welfare Act of 1978
- Health Care System and Health Security Board
- Study Commission to Study Alternative Voting Procedures, the Citizen Initiative Process and Minor Party Ballot Access
- Joint Standing Committee on Agriculture, Conservation and Forestry's staff study report on "Maine Forestland Ownership: Trends and Issues"

Motion: That the above Study Reports be accepted and placed on file. (No motion or second was made; approved 8-0, absent for the vote were Sen. Davis and Sen. Weston).

ANNOUNCEMENTS AND REMARKS

Rep. Duplessie requested that the Legislative Council review the process of how and when fiscal information on proposed legislation is developed and released. Currently, preliminary fiscal information is usually provided for a bill before the bill has had a public hearing. He believes staff time would be better utilized, and called for in the joint rules, for fiscal notes to be prepared and released at the time the committee reports out the bills.

Sen. Gagnon announced that the State House Facilities Committee would be meeting immediately after the Legislative Council meeting.

ADJOURNMENT

The Legislative Council meeting was adjourned at 1:47 p.m. (Motion by Sen. Brennan, second by Rep. Tardy, unanimous).

Fiscal Briefing for the Legislative Council

Legislative Council Meeting
March 2, 2006

*Prepared by the
Office of Fiscal & Program Review*

Revenue Forecast Update and Fund Balance Summary

General Fund Revenue Revised Downward by \$14.3 Million

- Revision is a 9% reversal of \$164.4 Million of December 2005 Revision
- Budgeted Ending Balance after March forecast: \$113.1 Million
- With Governor's Supplemental Budget Proposals: (\$12.2) Million
- Negative balance will be addressed by a Change Package
- Greater impact on 2008-2009 Biennium Revised downward by (\$53.0) Million
- Increasing Structural Gap (OFPR will be releasing update next week)

Highway Fund Revised Downward by \$5.1 Million

- Budgeted Ending Balance after March forecast: \$5.0 Million
- With Governor's Supplemental Budget Proposals: (\$1.8) Million
- Change Package will be submitted to adjust the proposals

Fund for a Healthy Maine downward by \$1.1 Million

- Budgeted Ending Balance after March forecast: (\$19.1) Million
- Governor's Supplemental Budget addresses \$18.1 Million
- Change Package should address the additional \$1.0 Million shortfall

122nd MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL
Preliminary Technology Report
March 2, 2006

Bill Drafting System:

- ROS is testing MELD's post-session functions
- Issues identified in testing will be added to the warranty items list for HP corrective action
- HP has confirmed a software update for 3/6/06
- Monitoring HP's performance in correcting warranty items

Remote Email Assess:

- Outlook Web Access is now available for Legislator and staff use
- Outlook Web Access is a secure process that enables authorized users to access their legislative email from offsite locations over the Internet

**Actions Taken by Ballot by
the Legislative Council Since
the February 16, 2006 Council Meeting**

1. Request for Introduction of Legislation

A. LR 3207: **An Act to Establish the Island Falls Water District**

Submitted by: Representative Henry Joy
Accepted: March 2, 2006, 9 – 0 – 0 – 1

B. LR 3208: **An Act to Amend the Definition of “Municipality” as It Relates to
the Maine Municipal Bond Bank Act**

Submitted by: Representative Roger Sherman
Accepted: March 2, 2006, 9 – 0 – 0 – 1

C. LR 3126: **RESOLUTION, Proposing an Amendment to the Constitution of
Maine to Create a Property Taxation Exemption for Property
Owners With Limited Personal Property Assessment**

Submitted by: Representative Richard Woodbury
Accepted: March 1, 2006, 7 – 1 – 0 – 3

**LEGISLATIVE COUNCIL
REQUESTS TO INTRODUCE LEGISLATION
SECOND REGULAR SESSION
March 2, 2006**

Action

SPONSOR: Sen. Davis, Sr., Paul T.

LR 3195 An Act To Allow Edward Desmond To Sue the State

SPONSOR: Sen. Gagnon, Kenneth T.

LR 3191 An Act To Encourage the Preservation of Historic Structures

SPONSOR: Sen. Mills, S. Peter

LR 3200 Resolve, To Name the Bridge in Jackman Over the Moose River on Route 201 the Veterans Memorial Bridge and Authorize a Veterans Group To Erect and Maintain a Monument Near the Bridge

SPONSOR: Sen. Rotundo, Margaret

LR 3190 An Act To Clarify the Tax Code Concerning Resale of Equipment to Nonprofits

SPONSOR: Sen. Weston, Carol

LR 3209 An Act To Ensure the Availability of Public Drinking Water Supplies

SPONSOR: Rep. Woodbury, Richard G.

**ACCEPTED
BY BALLOT**

LR 3126 RESOLUTION, Proposing an Amendment to the Constitution Of Maine To Create a Property Taxation Exemption for Property Owners with Limited Personal Property Assessments

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR:	Rep. Jackson, Troy D.	TABLED
		02/16/06
LR 3148	An Act To Allow a Second Option To Apply for Continued Coverage under the State Group Health Plan	
SPONSOR:	Rep. Jackson, Troy D.	TABLED
		02/16/06
LR 3149	An Act To Allow Heavy Equipment To Be Moved during Nighttime Hours	
SPONSOR:	Rep. Jackson, Troy D.	TABLED
		02/16/06
LR 3167	An Act To Protect Victims from Domestic Abuse	
SPONSOR:	Rep. Makas, Elaine	TABLED
		02/16/06
LR 3105	An Act To Establish a Minimum Salary for Teachers	
SPONSOR:	Rep. Woodbury, Richard G.	TABLED
		02/16/06
LR 3163	An Act To Exempt Personal Property of Less than \$20,000 From the Personal Property Tax	



MAINE STATE LEGISLATURE

Augusta, Maine 04333

STUDY COMMISSION REGARDING LIVEABLE WAGES

February 14, 2006

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 Study Commission Regarding Liveable Wages has submitted its completed report including recommended legislation pursuant to Resolve 2005, chapter 128. Copies of the report have also been placed on file with the Law and Legislative Reference Library.

Sincerely,

Philip Bartlett II

Senator Philip L. Bartlett II, Senate Chair

Arthur L. Lerman

Representative Arthur L. Lerman, House Chair

FEB 28 2006



MAINE STATE LEGISLATURE
Augusta, Maine 04333

TASK FORCE TO STUDY MAINE'S HOMELAND SECURITY NEEDS

February 27, 2006

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 second interim report including recommended legislation, pursuant to Resolve 2005, Chapter 126.

Sincerely,

Handwritten signature of Senator Ethan Strimling.

Senator Ethan Strimling, Senate Chair

Handwritten signature of Representative Stan Gerzofsky.

Representative Stan Gerzofsky, House Chair

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

FEB 28 2006