

MAINE STATE LEGISLATURE

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REP. HANNAH M. PINGREE
CHAIR

SEN. ELIZABETH H. MITCHELL
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



SEN. PHILIP L. BARTLETT II
SEN. KEVIN L. RAYE
SEN. LISA T. MARRACHE
SEN. JONATHAN T. E. COURTNEY
REP. JOHN F. PIOTTI
REP. JOSHUA A. TARDY
REP. SETH A. BERRY
REP. PHILIP A. CURTIS

124TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL
LEGISLATIVE COUNCIL
MARCH 26, 2009
1:30 P.M.
REVISED AGENDA

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE FEBRUARY 26, 2009 MEETING OF THE LEGISLATIVE COUNCIL	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
14	▪ Executive Director's Report (Mr. Boulter)	Information
15	▪ Fiscal Report (Mr. Pennoyer)	Information
20	▪ Information Services Report (Mr. Mayotte)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	• Personnel Committee (Speaker Pingree, Chair)	
	• State House Facilities Committee (Rep. Piotti, Chair) (No Report)	
	• Budget Subcommittee (Senate President Mitchell, Chair)	
	• CSG Annual Meeting Planning Subcommittee (Senator Bartlett and Representative Nancy Smith, Co-chairs)	

OLD BUSINESS

- | | |
|---|--------------------|
| Item #1: Council Actions Taken By Ballot (No Action Required) | Information |
| A copy of a list of actions taken by ballot by the Legislative Council since its February 26, 2009 meeting is attached. (NONE) | |

NEW BUSINESS

- | | | |
|-----------|---|-----------------------------|
| 21 | Item #1: Consideration of After Deadline Bill Requests | Roll Call Vote |
| 25 | Item #2: Memorandum of Agreement Regarding Maintenance of the Road Connecting Union and Gage Streets | Discussion/ Decision |
| 27 | Item #3: Final Report: Study of Statewide Market for Forest Products Harvesting and Hauling Services | Acceptance |

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. HANNAH M. PINGREE
CHAIR

SEN. ELIZABETH H. MITCHELL
VICE-CHAIR

EXECUTIVE DIRECTOR
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124TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

MEETING SUMMARY
February 26, 2009

CALL TO ORDER

Legislative Council Chair, Speaker Pingree called the Legislative Council meeting to order at 1:49 P.M. in the Legislative Council Chambers.

ROLL CALL

Senators: President Elizabeth Mitchell, Sen. Philip Bartlett, Sen. Lisa Marrache, Sen. Kevin Raye, Sen. Jonathan Courtney

Representatives: Speaker Hannah Pingree, Rep. John Piotti, Rep. Seth Berry, Rep. Joshua Tardy, Rep. Philip Curtis

Legislative Officers: Joy O'Brien, Secretary of the Senate
Millicent MacFarland, Clerk of the House
Michael Cote, Assistant Clerk of the House
David E. Boulter, Executive Director of the Legislative Council
Rose Breton, Legislative Finance Director
Debra Olken, Human Resources Director
Patrick Norton, Director, Office of Policy & Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Margaret Matheson, Revisor of Statutes
Paul Mayotte, Director, Legislative Information Services
John Barden, Director, Law and Legislative Reference Library
Beth Ashcroft, Director, Office of Program Evaluation and Government Accountability

Chair Pingree convened the meeting at 1:49 P.M. with a quorum of members present.

SUMMARY OF JANUARY 22, 2009 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary of January 22, 2009 be accepted and placed on file.
Motion by Senator Bartlett. Second by Representative Berry.

Motion passed unanimous (10-0).

Chair Pingree asked if there was any objection to taking one item out of order. Hearing none, the Chair then moved to **New Business, Item 1: Consideration of After Deadline Bill Requests/Addendum.**

ITEM #1: Consideration of After Deadline Bill Requests/Addendum

The Legislative Council considered and acted on twenty-six and tabled seven after deadline requests. The Legislative Council's actions on these requests are included on the attached list.

The Legislative Council then returned to the other items on its agenda.

REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

Executive Director's Report

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

"New State House" turns 100 in 2010

Earle Shettleworth, Director of the Maine Historic Preservation Commission, has noted that the "new" State House, i.e. the current one, was formally dedicated on December 20, 1910. December 20, 2010 will be the 100th anniversary of the redesigned State House. The most dramatic changes were the construction of the North and South wings of the building and the construction of the dome modeled after that of the U.S. Capitol. According to news reports at the time, the building was completed within an appropriation of \$350,000 (~ \$8.0 million in today's dollars) and was the first public building in the country to be completed within budget.

Mr. Shettleworth has offered to work with the Legislative Council over the next year on a fitting ceremony to commemorate the 100th anniversary of the remodeled State House if the Legislature chooses to celebrate this event.

Legislative Memorial Scholarship Auction

The annual Legislative Memorial Scholarship Auction will be held at the Augusta Civic Center on Tuesday, March 17, 2009 beginning at 5:00 p.m. Donations are still being accepted. Tickets are \$20, dinner included. Proceeds are used to award a \$1,000 higher education scholarship to one student from each of Maine's 16 counties.

Public Hearing on LD 353

On February 27th at 2:00 p.m. the Appropriations Committee will invite public testimony on the legislative's portion of the proposed biennial budget. A letter is being provided to the committee noting the Legislative Council's Budget Subcommittee work on the budget, with budget adjustments to be forthcoming.

Fiscal Report

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

Revenue Update**Total General Fund Revenue - FY 2009 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$261.0	\$251.3	(\$9.7)	-3.7%	\$278.0	-9.6%
FYTD	\$1,532.7	\$1,537.1	\$4.4	0.3%	\$1,571.9	-2.2%

- General Fund revenue was under budget by \$9.7 million in January, but remained over budget for the fiscal year-to-date (FYTD) by \$4.4 million or 0.3% through January 2009. January revenue was 9.6% below January 2008 and FY 2009 fiscal year-to-date (FYTD) revenue through January declined by 2.2% compared with the same period in FY 2008. The December 2008 General Fund revenue forecast projects a decline of 4.3% for total General Fund revenue in FY 2009.
- Sales and Use Tax, Cigarette Tax and Lottery revenue, all categories driven by consumer behavior, has fallen below budget for the FYTD through January, \$20.8 million, \$2.5 million and \$1.7 million respectively.
- The Other Revenue category was under budget through January by \$12.6 million or 11.0%. \$6.0 million was related to a timing issue in the revenue adjustment to the Unclaimed Property Transfer and \$1.0 million was related to a timing issue regarding transfers from the Fund for the Efficient Delivery of Local and Regional Services. Within Other Revenue, revenue transferred to the Maine Milk Pool was under budget by \$1.4 million through January. The negative variance for this transfer is expected to grow to as much as \$7.5 million through the end of FY 2009 based on updated milk price forecasts.
- The performance of the Individual Income Tax and Corporate Income Tax categories with a combined positive variance of \$39.6 million for the FYTD through January has been sufficient to offset the other General Fund negative variances. These categories are beginning to show signs of weakness that may reduce this cushion over the next few months. The major concern for the Individual Income Tax is the amount of the reduction in tax liability associated with net capital gains realizations. The 50% decline assumption in the current revenue forecast may not be conservative enough based on some qualitative responses from some tax practitioners. The accuracy of this critical assumption will not be known until shortly after the April 15th individual income tax filing deadline.

Total Highway Fund Revenue - FY 2009 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$26.7	\$24.8	(\$1.9)	-7.2%	\$25.1	-1.3%
FYTD	\$176.7	\$169.8	(\$6.9)	-3.9%	\$173.3	-2.0%

- Highway Fund revenue was under budget by \$1.9 million in January, falling \$6.9 million or 3.9% under budget for the FYTD through January. The decline of Highway Fund revenue from FY 2008 was 2.0% after January's revenue performance.
- Fuel Taxes continued to fall below projections. Through January, this category fell \$3.7 million or 3.2% below revised projections. Motor Vehicle Registration and Fees and Inspection Fees Highway Fund revenue categories were also running behind the revised forecast through January. These negative variances have continued in these categories despite downward revisions for each in the December 2008 revenue forecast.

Revenue Forecasting Update

The Consensus Economic Forecasting Commission (CEFC) and Revenue Forecasting Committee (RFC) met jointly on Tuesday, February 17th to review new economic and revenue data and tax practitioner survey data. A summary was presented to the Appropriations Committee after the meeting. The CEFC will meet on March 31st and the RFC will meet on April 27th to meet reporting deadlines. Some of the findings presented at the meeting include:

- From December 2007 to December 2008 15,000 jobs were lost in Maine with most of the job losses coming in the final quarter of 2008;
- Some CEFC members thought that employment would decline by an additional 15,000 although the Federal Stimulus Package might reverse a portion of that job decline; and
- A survey of tax practitioners indicates that the 50% decline in net capital gains realizations assumed in the current forecast may not be conservative enough, resulting in a downside risk for the short-term FY 2009 revenue forecast.

Cash Balances Update

Summary of Treasurer's Cash Pool		
January Average Daily Balances – Millions of \$'s		
	2008	2009
General Fund (GF) Total	\$49.0	\$41.4
General Fund (GF) Detail:		
Budget Stabilization Fund	\$118.0	\$125.8
Reserve for Operating Capital	\$40.6	\$40.6
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$115.8	\$195.5
Other General Fund Cash	(\$225.3)	(\$320.5)
Other Spec. Rev. - Interest to GF	\$56.1	\$9.0
Other State Funds - Interest to GF	\$0.0	(\$11.3)
Highway Fund	\$27.8	\$20.8
Other Spec. Rev. - Retaining Interest	\$75.5	\$44.3
Other State Funds	\$257.0	\$198.0
Independent Agency Funds	\$117.8	\$78.6
Total Cash Pool	\$583.3	\$380.9

- The average balance for the last 7 Januarys, 2002 to 2008, was \$598.3 million.
- General Fund internal borrowing increased to \$195.5 million in January. Excluding reserve fund balances and internal borrowing, the General Fund average cash balance was negative by \$320.5 million.
- The current budget situation indicates a further decline in the General Fund cash position, based on the reliance of the transfer of \$56.1 million from the Maine Budget Stabilization Fund (MBSF) to balance the FY 2009 General Fund budget. That MBSF transfer occurred at the end of January when PL 2009, c. 1, Part E became effective. The immediate transfer from the MBSF will improve the balance in the General Fund for interest income purposes, but will not improve the

overall General Fund cash position. Interest earnings on MBSF balances accrue to the MBSF and not the General Fund.

- The State Controller confirmed that the cash flow borrowing for the operating deficit of the Dirigo Health Fund at the close of FY 2008 was assigned to the General Fund. Accounting entries were entered to record the appropriate payables and receivables in the 2 funds. These receivables need to be addressed by the end of FY 2009. While average cash balances for the Dirigo Health Fund improved in December based on savings offset payment receipts, the average balance declined again to a negative balance of \$15.9 million in January.

Federal Stimulus Package

- The estimated 10-year cost of the proposal according to the Congressional Budget Office is \$787.2 billion with the bulk of the cost in federal fiscal years 2009, 2010 and 2011 (\$718.7 million).
- Some funding will flow directly to local units of government. Funds coming directly to the State will include some distributions based on existing federal formulas while other funds to the State will be awarded on a competitive basis. Some of the changes, such as the Medicaid changes, will result in General Fund savings. Tax provisions in the federal stimulus package that affect federal adjusted gross income may result in some State revenue losses if Maine conforms to the changes in the federal internal revenue code.
- Medicaid savings based on a \$2.0 billion MaineCare program would produce an estimated General Fund savings of nearly \$374 million over the 3 fiscal years 2009 to 2011. The state would receive an additional \$52 million in savings over the 3-year period if Maine's unemployment rate increases result in Maine receiving a 2nd tier "High Unemployment" FMAP bonus.
- OFPR will release a summary of potential state budgetary impacts from the federal stimulus package as soon as the analysis has been completed.

Information Technology Report

(No Report)

Status of Legislative Studies

(No Report)

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

(No Report)

2. State House Facilities Committee

(No Report)

3. Budget Subcommittee

Senate President Mitchell presented the Budget Subcommittee's report. She reported that the subcommittee met on February 19th to review the proposed budget for the Legislature for the 2010-2011 biennium. At the meeting, members discussed the tentative budget submitted by the last Legislative Council, the Governor's proposal for the Legislature and various accounts and operating budgets. The subcommittee is seeking to find budget savings in the Legislature, both short-term and long-term, that will help reduce overall State costs over the next two years.

At its next meeting, the subcommittee will discuss policy and cost implications of various items identified on a long list of areas of potential budget savings. The Budget Subcommittee is scheduled to meet again in March.

As a reminder, the Legislative Council is charged with the responsibility for the Legislative budget, and once the subcommittee makes its recommendations to the full Legislative Council, the Legislative Council will convey its budget decisions to the Appropriations committee so the budget adjustments can be incorporated into the Appropriations committee budget amendment.

4. CSG Annual Meeting Planning Subcommittee

(No Report)

OLD BUSINESS

ITEM 1: Legislative Council Actions Taken by Ballot

A copy of the list of actions taken by ballot by the Legislative Council since its January 22, 2009 meeting was attached. No further action by the Legislative Council was required.

NEW BUSINESS

ITEM #2: CSG/ERC Annual Meeting Planning – Event Planning Services

Senator Bartlett, co-chair of the CSG/ERC 2010 Annual Meeting Planning Subcommittee, opened the discussion by saying that event planning and fundraising activities need to begin soon so the Legislative Council can meet its commitments to host the 2010 CSG/ERC annual meeting in Portland, and that the planning committee needs to consider hiring a firm to help plan for and organize those activities. The first event occurs in August 2009, an evening dinner and social event at the 2009 annual meeting in Burlington, Vermont. Senator Bartlett said he was prepared to make a motion to authorize the executive director to enter into a contract with an event planning firm in an amount not to exceed \$25,000. The firm would work with the planning subcommittee to develop and organize activities and raise funds to pay for the events.

Senator Raye asked if the past Legislative Council had budgeted \$25,000 when it voted to host the annual meeting. Executive Director Boulter responded that money had not been budgeted, the thought being that the contract costs would be included in the event costs to be covered through fundraising.

President Mitchell raised a concern about appropriation of \$25,000 from the legislative account in light of the current budget climate even though hosting the annual meeting will be a boost in tourism for the state. Representative Tardy agreed, and stated that it may be best to wait until the budget subcommittee had sorted through budget issues. Senator Bartlett responded that waiting poses risks since funds need to be raised for the event this August.

Representative Piotti suggested seeking out potential event planning consultants to estimate costs but not immediately authorizing funds for a contract. Senator Bartlett noted that at least one consultant has been contacted.

Mr. Boulter reminded Legislative Council members that the Legislative Council of the 123rd Legislature has already committed the legislature to hosting the annual meeting and that substantial fundraising, well beyond that needed to hire a consultant, is required by CSG. Senator Raye asked if a commitment for \$25,000 is needed up front. Mr. Boulter responded by saying that while it is not necessary initially, he would not enter into a contract for services unless the Legislative Council authorizes a manner of payment.

After further discussion among the Legislative Council members about ways to meet the legislature's hosting obligations while remaining sensitive to budgeting constraints, Senator Bartlett made the following motion:

Motion: That the Legislative Council authorize the Executive Director of the Legislative Council to enter into a contract with an event planning consultant for the 2010 CSG/ERC annual meeting in Portland once a consultant has been selected by the co-chairs of the CSG/ERC Planning Subcommittee. Funding for the contract must be paid for through solicitation and receipt of private, non-legislative funds as part of Maine's contribution to the annual meeting. Motion by Representative Piotti. Second by Senator Raye. **Motion passed unanimous (10-0).**

ITEM #3: Executive Session

Motion: That, in accordance with 1 MRSA section 405, subsection 6, the Legislative Council enter into an executive session for the purposes of discussing collective bargaining matters. Motion by Chair Pingree. Second by Representative Berry. **Motion passed unanimous (10-0).**

The Council recessed at 3:00 PM to go into an executive session.

The Legislative Council adjourned its executive session at 3:25 p.m. Motion by Senator Bartlett. Second by Representative Berry. **Motion passed unanimous (10-0).**

The Chair reconvened the Legislative Council meeting at 3:25 p.m.

ANNOUNCEMENTS AND REMARKS

None

ADJOURNMENT

The Legislative Council meeting was adjourned at 3:28 P.M.

**LEGISLATIVE COUNCIL ACTION ON
AFTER DEADLINE
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION**

As of: February 20, 2009

		ACTION
SPONSOR:	Rep. Ayotte, Bernard L.	Failed
LR 1878	An Act To Require Health Insurers To Provide Coverage for the Adult Children of an Insured Living with the Insured	
SPONSOR:	Rep. Beaudette, Stephen R.	Withdrawn by Sponsor
LR 1909	Resolve, Directing the Department of Environmental Protection To Withhold an Air Emission License from the Maine Energy Recovery Company	
SPONSOR:	Rep. Bickford, Bruce A.	Tabled 2/26/09
LR 1873	An Act To Limit the Liability of Landowners for Noncommercial Aviation Activities	
SPONSOR:	Rep. Bolduc, Brian D.	Failed 2/26/09
LR 1899	An Act To Increase the Minimum Age for Operating a Snowmobile	
SPONSOR:	Rep. Hanley, Stephen P.	Withdrawn by Sponsor
LR 1882	An Act To Facilitate Continuity in the Payment of Child Support	
SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1903	An Act To Amend the Maine Clean Election Act	
SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1911	An Act To Raise the Campaign Contribution Limit	
SPONSOR:	Rep. Haskell, Anne M.	Passed with Title Change
LR 1896	An Act To Require Snowmobile Safety Training	

SPONSOR: Rep. Mazurek, Edward J. **Withdrawn by Sponsor**

LR 1880 An Act To Establish a Gold Star License Plate for Families Who Have Lost Members in Military Service

SPONSOR: Rep. Thibodeau, Michael D. **Tabled 2/26/09**

LR 1891 An Act To Allow Municipal and Quasi-municipal Organizations To Bill for Hazardous Material Costs

SPONSOR: Sen. Trahan, A. David **Tabled 2/26/09**

LR 1889 An Act To Create a Saltwater Fishing Registry

JOINT RESOLUTION

SPONSOR: Rep. Hinck, Jon **Tabled 2/26/09**

LR 1901 JOINT RESOLUTION COMMENDING PRESIDENT OBAMA ON HIS SELECTION OF THE HONORABLE GEORGE J. MITCHELL AS MIDDLE EAST ENVOY AND URGING A JUST RESOLUTION OF THE ISRAELI-PALESTINIAN CONFLICT

JOINT RESOLUTION

SPONSOR: Rep. Innes, Melissa Walsh **Passed**

LR 1910 JOINT RESOLUTION MEMORIALIZING THE PRESIDENT, THE CONGRESS AND THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO SUPPORT THE WAIVER CALIFORNIA NEEDS TO ACHIEVE GREENHOUSE GAS REDUCTIONS

TABLED BY THE LEGISLATIVE COUNCIL

Action

JOINT RESOLUTION

SPONSOR: Sen. Bliss, Lawrence Steven **Passed**

LR 947 JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE CONGRESS OF THE UNITED STATES TO FULFILL THE INTENT TO FUND 60% OF THE COSTS OF SPECIAL EDUCATION AND TO END UNFUNDED MANDATES

JOINT RESOLUTION

SPONSOR: Rep. Cebra, Richard M. **Tabled**
2/26/09

LR 722 JOINT RESOLUTION ASSERTING THE SOVEREIGNTY OF THE
STATE OF MAINE AND URGING CONGRESS TO CEASE
CERTAIN MANDATES

JOINT RESOLUTION

SPONSOR: Sen. Gooley, Walter R. **Tabled**
01/22/09

LR 907 JOINT RESOLUTION URGING THE MASSACHUSETTS AIR
NATIONAL GUARD TO CONDUCT AN ENVIRONMENTAL
IMPACT STUDY REGARDING TRAINING FLIGHTS

JOINT RESOLUTION

SPONSOR: Rep. Lewin, Sarah O. **Passed**

LR 960 JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF
THE UNITED STATES FOR INCREASED OVERSIGHT AND
ACCOUNTABILITY FOR RECIPIENTS OF FEDERAL BAILOUT
FUNDS

JOINT RESOLUTION

SPONSOR: Rep. Mazurek, Edward J. **Passed**

LR 1092 JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF
THE UNITED STATES AND CONGRESS OF THE UNITED
STATES TO SIGN LEGISLATION THAT ESTABLISHES A
NATIONAL UNIVERSAL, SINGLE-PAYOR NONPROFIT
HEALTH CARE PLAN

JOINT RESOLUTION

SPONSOR: Sen. Schneider, Elizabeth M. **Tabled**
2/26/09

LR 1213 JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF
THE UNITED STATES AND THE CONGRESS OF THE UNITED
STATES TO INCREASE THE TRUCK WEIGHT LIMITS ON
INTERSTATE 95 NORTH OF AUGUSTA, MAINE

JOINT RESOLUTION

SPONSOR: Rep. Valentino, Linda M.

Passed

LR 1270

JOINT RESOLUTION MEMORIALIZING THE GOVERNMENT OF
TURKEY TO UPHOLD AND SAFEGUARD RELIGIOUS AND
HUMAN RIGHTS

ADDENDUM
LEGISLATIVE COUNCIL ACTION ON
AFTER DEADLINE REQUESTS TO INTRODUCE
LEGISLATION
FIRST REGULAR SESSION
After: February 20, 2009

		ACTION
SPONSOR:	Sen. Bryant, Bruce S.	Withdrawn by Sponsor
LR 1926	An Act To Protect Maine's Communities and Increase the Municipality Size Requirement for Building Inspection	
SPONSOR:	Rep. Duchesne, Robert S.	Passed
LR 1914	An Act To Provide Limited Immunity for Road Association Directors, Commissioners and Volunteers	
SPONSOR:	Rep. Duchesne, Robert S.	Passed
LR 1915	An Act To Enable Municipal Assistance for Purposes of Protecting or Restoring Public Waters	
SPONSOR:	Rep. Duchesne, Robert S.	Passed
LR 1916	An Act To Update the Private Ways Law with Regard to Lake Camp Road Associations	
SPONSOR:	Rep. Duchesne, Robert S.	Passed
LR 1917	An Act To Institute Voluntary Emissions Standards for Outdoor Wood Boilers	
SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1919	An Act To Advance Health Care in Maine	
SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1921	An Act To Amend the Fee Charged for Fingerprinting	

SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1922	An Act To Facilitate More Firefighter Volunteers	
SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1923	An Act To Allow the Taste Testing of Malt Liquor and Spirits	
SPONSOR:	Rep. Harvell, Lance E.	Passed
LR 1924	An Act To Promote Youth Hunting License Sales	
SPONSOR:	Sen. McCormick, Earle L.	Passed
LR 1913	Resolve, Establishing a Study Commission on In Utero Drug Addiction	
SPONSOR:	Rep. Sutherland, Patricia B.	Passed
LR 1925	An Act To Validate Certain Proceedings Authorizing the Issuance of Bonds and Notes by School Administrative District No. 32	
SPONSOR:	Rep. Watson, Thomas R.	Passed
LR 1918	An Act To Correct Administrative Procedures Regarding the Dental Care Access Credit	



MAINE STATE LEGISLATURE

OFFICE OF THE EXECUTIVE DIRECTOR
LEGISLATIVE COUNCIL

**Executive Director's Report
March 26, 2009**

1. Piping Leak in State House Update
On March 24th a HVAC piping leak on the 5th floor of the State House released water that traveled through to the 1st floor causing damage to the rooms. Particularly hard hit were the House Majority staff offices and the Governor's cabinet room. Remediation is on-going and rooms should re-open on Monday. The cabinet room will need more extensive repairs to restore it to its prior condition.

2. Shelving Repairs to Library Storage Area
Work is on-going to repair and replace shelving that collapsed at the library's off-site warehouse earlier this month. Some shelving will be rebuilt and some compact shelving will be installed to prevent any recurrence.

3. Freedom of Access Request
Earlier this week, this office received from the Maine Heritage Policy Center a detailed request, filed pursuant to the Freedom of Access Act, for legislative payroll data for members of the Maine Legislature including names, salary, other payments and benefit costs for calendar years 2006, 2007 and 2008. The request includes the information for all Legislators.

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Fiscal Briefing

Legislative Council Meeting - March 26, 2009

Prepared by the Office of Fiscal & Program Review

1. Revenue Update

Total General Fund Revenue - FY 2009 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$135.0	\$114.5	(\$20.5)	-15.2%	\$138.1	-17.1%
FYTD	\$1,667.7	\$1,651.6	(\$16.1)	-1.0%	\$1,710.0	-3.4%

General Fund revenue was under budget by \$20.5 million in February and fell below budget for the Fiscal Year-to-date (FYTD) by \$16.1 million or 1.0% through February 2009. February revenue was 17.1% below February 2008 and FY 2009 Fiscal Year-to-date (FYTD) revenue through February declined by 3.4% compared with the same period in FY 2008. The December 2008 General Fund revenue forecast projects a decline of 4.1% for total General Fund revenue in FY 2009.

The effects of the recession have begun to show revenue effects in categories beyond the tax categories driven by consumption. Individual income tax withholding over the last 2 months has fallen further below budget, showing the effects of recent layoffs and job losses. Corporate income tax collections were also significantly below budget. This was compounded by an adjustment to offset a miscoded December audit payment that actually resulted in negative revenue in this category for February.

Sales and Use Tax continued its decline in February and for the FYTD has fallen \$26.0 million or 4.3% below budget. Average taxable sales for the 3-month period ending with January fell 8% compared to the same period last year. Lottery revenue was also significantly below budget, falling \$2.2 million or 6.3% below projections.

The Other Revenue category was under budget through February by \$14.2 million or 10.8%. Approximately half of this negative variance is related to timing issues, \$6.0 million from the improperly distributed revenue adjustment to the Unclaimed Property Transfer and \$1.2 million from a delay in making transfers from the Fund for the Efficient Delivery of Local and Regional Services. Other major contributors to the negative variance in the Other Revenue category include Transfers to the Maine Milk Pool (\$2.9 million), the Milk Handling Fee (\$0.7 million) and State Cost Allocation Plan revenue (\$3.0 million).

Total Highway Fund Revenue - FY 2009 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$24.8	\$25.9	\$1.1	4.5%	\$23.1	12.4%
FYTD	\$201.6	\$195.8	(\$5.8)	-2.9%	\$196.3	-0.3%

Highway Fund revenue was over budget by \$1.1 million in February, reducing the negative FYTD variance through February to \$5.8 million or 2.9%. With the strong performance in February, the FYTD decline of Highway Fund revenue compared with FY 2008 was almost erased but remained slightly negative at a 0.3% decline.

With the exception of Motor Vehicle Inspection Fees, all major categories of Highway Fund revenue were over budget. The first positive monthly variance in FY 2009 for the Fuel Taxes category was a pleasant surprise. However, there doesn't appear to be a good explanation at this point for this departure from recent trends.

Fiscal Briefing – March 26, 2009 (continued)

2. Revenue Forecast Update

Consensus Economic Forecasting Commission (CEFC) Meeting - The CEFC will meet on Tuesday, March 31st to update its November 2008 economic forecast. Given the timing of the last forecast and the intervening, discouraging economic news, we are expecting sizeable downward revision to the economic forecast that will, in turn, drive the revenue forecast lower.

Revenue Forecasting Committee (RFC) Meeting - The RFC will meet on Tuesday, April 28th to conclude the May revenue forecast update.

3. Cash Balances Update

Summary of Treasurer's Cash Pool		
February Average Daily Balances		
Millions of \$'s		
	2008	2009
General Fund (GF) Total	(\$1.7)	\$1.3
General Fund (GF) Detail:		
Budget Stabilization Fund	\$118.4	\$75.2
Reserve for Operating Capital	\$40.6	\$40.6
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$124.5	\$204.5
Other General Fund Cash	(\$285.1)	(\$319.0)
Other Spec. Rev. - Interest to GF	\$47.7	\$11.4
Other State Funds - Interest to GF	(\$5.5)	(\$11.8)
Highway Fund	\$30.7	\$21.5
Other Spec. Rev. - Retaining Interest	\$73.0	\$45.5
Other State Funds	\$182.2	\$231.3
Independent Agency Funds	\$145.7	\$83.3
Total Cash Pool	\$472.1	\$382.6

The comparison of the average balances of February 2008 and February 2009 shows that the average total cash pool balance last month was \$382.6 million, which was \$89.6 million less than February 2008. The average balance for February during the last 7 years, 2002 to 2008, was \$589.9 million.

General Fund internal borrowing increased to \$204.5 million in February, \$80 million more than the same period last year. Excluding reserve fund balances and internal borrowing, the General Fund average cash balance was negative by \$319.0 million. The negative balance in the Dirigo Health Fund also declined further in February, averaging \$17.6 million for the month.

The pending release of 2 quarters of federal stimulus funds related to the temporary increase in the Federal Medical Assistance Percentage (FMAP) will help buoy General Fund cash position, offsetting some of the effect of the \$56.1 million from the Maine Budget Stabilization Fund (MBSF). However, internal borrowing is reaching its limit and the State Controller and State Treasurer have been constantly analyzing the State's cash position to determine the timing of any external borrowing that may be necessary. If negative revenue variances continue and MaineCare spending continues to exceed expectations, they will no longer be able to avoid external cash flow borrowing.

Fiscal Briefing – March 26, 2009 (continued)

4. MaineCare Spending Update

The Administration, as part of its briefing on the use of the federal stimulus funds, notified the Appropriations Committee that recent trends in MaineCare spending would create a General Fund shortfall for the current fiscal year of \$50 million. In addition, a \$15 million prior period accounting error was identified that also needed to be offset in the current year, creating a total estimated shortfall of \$65 million in FY 2009. The Department of Health and Human Services (DHHS) further identified the need for additional 2010-2011 biennium resources due to changes in trend. DHHS proposed to use the enhanced FMAP savings to fund the shortfalls identified as \$25.0 million in FY 2010 and \$15 million in FY 2011.

5. Federal Stimulus Package

Definitive information on the Federal Stimulus Package is still slow in coming. The focus on accountability and transparency for the use of these funds and the extent of the package has made the development of the related regulations more complicated and slower than originally anticipated. The Administration has made a number of announcements regarding the use and oversight of these stimulus funds. Most of these announcements and information regarding the Federal Stimulus Package is available on the Governor's recovery web site:

<http://www.maine.gov/recovery/>.

Recently, the Administration has begun to present proposals for some of the more flexible elements of the Federal Stimulus Package. The Commissioner of Education's updates and presentations regarding the State Fiscal Stabilization Fund portion of the stimulus are available through the web site at the link noted above. Not included on the web site were the presentations to the Appropriations Committee on March 16th in which the Administration provided estimates of the savings from the enhanced FMAP and its proposals to use that flexible General Fund savings. The table below summarizes the estimated savings and proposed uses.

Estimated Savings and Uses of Enhanced FMAP Savings in Federal Stimulus Package
(Millions of \$'s)

	FY 2009	FY 2010	FY 2011
Estimated Saving from Enhanced FMAP	(\$113.5)	(\$149.5)	(\$71.5)
Proposed Uses of Savings:			
Offset to Placeholder in Biennial Budget	\$0.0	\$98.8	\$0.0
Payment to Hospitals	\$45.0	\$57.0	\$0.0
Medicaid/MaineCare Shortfalls	\$65.0	\$25.0	\$15.0
Other Health-related Initiatives	\$3.0	\$17.3	\$3.6
Net Cost (Savings) After Initiatives	(\$0.5)	\$48.6	(\$52.9)

General Fund and Highway Fund Revenue
Fiscal Year Ending June 30, 2009
Reflecting Budgeted Amounts Through December 2008 Revenue Forecast and PL 2009, c. 1

FEBRUARY 2009 REVENUE VARIANCE REPORT

Revenue Line	February '09 Budget	February '09 Actual	February '09 Var.	FY09 YTD Budget	FY09 YTD Actual	FY09 YTD Variance	FY09 YTD Variance %	FY09 Budgeted Totals
General Fund								
Sales and Use Tax	63,064,994	57,882,679.17	(5,182,314.83)	600,665,554	574,667,917.72	(25,997,636.28)	-4.3%	987,320,733
Service Provider Tax	4,316,507	4,158,429.68	(158,077.32)	31,188,906	31,304,837.92	115,931.92	0.4%	53,452,742
Individual Income Tax	30,748,438	23,884,491.12	(6,863,946.88)	731,822,271	752,089,548.59	20,267,277.59	2.8%	1,327,231,135
Corporate Income Tax	6,710,759	(750,851.64)	(7,461,610.64)	67,340,000	72,380,142.18	5,040,142.18	7.5%	168,904,770
Cigarette and Tobacco Tax	10,565,607	11,120,012.98	554,405.98	100,783,577	98,872,694.95	(1,910,882.05)	-1.9%	149,948,844
Public Utilities Tax	0	(6.33)	(6.33)	231,238	231,231.27	(6.73)	0.0%	18,405,029
Insurance Companies Tax	1,277,738	484,817.21	(792,920.79)	13,888,346	13,107,073.17	(781,272.83)	-5.6%	71,978,985
Estate Tax	3,088,920	3,469,027.99	380,107.99	16,814,819	19,149,077.63	2,334,258.63	13.9%	35,288,827
Property Tax - Unorganized Territory	0	0.00	0.00	11,006,279	10,995,373.00	(10,906.00)	-0.1%	12,969,540
Income from Investments	(182,998)	(28,571.17)	154,426.83	719,765	1,394,900.66	675,135.66	93.8%	752,451
Transfer to Municipal Revenue Sharing	(5,346,876)	(4,343,912.17)	1,002,963.83	(73,561,904)	(72,952,567.31)	609,336.69	0.8%	(129,962,428)
Transfer from Lottery Commission	4,042,245	3,547,891.53	(494,353.47)	35,369,685	33,149,299.60	(2,220,385.40)	-6.3%	52,599,250
Other Revenue	16,688,270	15,086,716.59	(1,601,553.41)	131,453,804	117,248,897.45	(14,204,906.55)	-10.8%	212,931,559
Totals	134,973,604	114,510,724.96	(20,462,879.04)	1,667,722,340	1,651,638,426.83	(16,083,913.17)	-1.0%	2,961,821,437
Highway Fund								
Fuel Taxes	16,480,836	17,251,415.43	770,579.43	132,286,844	129,392,101.92	(2,894,742.08)	-2.2%	234,197,278
Motor Vehicle Registration and Fees	7,367,364	7,831,463.35	464,099.35	57,289,002	55,320,877.20	(1,968,124.80)	-3.4%	99,146,017
Inspection Fees	243,571	113,362.10	(130,208.90)	3,378,036	2,331,586.83	(1,046,449.17)	-31.0%	4,474,821
Fines	147,019	147,461.53	442.53	1,165,350	1,163,298.49	(2,051.51)	-0.2%	1,795,049
Income from Investments	13,000	19,855.60	6,855.60	347,473	361,589.15	14,116.15	4.1%	1,000,000
Other Revenue	579,430	584,551.56	5,121.56	7,090,290	7,218,052.43	127,762.43	1.8%	9,629,561
Totals	24,831,220	25,948,109.57	1,116,889.57	201,556,995	195,787,506.02	(5,769,488.98)	-2.9%	350,242,726

Comparison of Actual Year-to-Date Revenue Through February of Each Fiscal Year

REVENUE CATEGORY	FY 2005	% Chg	FY 2006	% Chg	FY 2007	% Chg	FY 2008	% Chg	FY 2009	% Chg
GENERAL FUND										
Sales and Use Tax	\$544,364,735.05	2.5%	\$573,137,020.15	5.3%	\$594,863,904.93	3.8%	\$598,011,131.86	0.5%	\$574,667,917.72	-3.9%
Service Provider Tax	\$25,164,241.79	N/A	\$25,862,996.06	2.8%	\$28,245,379.76	9.2%	\$30,221,134.31	7.0%	\$31,304,837.92	3.6%
Individual Income Tax	\$759,054,126.11	8.6%	\$777,493,920.98	2.4%	\$825,887,462.40	6.2%	\$857,987,836.86	3.9%	\$866,170,115.80	1.0%
Individual Income Tax (Circuitbreaker)	(\$24,501,800.05)	N/A	(\$37,655,921.62)	-53.7%	(\$39,225,142.09)	-4.2%	(\$40,592,033.19)	-3.5%	(\$43,304,429.39)	-6.7%
Individual Income Tax (BETR)	\$0.00	N/A	(\$62,956,722.23)	N/A	(\$51,059,807.01)	18.9%	(\$56,679,422.78)	-11.0%	(\$70,776,137.82)	-24.9%
Corporate Income Tax	\$69,660,416.81	35.4%	\$99,473,816.82	42.8%	\$87,862,161.25	-11.7%	\$88,530,977.26	0.8%	\$72,380,142.18	-18.2%
Cigarette and Tobacco Tax	\$64,035,810.25	0.0%	\$100,747,058.36	57.3%	\$106,272,944.56	5.5%	\$102,863,218.01	-3.2%	\$98,872,694.95	-3.9%
Public Utilities Tax	(\$150,000.00)	48.9%	\$0.00	100.0%	(\$116,564.00)	N/A	\$347,980.26	398.5%	\$231,231.27	-33.6%
Insurance Companies Tax	\$16,571,500.67	10.1%	\$13,197,945.87	-20.4%	\$13,399,164.86	1.5%	\$14,387,593.53	7.4%	\$13,107,073.17	-8.9%
Estate Tax	\$18,996,366.14	34.8%	\$54,014,724.35	184.3%	\$33,679,678.22	-37.6%	\$20,960,142.96	-37.8%	\$19,149,077.63	-8.6%
Property Tax - Unorganized Territory	\$9,638,377.00	7.8%	\$9,560,399.00	-0.8%	\$10,403,375.00	8.8%	\$10,238,664.00	-1.6%	\$10,995,373.00	7.4%
Income from Investments	\$2,840,670.20	115.8%	\$4,212,416.38	48.3%	\$1,696,816.19	-59.7%	\$2,106,341.83	24.1%	\$1,394,900.66	-33.8%
Revenue Sharing Transfers	(\$70,060,827.68)	-5.2%	(\$70,143,110.63)	-0.1%	(\$73,775,271.93)	-5.2%	(\$75,351,460.60)	-2.1%	(\$72,952,567.31)	3.2%
Liquor Transfers	\$50,013,627.68	170.0%	\$16,500.00	-100.0%	\$14,971.36	-9.3%	\$0.00	-100.0%	\$0.00	N/A
Lottery Transfers	\$33,219,412.46	19.9%	\$34,177,094.30	2.9%	\$33,558,940.83	-1.8%	\$32,512,585.01	-3.1%	\$33,149,299.60	2.0%
Other Revenue	\$128,208,781.89	1.2%	\$120,481,437.33	-6.0%	\$129,338,787.97	7.4%	\$124,414,101.44	-3.8%	\$117,248,897.45	-5.8%
TOTAL GENERAL FUND REVENUE	\$1,627,055,438.32	7.4%	\$1,641,619,575.12	0.9%	\$1,701,046,802.30	3.6%	\$1,709,958,790.76	0.5%	\$1,651,638,426.83	-3.4%
HIGHWAY FUND										
Fuel Taxes	\$131,554,896.51	3.7%	\$131,128,246.34	-0.3%	\$133,405,167.33	1.7%	\$131,794,778.17	-1.2%	\$129,392,101.92	-1.8%
Motor Vehicle Registration and Fees	\$50,797,150.58	3.4%	\$53,281,775.23	4.9%	\$52,650,561.96	-1.2%	\$52,379,040.32	-0.5%	\$55,320,877.20	5.6%
Inspection Fees	\$2,774,113.39	-12.6%	\$2,870,855.89	3.5%	\$3,003,890.90	4.6%	\$2,876,853.20	-4.2%	\$2,331,586.83	-19.0%
Fines	\$1,168,641.52	-4.6%	\$1,188,376.51	1.7%	\$1,167,222.88	-1.8%	\$1,178,494.53	1.0%	\$1,163,298.49	-1.3%
Income from Investments	\$592,966.09	66.6%	\$1,025,119.04	72.9%	\$530,069.91	-48.3%	\$986,581.63	86.1%	\$361,589.15	-63.3%
Other Revenue	\$6,332,929.29	-3.4%	\$6,899,595.65	8.9%	\$6,874,030.14	-0.4%	\$7,132,870.16	3.8%	\$7,218,052.43	1.2%
TOTAL HIGHWAY FUND REVENUE	\$193,220,697.38	3.1%	\$196,393,968.66	1.6%	\$197,630,943.12	0.6%	\$196,348,618.01	-0.6%	\$195,787,506.02	-0.3%

Adjusted for Service Provider Tax Split

Information Services Report to Legislative Council
Paul Mayotte, Director, Office of Legislative Information Services
March 26, 2009
(Preliminary Report March 20, 2009)

Bill Status Application:

The bill status application is stable and is functioning appropriately. The small number of problems reported have been corrected promptly and vendor support has been excellent. Report output continues to be monitored to insure accuracy. Several new reports within the application have been developed in response to evolving user needs.

Automated Sponsor Notification:

In a multiple office effort using the capabilities of the bill status application, an automated process to notify Legislators via email of public hearings and work sessions has been developed and implemented. This will provide legislators that have email with real time notices of all committee activities related to their bills.

Legislative Wireless Network Service Improvements:

Over the next several weeks the Systems Office will be upgrading the original wireless network routers installed five plus years ago when Legislative wireless service was first implemented. Wireless service will be fully maintained throughout the process. Once the upgraded routers are installed, Legislators and other users will see more consistent service campus wide and a significant increase in signal strength. Overall the wireless network will have the increased capacity to support the continued rapid growth in wireless use for several years into the future.

**LEGISLATIVE COUNCIL
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION
As of: March 20, 2009**

Action

SPONSOR: **Rep. Beaudoin, Paulette G.**

LR 1941 An Act To Increase the Safety of Maine State Troopers

SPONSOR: **Rep. Carey, Michael E.**

LR 1945 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Provide for the Direct Election of the Attorney General and the
Secretary of State

SPONSOR: **Sen. Goodall, Seth A.**

LR 1950 Resolve, Directing the State Tax Assessor To Adjust the State
Valuation for the Town of Topsham

SPONSOR: **Sen. Hobbins, Barry J.**

LR 1944 Resolve, Establishing a Study Committee To Study the Feasibility of
Instituting Testing for Sports-related Head and Trauma Injuries

SPONSOR: **Sen. Jackson, Troy D.**

LR 1938 An Act To Allow a Parent To Keep a Child under 30 Years of Age on
the Parent's Health Insurance

SPONSOR: **Rep. Kruger, Charles B.**

~~LR 1929 An Act To Designate July 12th as Andrew Wyeth Day~~

Replaced with
LR 1929 on
Addendum

SPONSOR: **Rep. Perry, Anne C.**

~~LR 1946 Resolve, Establishing a Mental Health Service Advisory Commission
To Improve Mental Health Services in the State~~

Replaced with
LR 1946 on
Addendum

SPONSOR: Sen. Rosen, Richard W.

LR 1947 An Act To Name the Bridge in Orland the Ralston C. Gray Bridge

JOINT RESOLUTION

SPONSOR: Sen. Simpson, Deborah L.

LR 1951 JOINT RESOLUTION MEMORIALIZING CONGRESS AND THE PRESIDENT OF THE UNITED STATES TO REVIEW NATIONAL POLICY ON USED NUCLEAR FUEL

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR: Rep. Bickford, Bruce A. **Action
TABLED
02/26/09**

LR 1873 An Act To Limit the Liability of Landowners for Noncommercial Aviation Activities

SPONSOR: Rep. Thibodeau, Michael D. **TABLED
02/26/09**

LR 1891 An Act To Allow Municipal and Quasi-municipal Organizations To Bill for Hazardous Material Costs

SPONSOR: Sen. Trahan, A. David **TABLED
02/26/09**

LR 1889 An Act To Create a Saltwater Fishing Registry

JOINT RESOLUTION

SPONSOR: Rep. Cebra, Richard M. **TABLED
01/22/09**

LR 722 JOINT RESOLUTION ASSERTING THE SOVEREIGNTY OF THE STATE OF MAINE AND URGING CONGRESS TO CEASE CERTAIN MANDATES

JOINT RESOLUTION

SPONSOR: Sen. Gooley, Walter R. **TABLED
01/22/09**

LR 907 JOINT RESOLUTION URGING THE MASSACHUSETTS AIR NATIONAL GUARD TO CONDUCT AN ENVIRONMENTAL IMPACT STUDY REGARDING TRAINING FLIGHTS

JOINT RESOLUTION

SPONSOR: **Rep. Hinck, Jon**

TABLED
02/26/09

LR 1901

JOINT RESOLUTION COMMENDING PRESIDENT OBAMA ON
HIS SELECTION OF THE HONORABLE GEORGE J. MITCHELL
AS MIDDLE EAST ENVOY AND URGING A JUST RESOLUTION
OF THE ISRAELI-PALESTINIAN CONFLICT

**ADDENDUM
LEGISLATIVE COUNCIL
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION
After: March 20, 2009**

Action

SPONSOR:	Rep. Kruger, Charles B.	(TITLE CHANGE)
LR 1929	An Act To Designate July 12 th as Wyeth Day	
SPONSOR:	Rep. Perry, Anne C.	(TITLE CHANGE)
LR 1946	An Act to Establish a Mental Health Service Advisory Commission To Improve Mental Health Services in the State	
SPONSOR:	Sen. Bliss, Lawrence Steven	
LR 1961	An Act To Equalize the Pay of Tribal Representatives	
SPONSOR:	Sen. Goodall, Seth A.	
LR 1956	An Act Pertaining to Response Costs Incurred by the Department of Environmental Protection under the Waste Motor Oil Disposal Site Remediation Program	
SPONSOR:	Rep. Rosen, Kimberley C.	
LR 1962	An Act To Restore Game Sanctuary Status for Certain Lands in the Town of Orrington	
SPONSOR:	Rep. Tardy, Joshua A.	
LR 1957	Resolve, To Identify Unfunded State Educational Mandates	

JOINT RESOLUTION

SPONSOR:	Rep. Piotti, John F.
LR 1960	JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO AMEND THE FEDERAL ORDER SYSTEM TO ENSURE THAT MAINE DAIRY FARMERS WILL RECEIVE A SUSTAINABLE PRICE FOR MILK

MEMORANDUM OF AGREEMENT

**REGARDING
MAINTENANCE
of the
ROAD CONNECTING UNION AND GAGE STREETS**

THIS AGREEMENT is made this ____ day of March, 2009, between and among the **MAINE STATE LEGISLATURE, acting through its LEGISLATIVE COUNCIL,** (the "Legislature"), the **MAINE DEPARTMENT OF TRANSPORTATION ("MaineDOT")** and the **CITY OF AUGUSTA** (the "City").

WHEREAS, Capitol Park in the City of Augusta, Maine is owned by the State of Maine and is under the jurisdiction of the Legislature, specifically the Legislative Council, pursuant to Title 3 of the Maine Revised Statutes, Section 902-A ; and

WHEREAS, in 1978 MaineDOT constructed a road across the easterly end of Capitol Park, connecting the easterly end of Union Street with the southerly end of Gage Street for a distance of 0.13 mile (the "Connector Road"); and

WHEREAS, in 1984 MaineDOT designated the entire loop of public roads around Capitol Park, including Union Street, the Connector Road and Gage Street as State Aid Highway #14; and

WHEREAS, in 2006, the Connector Road, along with Union Street, was rebuilt under a Local Project Agreement between the City and MaineDOT, under which the City agreed to assume responsibility for all maintenance of the Connector Road upon completion of the construction project; and

WHEREAS, the parties now wish to memorialize their respective responsibilities with regard to the Connector Road.

NOW THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. The Legislature maintains its jurisdiction over Capitol Park including that portion upon which the Connector Road is constructed, pursuant to Title 3 of the Maine Revised Statutes, Section 902-A;
2. MaineDOT will remove the "State Aid Highway #14" designation of the Connector Road (and Union Street and Gage Street) whereupon it will become a "Local/Townway." The Legislature takes no position with respect to the removal of the "State Aid Highway #14" designation;
3. The City will provide year-round maintenance and repair of the Connector Road, including curbing, drainage and adjacent sidewalks to maintain it in good repair and safe condition; and
4. Any capital improvement to the Connector Road or appurtenances that would result in encroachment into any area under the jurisdiction of the Legislature requires the submission of a proposed plan for improvement by the requesting party to the State House and Capitol Park Commission c/o the Executive

Director of the Legislative Council and written approval from the Legislature prior to commencement of the capital improvement.

IN WITNESS WHEREOF, parties have set their hands and seals on the date above written by their duly authorized representatives.

MAINE LEGISLATIVE COUNCIL

BY:
Its:

**MAINE DEPARTMENT OF
TRANSPORTATION**

BY:
Its:

CITY OF AUGUSTA

BY:
Its:

G:\CONTRACT\Capitol Park connector road agreement (dbrev1).doc (2/24/2009 4:44:00 PM)

LC agenda - March
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March 4, 2009

Senator Troy Dale Jackson, Chair
Representative John L. Tuttle, Chair
Joint Standing Committee on Labor
100 State House Station
Augusta, ME 04333-0100

RE: *Study of Statewide Market for Forest Products Harvesting and Hauling Services*

Dear Senator Jackson, Representative Tuttle and Members of the
Joint Standing Committee on Labor:

I am pleased to submit the Study of the Statewide Market for Forest Products Harvesting and Hauling Services authorized by Resolve Chapter 189 of the 123rd Legislature.

We were asked to examine competition within the industry and determine what, if any, changes are necessary to ensure reasonable rates of compensation for loggers and haulers. We were unable to undertake a traditional antitrust market analysis, due to an inability to obtain comprehensive data about market participants and contract rates. It was clear to us that the forest products industry is facing substantial pressures, both global and domestic. As you will see, our recommendations are more in the nature of general suggestions rather than specific proposals for legislative action.

The Study is a culmination of months of research, including numerous interviews with forest products harvesters, haulers and landowners. My staff was assisted in this endeavor by representatives of the State Planning Office, Maine Forest Service, Maine Department of Labor, and the retained consulting services of The Irland Group of Wayne, Maine.

The Study has been submitted to the Joint Standing Committee Agriculture, Conservation and Forestry. We are also submitting it to the Joint Standing Committee on Labor because the Labor Committee has jurisdiction over the original bill, Title 26 Chapter 18. Please feel free to contact me if you have any questions regarding this study.

Sincerely,


JANET T. MILLS
ATTORNEY GENERAL

Cc: Joint Standing Committee on Agriculture,
Conservation and Forestry
Sen. John M. Nutting
Rep. Wendy Pieh
(Without attachment)