

MAINE STATE LEGISLATURE

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SEN. BETH EDMONDS
CHAIR

REP. GLENN A. CUMMINGS
VICE-CHAIR

123RD MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. ELIZABETH H. MITCHELL
SEN. CAROL WESTON
SEN. JOHN L. MARTIN
SEN. RICHARD W. ROSEN
REP. HANNAH M. PINGREE
REP. JOSHUA A. TARDY
REP. SEAN FAIRCLOTH
REP. ROBERT H. CROSTHWAITE

MEETING SUMMARY
November 16, 2006
APPROVED DECEMBER 7, 2006

CALL TO ORDER

The Chair, Speaker Richardson, called the Legislative Council meeting to order at 2:12 p.m. in the Legislative Council Chamber.

ROLL CALL

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

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

Legislative Officers: Rose Breton, Legislative Finance Director
Grant Pennoyer, Director, Office of Fiscal and Program Review
Jon Clark, Deputy Director, Office of Policy and Legal Analysis
Paul Mayotte, Director, Legislative Information Services
Michael Cote, Assistant Clerk of the House

Speaker Richardson convened the meeting at 2:12 p.m.

SUMMARY OF THE OCTOBER 26, 2006 COUNCIL MEETING

Motion: That the Meeting Summary of October 26, 2006 be accepted and placed on file.
(Motion by Rep. Tardy, second by Sen. Davis, motion approved unanimous (6-0)).

**REPORTS FROM EXECUTIVE DIRECTOR AND STAFF
OFFICE DIRECTORS**

• **Executive Director's Report**

Rose Breton reported that Mr. Boulter was participating in the New Member Orientation program so she was making the report on his behalf.

1. State House Renovation Projects 2006

The parking lot and south access to the State House has re-opened for general use. With the exception of some signage and installation of 2 emergency call boxes, the work is fully completed.

2. Legislative Workshop for Agency Liaisons

On November 14, 2006 staff held a legislative workshop for agency liaisons to discuss key legislative processes as they relate to state agencies, such as filing agency bills, review of agency rules, fiscal note process and submitting information to committees. The workshop was attended by over 50 people and was well received.

3. Thank you

Mr. Boulter wished to express his appreciation to the Legislative Council members for their support and guidance to the nonpartisan offices over the past 2 years. He looks forward to working with returning Legislative Council members and for those who are not returning he gives his best wishes in their future endeavors.

• **Fiscal Report**

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

1. Revenue Update

General Fund revenue was over budget by \$5.9 million in October, increasing the positive variance for the Fiscal Year-to-date (FYTD) to \$27.2 million (+3.4%). October's positive variance was driven by a \$16.5 million positive variance in the Individual Income Tax, which was caused by a \$17.3 million positive variance in BETR and Circuitbreaker payments. Excluding BETR and Circuitbreaker payments, Individual Income Tax was ahead of budget for the FYTD by \$8.1 million. Corporate Income Tax, although under budget in October, remained \$3.3 million ahead of budget for the FYTD. Estate Tax increased its positive FYTD variance to \$11.2 million through the end of October.

Highway Fund revenue was once again under budget in October. October's monthly negative variance of \$0.9 million increased the FYTD negative variance to \$5.2 million (-5.2%). Fuel Taxes continue to be the major source of this negative variance.

2. Revenue Forecasting Schedule

Revenue Forecasting Committee will meet on November 28th at 9:30AM in Room 228 of the State House to conclude the forecast with a review of the major tax lines driven by the economic forecast and some other miscellaneous loose ends.

3. Cash Pool and Cash Balance Trends

- A. Average Cash Pool balance dropped from \$632.6 million in September to \$594.9 million in October. However, October's balance was \$32.9 million higher than last October's average balance, which included \$123.6 million of Tax Anticipation Note (TAN) borrowing.
- B. The General Fund increased its internal borrowing from Other Special Revenue Funds to \$80 million toward the end of October. The expectation still is that no TAN borrowing will be required in this fiscal year. The trend line factoring out TAN borrowing continues to show improvement.
- C. Highway Fund average cash balance trends continued their downward slide in October. October's average balance of \$17.1 million was substantially below last October's average balance of \$42.6 million. The early implementation of the \$15 million transfer from the General Fund to the Highway Fund has helped avoid a negative cash position in the short-term.

- **Information Technology Report**

Legislative Information Services Director Paul Mayotte reported the following:

The MELD bill drafting system database is being updated to reflect newly elected legislators; a phrase search function has been installed for use by the Revisor's office; and an automated data feed system from MELD system to the tracking system has been developed that eliminates duplicate data entry. Mr. Mayotte also reported that the MELD system is ready for bill drafting. Mr. Mayotte noted that data backups are current and are being performed in accordance with established protocol. He also provided a report on the status of installations to prepare for Senate and House Internet video broadcasting this coming session. Lastly, Mr. Mayotte reported that the Maine statutes are now updated through the Second Regular Session of the 122nd Legislature.

- **Status of Legislative Studies**

Mr. Clark, Deputy Director of Policy and Legal Analysis, reported on the status of current legislative studies. He noted that there were no study extensions or additional meetings requested. Mr. Clark drew Legislative Council members' attention to the written status report in the council packet.

PERSONNEL COMMITTEE

No report.

STATE HOUSE FACILITIES COMMITTEE

No report.

OLD BUSINESS

None.

NEW BUSINESS

Item #1: Citizen Trade Policy Commission Annual report made pursuant to Public Law 2003, c. 699

Motion to accept the annual report and place it on file, seconded. Motion approved, unanimous (8-0).

Item #2: Clarification of Legislative Budget Administration

Ms. Breton, Legislative Finance Director, outlined for the Legislative Council the policy issue regarding the Legislative Council's authority over administration of all legislative budgets and appropriations. She drew members' attention to relevant sections of current law reinforcing legislative branch independence as well as an excerpt from the NCSL Study of Legislative Operations relating to Financial Orders and Separation of Powers. The issue raised by NCSL is whether the Legislative Council's authority with respect to budget administration and financial orders requires review and approval of the State Budget Officer in the Executive Branch and further approval of the Chief Executive. In its report, NCSL recommended that to maintain the independence of the Legislative Branch, the Maine Legislature should discontinue its current practice of submitting financial orders to the governor for approval.

The members then discussed the matter about the appropriateness of changing the current process and the independence of the legislative branch with respect to making adjustments within its budget appropriation without first seeking permission from the Governor.

The members considered the suggested motion contained in Ms. Breton's written materials. Speaker Richardson commented that he thought it would be most appropriate to amend the suggested motion to state that the Legislative Council would authorize the Executive Director's Office to make appropriate adjustments since the council is responsible for the budget. Ms. Breton noted that the Legislative through prior decision has already authorized certain adjustments to the legislative account, including the Legislative Youth Advisory Council, CSG-agriculture component, legislative studies and the work plan for State House renovations and improvements in order to pay outstanding expenses relating to these items. Senator Weston asked if waiting for council approval at its monthly meeting would cause significant delays. Ms. Breton stated that it should not be problematic since financial orders usually take 45 to 60 days.

Motion (reflecting the amendment) by Speaker Richardson that in accordance with the provisions of Title 3, section 162, subsection 8 and Title 5, section 1521, and consistent with the Legislative Council's authority over the legislative budget, if and when adjustments to legislative accounts are needed, the Legislative Council shall direct the Office of the Executive Director to notify and direct the State Controller to make such adjustments to the legislative accounts, in lieu of submission of financial orders for review or approval, providing the adjustments do not result in any increase in the total amount of funds available to the Legislature. Motion was seconded by Rep. Bowles. Motion approved unanimous (8-0).

Item #3: Letter from legislative members of the Tribal-State Work Group regarding legislative orientation program

The work group's letter stressed the importance of encouraging all Legislators to attend the upcoming legislative orientation program addressing the Wabanaki, Maine Indian Claims Settlement Act, Maine Implementing Act and current tribal-state relations. The first opportunity for the new legislature to learn about the Wabanaki and current tribal-state relations will take place on January 9, 2007 from 11:00 to 1:00PM in the State House.

No action by the Legislative Council was required.

ANNOUNCEMENTS AND REMARKS

A group picture of the members of the 122nd Legislative Council is scheduled for Tuesday, December 5th at 2:30PM in the Legislative Council Chamber.

ADJOURNMENT

The Legislative Council meeting was adjourned at 2:40PM. Motion by Rep. Bowles to adjourn, second by Rep. Duplessie. Motion was approved unanimous (8-0).