

# MAINE STATE LEGISLATURE

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SEN. KEVIN L. RAYE  
CHAIR

REP. ROBERT W. NUTTING  
VICE-CHAIR

EXECUTIVE DIRECTOR  
DAVID E. BOULTER



125<sup>TH</sup> MAINE STATE LEGISLATURE  
LEGISLATIVE COUNCIL

SEN. JONATHAN T. E. COURTNEY  
SEN. BARRY J. HOBBS  
SEN. DEBRA D. PLOWMAN  
SEN. JUSTIN L. ALFOND  
REP. PHILIP A. CURTIS  
REP. EMILY ANN CAIN  
REP. ANDRE E. CUSHING III  
REP. TERRY HAYES

**MEETING OF LEGISLATIVE COUNCIL**  
**APRIL 28, 2011**  
**1:30 PM**  
**AGENDA**

<b><u>Page</u></b>	<b><u>Item</u></b>	<b><u>Action</u></b>
	<b>CALL TO ORDER</b>	
	<b>ROLL CALL</b>	
<b>1</b>	<b>SUMMARY OF THE MARCH 24, 2011 MEETING OF THE LEGISLATIVE COUNCIL</b>	<b>Acceptance</b>
	<b>REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS</b>	
<b>12</b>	▪ Executive Director's Report (Mr. Boulter)	<b>Information</b>
<b>13</b>	▪ Fiscal Report (Mr. Pennoyer)	<b>Information</b>
	<b>REPORTS FROM COUNCIL COMMITTEES</b>	
	• Personnel Committee	
	• State House Facilities Committee	
	• Budget Subcommittee	
	<b>OLD BUSINESS</b>	
<b>19</b>	<b>Item #1: Council Actions Taken By Ballot (No Action Required)</b>	

## **NEW BUSINESS**

- |           |   |                       |
|-----------|---|-----------------------|
| <b>20</b> | Item #1: Consideration of After Deadline Bill Requests  | <b>Roll Call Vote</b> |
| <b>23</b> | Item #2: Notice of Audit of State Budget for the year ending June 30, 2011<br>(Department of Audit) | <b>Information</b>    |
|           | Item #3: Collective Bargaining Matters (EXECUTIVE SESSION)  |                       |

## **ANNOUNCEMENTS AND REMARKS**

## **ADJOURNMENT**

SEN. KEVIN L. RAYE  
CHAIR

REP. ROBERT W. NUTTING  
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125<sup>TH</sup> MAINE STATE LEGISLATURE  
LEGISLATIVE COUNCIL

**MEETING SUMMARY**  
**March 24, 2011**

**CALL TO ORDER**

Legislative Council Chair, Senate President Raye called the March 24, 2011 Legislative Council meeting to order at 1:43 p.m. in the Legislative Council Chamber.

**ROLL CALL**

Senators: President Raye, Senator Courtney, Senator Hobbins  
  
Absent: Senators Plowman and Alfond (both arrived after start)

Representatives: Speaker Nutting, Representative Curtis, Representative Cushing, Representative Cain, Representative Hayes

Legislative Officers: Joseph Carlton, Secretary of the Senate  
Heather Priest, Clerk of the House  
David E. Boulter, Executive Director of the Legislative Council  
Grant Pennoyer, Director, Office of Fiscal and Program Review  
Beth Ashcroft, Director, OPEGA  
Suzanne Gresser, Revisor of Statutes  
Scott Clark, Director, Legislative Information Technology  
John Barden, Director, Law and Legislative Reference Library  
Rose Breton, Legislative Finance Director  
Debra Olken, Human Resources Director

Senate President Raye convened the meeting at 1:43 P.M. with a quorum of members present.

**SUMMARY OF MARCH 3, 2011 MEETING OF LEGISLATIVE COUNCIL**

**Motion:** That the Meeting Summary of March 3, 2011 be accepted and placed on file. Motion by Senator Courtney. Second by Representative Cushing. **Motion passed unanimous. (8-0;** Senators Plowman and Alfond absent)

## REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

### Executive Director's Report

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

#### Retirement of Robert Michaud

Robert (Bob) Michaud, Associate Law Librarian in the Law and Legislative Reference Library is retiring after 28 years of service to the Legislature. Bob will retire on March 31, 2011. Bob's skills in legal research and compiling legislative histories and his helpfulness to all who had occasion to use the library have made him an invaluable member of the legislature's nonpartisan staff. A retirement celebration for Bob will be held in the library on Wednesday, March 30<sup>th</sup> from 2:00 to 3:00 PM and legislators and staff are welcome to stop by and wish Bob well in his retirement.

The Legislative Council recognized Mr. Michaud who was in the audience and congratulated him on his years of service and wished him well in his retirement.

### Fiscal Report

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

#### Revenue Update

##### **Total General Fund Revenue - FY 2011 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$114.3	\$131.1	\$16.8	14.7%	\$102.5	28.0%
FYTD	\$1,658.9	\$1,680.7	\$21.8	1.3%	\$1,553.9	8.2%

General Fund revenue was \$16.8 million (14.7%) over budget in February and was \$21.8 million (1.3%) over budget for the fiscal year-to-date (FYTD). Compared with the same period last fiscal year, General Fund revenue has grown 8.2% for the 8 months through February of FY 2011.

February's positive variance was driven by Individual Income Tax refunds falling \$13.0 million below projections and withholding payments running ahead of projections by \$4.6 million. The performance of refunds and withholding was offset slightly by estimated tax payments falling \$0.6 million below projections so that overall Individual Income Tax had a positive variance of \$17.2 million for February. Individual Income Tax is \$25.3 million ahead of budget through February with growth of 9.7% over the same period in the prior fiscal year. The May 1<sup>st</sup> reporting deadline of the Revenue Forecasting Committee now allows the capture of this data for the mid-session revenue update.

Corporate Income Tax recovered in February, coming in \$3.9 million over budget for the month and was \$0.4 million ahead of budget for the FYTD through February.

Sales and Use Tax also came in ahead of projections in February, over by \$1.0 million for the month and \$12.0 million for the FYTD. However, the Service Provider Tax was below budget by \$0.5 million in February and \$2.2 million for the FYTD. Both of these categories

are included in taxable sales data. The combined performance of these categories seems to indicate that consumer spending has not been too badly affected by the recent price increases in heating oil and gasoline.

With the strong performance of these major taxes, a combined positive variance of \$35.5 million through February, revenue sharing transfers were \$1.1 million higher than projected.

The Other Revenue category was again under budget in February. February's negative \$1.4 million variance increased the FYTD negative variance to \$9.7 million (36.4%). Within this category, Targeted Case Management revenue administered by the Department of Health and Human Services was the major factor in this negative variance, falling below projections by \$6.7 million through February. This shortfall is related to an information technology issue that is now nearly resolved. Other significant negative variances in this category included \$0.9 million from a shortfall in a \$1.5 million budgeted sale of state properties and \$0.8 from other Department of Health and Human Services revenue sources.

Some areas of continuing concern through February of FY 2011 include fine revenue (\$2.3 million or 10.7% under budget), lottery transfers (\$2.3 million or 6.5% under budget) and STA-CAP transfers (\$1.8 million or 16.1% under budget). These areas will likely be revised downward in the next revenue forecast due May 1<sup>st</sup>.

#### Highway Fund Revenue Update

**Total Highway Fund Revenue - FY 2011 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$25.6	\$25.1	(\$0.4)	-1.6%	\$25.0	0.6%
FYTD	\$188.6	\$190.9	\$2.2	1.2%	\$189.5	0.7%

Highway Fund revenue was under budget by \$0.4 million (1.6%) in February, which lowered the positive variance for the FYTD through February to \$2.2 million (1.2%). Through February, Highway Fund revenue continued to reflect modest growth of 0.7% over the same period last fiscal year. Fuel Taxes fell slightly below budget in February due to the negative variance for the Gasoline Tax, very likely affected by recent price increases.

#### Cash Balances

The average total cash pool balance for February was \$513.6 million, more than \$150 million higher than one year ago. The recent historical average for February's cash balances is \$541.0 million (February 2002 to 2010). Cash balances have shown improvement across the fund groups broken out below. The General Fund internal cash flow borrowing is \$137.7 million less than a year ago. General Fund major reserve fund balances (the Maine Budget Stabilization Fund and the Reserve for Operating Capital) are \$36.4 million more than last year. An additional \$3.2 million is budgeted for transfer into the Budget Stabilization Fund at the close of FY 2011, which will increase the total General Fund reserves to nearly \$40 million (\$39.6 million).

Summary of Treasurer's Cash Pool		
February Average Daily Balances		
Millions of \$'s		
	2010	2011
General Fund (GF) Total	\$10.0	\$21.7
General Fund (GF) Detail:		
Budget Stabilization Fund	\$0.2	\$25.4
Reserve for Operating Capital	\$0.0	\$11.2
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$303.2	\$165.5
Other General Fund Cash	(\$293.4)	(\$180.4)
Other Spec. Rev. - Interest to GF	\$2.5	\$31.1
Other State Funds - Interest to GF	\$10.5	\$17.8
Highway Fund	\$22.8	\$60.3
Other Spec. Rev. - Retaining Interest	\$43.0	\$54.0
Other State Funds	\$172.1	\$215.9
Independent Agency Funds	\$96.0	\$112.8
<b>Total Cash Pool</b>	<b>\$356.8</b>	<b>\$513.6</b>

## REPORTS FROM COUNCIL COMMITTEES

### 1. Personnel Committee

President Raye, Chair of the Personnel Committee, reported that the Personnel Committee held a meeting earlier today, March 24, 2011 to consider the appointment of Beth Ashcroft to a 2<sup>nd</sup> term as Director of the Office of Program Evaluation and Government Accountability. The committee felt that Beth had performed well in her 1<sup>st</sup> term as director that began in January 2005. The committee voted unanimously to recommend that the Legislative Council appoint her to a second term as the director of OPEGA at Step 9.

**Motion:** That upon the unanimous recommendation of the Personnel Committee, the Legislative Council appoint Beth Ashcroft to a new 5-year term as Director of the Office of Program Evaluation and Government Accountability at salary Step 9, the date of her appointment being retroactive to January 17, 2010. Motion by President Raye. Second by Senator Hobbins. **Motion passed unanimous. (10-0)**

Chair Raye recognized Ms. Ashcroft who was in the audience and on behalf of the Legislative Council offered congratulations to her on her reappointment.

Chair Raye asked if there was any objection to taking one item out of order. There was no objection. The Chair then moved to **New Business, Item 1.**

## NEW BUSINESS

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

The Legislative Council then proceeded to consider and vote on the bill requests in accordance with the previously established protocol. Of the 14 bill requests, the council authorized 12 requests for introduction in the 1<sup>st</sup> Regular Session of the 125th Legislature, 1 failed to be authorized, and 1 remained tabled until a future Legislative Council meeting. Of the 6 joint resolutions, the council authorized 3 requests for introduction in the 1<sup>st</sup> Regular Session of the 125th Legislature, 2 failed to be authorized, and 1 remained tabled until a future Legislative Council meeting. The Legislative Council's actions on the requests are included on the attached list.

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

## REPORTS FROM COUNCIL COMMITTEES

### 2. State House Facilities Committee

Senator Courtney, Chair of the State House Facilities Committee reported on the committee meeting held on March 16, 2011.

On March 16, 2011, the State House Facilities Committee met to discuss the feasibility of broadcasting sessions of the House and Senate throughout the state on cable television.

The committee invited a representative from Time Warner Cable, Melinda Poore, Vice President of Government and Public Affairs, to the meeting. Ms. Poore indicated that Time Warner now provides cable television service to 85% of Maine's cable subscribers and with agreements with other cable providers it could reach 97% to 100% of cable subscribers.

Time Warner Cable has offered to provide 2 cable channels dedicated to the Legislature as a public service with no cost to the Legislature or to subscribers for the express purpose of broadcasting House and Senate sessions and providing limited legislative information and legislator profiles. Time Warner would broadcast or rebroadcast the proceedings but would not provide programming services.

The committee was encouraged by the discussion and asked Mr. Boulter to take the next step of working with Time Warner to draft a use agreement for review. Following discussion and resolution of various logistical aspects, the committee plans to present the matter to the full Legislative Council for consideration at a Legislative Council meeting in the near future. No Legislative Council action is required at this time.

## OLD BUSINESS

### ITEM 1: Legislative Council Actions Taken by Ballot

A. LR 2101      **Resolve. Directing the Maine Community College System to Extinguish Certain Easements**

Submitted by:      Senator Kevin Raye

Accepted:      March 10, 2011

Vote: 10 – 0 in favor

**Item #2: Consideration of Increased Security in State House**

Mr. Boulter reminded the Legislative Council members that this matter had been tabled at the last council meeting. The State House Facilities Committee had considered recommendations by Capitol Police Chief Gauvin for various levels of increased security in the State House and the Chief had identified 4 options. President Raye expressed his support for Option 3 that would provide for installation of enhanced security equipment and periodic screening of individuals entering the State House. He noted that the security level decision needs to be made in the context of the overall legislative budget and the Legislative Council's ability to identify savings to fund the periodic screening.

Senator Plowman asked that the meeting summary reflect that the issue of enhanced building security was raised prior to the attempted assassination of Congresswoman Gifford in Arizona, not following as suggested by Chief Gauvin's memo of January 26, 2011. She further stated that she was encouraged by President Raye's interest in enhancing security.

Senator Alfond inquired about the cost of conducting a security threat analysis of the building as had been raised by Senator Plowman earlier. He also asked when the last security assessment had been conducted.

Chief Gauvin responded that three security threat assessments of the capitol have been conducted in the past decade. The first, conducted prior to 9/11/01, in late 1999 or early 2000, was a very comprehensive one that took several months to complete. The assessment was conducted by a private contractor and cost about \$75,000 to \$85,000. A second assessment was conducted in 2003 that was performed by the Maine State Police. A third assessment was conducted in 2006 and released on August 21<sup>st</sup> of that year. That assessment was conducted by a panel of people including the Chief of the City of Augusta Police Department. The 1<sup>st</sup> study made 91 different recommendations, and the 2<sup>nd</sup> and 3<sup>rd</sup> ones made 17 or 18 recommendations. The majority of the no-cost recommendations have been accomplished. Many of the recommendations having costs have not been accomplished due to a lack of funding. Chief Gauvin said an informal assessment could not be conducted during the Legislative session due to resource constraints, and although he checked with outside firms he did not pursue them because they sought an up-front commitment, and the cost would be high.

Speaker Nutting said he supported security planning efforts but he felt that another study was unnecessary. It is already known what measures are recommended. He supported President Raye's suggestion that Option 2 be adopted and seek money in the Legislative budget to go beyond Option 2.

Senator Plowman asked Chief Gauvin which of his recommendations most closely matches recommendations made in the latest threat assessment. Chief Gauvin replied that all 3 studies recommend the equivalent of Option 4 with full-time screening in order to have a secure environment.

Representative Hayes stated that she favors Option 1 because she has not felt that security is lacking and has not felt threatened. She also noted that the other options do not address the issue of providing security in the Cross Building.

Senator Plowman stated that the Legislative Council has a responsibility to provide a safe work environment for employees and others who work in the State House. She reiterated that the Legislative Council has a duty to provide a safe environment as with any other employer.

Representative Cain indicated that she is looking forward to the discussion on what security can be afforded; she expressed concern about installing equipment but not using it, thereby giving people a false sense of security. President Raye asked if Capitol Police would have any resources for occasional screening. Chief Gauvin replied that there would be resources essentially only for training purposes or screening on a very, very limited basis.

In response to a question by Senator Plowman, Chief Gauvin said that Option 2 is essentially increased preparedness rather than an increased security option. Senator Plowman asked about the availability of reports of violence or suspicious activity. Chief Gauvin responded that he maintains reports but they are largely confidential. He offered to provide summary statistics.

**Motion:** That the Legislative Council adopt the building security measures identified as Option 2 by the Chief of Capitol Police and direct its Budget Subcommittee to seek budgetary resources to implement Option 3 if it is feasible following the budget review. Motion by Senator Courtney. Second by Representative Nutting. **Motion passed. (6-4, with Senator Hobbins, Senator Alford, Representative Cain and Representative Hayes opposed)**

## **NEW BUSINESS**

### **Item #2: Request by the Joint Standing Committee on the Environment and Natural Resources to establish a Legislative Committee Facebook page and presence**

The Legislative Council members discussed the committee's proposal and while members expressed interest in increased use of technology to provide greater accessibility to Legislative proceedings, they did not support the request. Members noted that there is a great deal of legislative information that is already available and readily accessible through the Internet and the Legislature's website. With applications such as Facebook, accountability for the information, dialogue posts, and private messages, and the monitoring of them, are issues of concern. In addition, Facebook posts would represent the committee, and there is an issue about who can "speak" for the committee. It was suggested that a more appropriate mechanism for increasing accessibility would be to provide better access to committee information within the existing information systems.

**Motion:** That the Legislative Council deny the request by the Joint Standing Committee on the Environment and Natural Resources to establish a legislative committee Facebook page and presence on the Internet. Motion by Representative Nutting. Second by Senator Plowman. **Motion passed unanimous. (10-0)**

### **Item #3: VoIP Proposal for Telephone System Replacement**

Information Technology Director Clark presented background information on the Legislative Council's authorization in 2010 to solicit proposals to replace the legislature's aging telephone system with an Internet-based Voice-over Internet Protocol (VoIP) system, and his recommendation to proceed to the next level of review of the proposals received.

Mr. Clark stated that in October 2010, the Legislative Council authorized the release of a Request for Proposals (RFP) for a legislative VoIP system. Six proposals were received and a listing of the responding firms was included in the Legislative Council's packet of information along with the RFP. After the Information Technology office concluded its technical review, the review team identified 3 top proposals. He stated that among the review criteria were consideration of proposal completeness, features, functionality, training and support, technical implementation plan, network considerations and cost.

Mr. Clark recommended that the Legislative Council authorize the staff to continue its review, invite oral presentations by the bidder finalists and convene an internal team of 6-8 individuals to assist in evaluating the proposals.

President Raye asked about potential cost savings by installing a VoIP telecommunications system. Mr. Clark estimated the savings to be between \$30,000 and \$40,000 annually based on his initial assessment. President Raye noted that Mr. Clark's memo to Mr. Boulter dated March 16, 2011 indicated that review might also lead the Legislative Council to conclude that it should not proceed for cost or other reasons, so favorable action on Mr. Clark's recommendation at this time would not commit the Legislative Council to accepting a proposal and installing a VoIP system.

Senator Plowman expressed concern that some telephone features such as visual voicemail may subject the Legislature to Freedom of Access requests. Mr. Clark noted that various features could be activated or not depending on what the organization determines is appropriate.

Representative Cushing stated that he intends to abstain from deliberations or voting on this matter because he has an immediate family member who is an employee of one of the firms who submitted a bid for the project.

**Motion:** That the Legislative Council continue its review of proposals received for providing a VoIP telecommunications system for the Legislature including inviting presentations by the top 3 bidders selected by the Director of Information Technology and evaluating the proposals using an internal review team; and further, that the results of that review be presented to the Legislative Council for its consideration. Motion by Senator Plowman. Second by Senator Alford. **Motion passed. (7-0-1-2, with Senator Courtney and Representative Cain absent, and Representative Cushing abstaining)**

### **Collective Bargaining Matters [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 negotiations between the employee representative for the Administrative Unit of Legislative Employees and the Legislative Council. Motion by Speaker Nutting. Second by Representative Curtis. **Motion passed unanimous. (8-0, with Senator Courtney and Representative Cain absent)**

The council entered into an executive session at 2:50 PM. At the conclusion of the executive session, on a motion by Representative Curtis, seconded by Senator Hobbins, with Senator Courtney absent, the Legislative Council voted unanimously to end its executive session at 3:20 PM.

### **ANNOUNCEMENTS AND REMARKS**

The Legislative Council meeting was adjourned at 3:21 P.M. on a motion Senator Alford, seconded by Representative Cain. **Motion passed unanimous (9-0, with Senator Courtney absent).**

## Legislative Council Action on After Deadline Bill Requests, March 24, 2011

**LEGISLATIVE COUNCIL**  
**AFTER DEADLINE REQUESTS TO INTRODUCE LEGISLATION**  
**FIRST REGULAR SESSION 125th LEGISLATURE**  
**As of: March 24, 2011**

		<b>Action</b>
<b>SPONSOR:</b> LR 2112	<b>Rep. Cebra, Richard M.</b> An Act To Implement the Government Oversight Committee Recommendations within the OPEGA Report Concerning the Maine Turnpike Authority	<b>PASSED</b>
<b>SPONSOR:</b> LR 2118	<b>Rep. Cotta, H. David</b> An Act To Allow County Commissioners To Consider County Revenue Needs in Establishing Copying Fees for Land Records	<b>PASSED</b>
<b>SPONSOR:</b> LR 2119	<b>Rep. Cushing III, Andre E.</b> An Act Regarding Service Contracts	<b>PASSED</b>
<b>SPONSOR:</b> LR 2104	<b>Rep. Fitts, Stacey A.</b> An Act To Ensure Regulatory Parity among Telecommunications Providers	<b>PASSED</b>
<b>SPONSOR:</b> LR 2111	<b>Rep. Keschl, Dennis L.</b> An Act To Amend the Beano Laws	<b>PASSED</b>
<b>SPONSOR:</b> LR 2113	<b>Rep. Sanderson, Deborah J.</b> An Act To Provide for a Method To Remove an Elected Municipal Official in a Municipality without a Town Charter	<b>PASSED</b>
<b>SPONSOR:</b> LR 2114	<b>Rep. Soctomah, Madonna M.</b> An Act Regarding the Right of Native Americans To Be Issued Hunting, Trapping and Fishing Licenses	<b>PASSED</b>
<b>SPONSOR:</b> LR 2108	<b>Sen. Thibodeau, Michael D.</b> An Act To Amend the Adoption Laws in Maine	<b>FAILED</b>
<b>SPONSOR:</b> LR 2115	<b>Sen. Thomas, Douglas A.</b> An Act Concerning the Filing of Plans for Subdivisions	<b>PASSED</b>

**SPONSOR:** **Sen. Trahan, A. David**  
LR 2100 An Act To Amend Water Quality Standards for the State Hatchery

**PASSED**

**SPONSOR:** **Sen. Woodbury, Richard**  
LR 2106 An Act To Amend the Yarmouth Water District Charter

**PASSED**

**JOINT RESOLUTION**

**SPONSOR:** **Sen. Collins, Ronald F.**  
LR 2110 JOINT RESOLUTION MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO PROVIDE FUNDING FOR CONSTRUCTION OF A NEW MEMORIAL BRIDGE BETWEEN MAINE AND NEW HAMPSHIRE

**PASSED**

**JOINT RESOLUTION**

**SPONSOR:** **Rep. Keschl, Dennis L.**  
LR 2102 JOINT RESOLUTION, URGING CONGRESS AND THE PRESIDENT OF THE UNITED STATES TO LIFT THE BAN ON OFFSHORE OIL DRILLING

**FAILED**

**TABLED BY THE LEGISLATIVE COUNCIL**

**SPONSOR:** **Rep. Berry, Seth A.**  
LR 2027 An Act To Prohibit the Sale or Possession of Bath Salts Containing Dangerous Synthetic Drugs

**Action**  
**TABLED 03/03/11**

**SPONSOR:** **Rep. Clarke, Michael H.**  
LR 2094 An Act To Allow Eligible Nonprofit Organizations To Hold Two Texas hold 'em Card Games Per Month

**PASSED**

**SPONSOR:** **Rep. Turner, Beth P.**  
LR 2096 An Act To Fully Enfranchise Voters

**PASSED**

**JOINT RESOLUTION**

**SPONSOR:** **Rep. Clark, Herbert E.**  
LR 985 JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO AMEND FEDERAL LAW REGARDING STUDENT VISAS TO ACCOMMODATE PUBLIC SCHOOLS

**PASSED**

**JOINT RESOLUTION**

**SPONSOR:**

LR 2077

**Sen. Jackson, Troy D.**

JOINT RESOLUTION MEMORIALIZING THE  
PRESIDENT OF THE UNITED STATES AND THE  
UNITED STATES TRADE REPRESENTATIVE  
REGARDING STATES' RIGHTS IN FUTURE  
INTERNATIONAL TRADE POLICY

**TABLED 03/03/11**

**JOINT RESOLUTION**

**SPONSOR:**

LR 1179

**Sen. Trahan, A. David**

JOINT RESOLUTION MEMORIALIZING THE  
FEDERAL TRANSPORTATION SECURITY  
ADMINISTRATION TO MAKE CHANGES TO ITS  
PROCEDURE FOR CONDUCTING PAT-DOWN  
SEARCHES

**FAILED**

**JOINT RESOLUTION**

**SPONSOR:**

LR 674

**Rep. Waterhouse, G. Paul**

JOINT RESOLUTION, MEMORIALIZING CONGRESS  
TO CALL UPON THE GOVERNMENT OF CANADA  
TO END ITS SANCTIONING OF THE ANNUAL SEAL  
PUP HUNT (Title changed authorized by Legislative  
Council)

**PASSED**

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## Legislative Council

### Executive Director's Report April 28, 2011

1. State House Security Update

At its meeting in March, the Legislative Council authorized installation of metal detection and package screening equipment in the West entrance to the State House, as a security measure and to maintain them in a state of readiness. The metal detectors are being assembled and will be ready to be tested and deployed once the package screening equipment is serviceable. Because the package screening equipment utilizes x-ray technology the equipment is required to be regenerated and made serviceable before it is deployed. Chief of Capitol Police Gauvin has arranged for the recertification and officer training on the use of the equipment, which is scheduled for next week. Chief Gauvin anticipates all equipment to be in place and officers trained in their use by the end of the week of May 9<sup>th</sup>. The Budget Subcommittee has, among its various charges, consideration of potential areas of savings to partially fund costs for security/screening personnel.

2. Welcome Back Day

Welcome Back Day for former legislators is scheduled for Thursday, May 12, 2011. The day includes various activities and recognitions, including a luncheon in the Hall of Flags that will be provided by the culinary arts students at Southern Maine Community College in South Portland. Welcome Back Day is organized by the Clerk's Office and a host committee.

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# Fiscal Briefing

## Legislative Council Meeting

April 28, 2011

*Prepared by the Office of Fiscal & Program Review*

### 1. General Fund Revenue Update (also see attached tables)

**Total General Fund Revenue - FY 2011 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
March	\$204.1	\$203.9	(\$0.2)	-0.1%	\$188.0	8.4%
FYTD	\$1,863.0	\$1,884.6	\$21.7	1.2%	\$1,741.9	8.2%

General Fund revenue was just slightly under budget in March with a negative variance of \$0.2 million (0.1%), but remained over budget by \$21.7 million (1.2%) for the fiscal year-to-date (FYTD). For the first 3 quarters of FY 2011, the General Fund revenue has grown 8.2% compared with the same period last fiscal year.

The growth of the Individual Income Tax has been the primary factor in the General Fund's strong growth through 3 quarters with a \$22.2 million positive variance and 9.8% growth. While this category was under budget in March by \$3.2 million, it was due largely to an offset of February's positive variance in refunds. March refunds were \$12.2 million over budget for the month. Refunds were ahead of projections (a negative variance) by \$6.6 million for the FYTD through March. However, strong withholding payments growth continued to fuel the overall positive variance for Individual Income Tax. Withholding payments were \$21.1 million over budget for the FYTD and through 3 quarters of FY 2011 have grown 6.1% over the same period last fiscal year. April's income tax processing is going very well and the results indicate that actual results for the 2010 tax year were very close to projections – no “April Surprise” this year.

Corporate Income Tax was under budget in March by \$1.8 million and fell below budget for the FYTD by \$1.4 million (-1.0%). Estimated payments have been very volatile relative to budgeted amounts, coming in significantly over budget one month and then down the next.

Sales and Use Tax was ahead of projections in March, over by \$1.0 million for the month and \$12.9 million for the FYTD. However, the Service Provider Tax was below budget by \$0.4 million in March and \$2.6 million for the FYTD. Both of these categories are included in taxable sales data. The combined performance of these categories still seems to indicate that consumers have not reacted too negatively to the recent price increases in heating oil and gasoline.

With the strong performance of these major taxes producing a combined positive variance of \$31.1 million through March, revenue sharing transfers were \$2.2 million higher than projected. March's negative variance for these major taxes will lower this positive variance to \$2.0 million through April.

The Estate Tax rebounded strongly in March with the receipt of a single estate tax payment of roughly \$5.8 million in early March, erasing the negative variance in this category and ending March with a \$4.3 positive variance.

Heading into the Revenue Forecasting Committee's April 26<sup>th</sup> meeting, there are several areas of concern that will likely be revised downward in the pending revenue forecast update. These include: Targeted Case Management revenue administered by the Department of Health and Human Services (\$4.9 million or 27.5% under budget through March); fine revenue (\$2.8 million or 10.7% under budget), lottery transfers (\$2.1 million or 5.4% under budget) and STA-CAP transfers (\$1.6 million or 12.9% under budget).

## Fiscal Briefing (continued)

### 2. Highway Fund Revenue Update (also see attached tables)

**Total Highway Fund Revenue - FY 2011 (\$'s in Millions)**

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
March	\$22.5	\$23.4	\$0.8	3.8%	\$22.6	3.4%
FYTD	\$211.2	\$214.2	\$3.1	1.4%	\$212.1	1.0%

Highway Fund revenue was over budget by \$0.8 million (3.8%) in March, which increased the positive variance through 3 quarters of FY 2011 to \$3.1 million (1.4%). Through March, Highway Fund revenue continued to reflect modest growth of 1.0% over the same period last fiscal year.

Fuel Taxes were below budget by \$0.7 million in March. However, this negative variance was not driven by the gasoline tax as in January and February but by the performance of Special Fuel and Road Use Taxes, which was under budget by \$0.9 million. For the FYTD, the Fuel Tax category remained over budget by only \$0.1 million (0.1%), but only due to positive variances that had accumulated through December.

The Motor Vehicle Registration and Fee category was over budget by \$1.9 million in March due solely to the early receipt of Long-term Trailer Registration Fees. Some element of this variance is a timing issue, but it is likely that this category will be revised upward in the next revenue forecast.

### 3. Cash Balances

The average total cash pool balance for March was \$411.0 million, \$117.6 million higher than one year ago. The recent historical average for March's cash balances is \$450.8 million (March 2002 to 2010). Cash balances have shown improvement across the fund groups broken out below. Particularly important is the reduction in General Fund internal cash flow borrowing, more than \$125 million less than a year ago.

#### Summary of Treasurer's Cash Pool

##### March Average Daily Balances

Millions of \$'s

	2010	2011
General Fund (GF) Total	\$20.9	\$5.1
General Fund (GF) Detail:		
Budget Stabilization Fund	\$0.2	\$25.4
Reserve for Operating Capital	\$0.0	\$11.2
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$380.8	\$255.6
Other General Fund Cash	(\$360.1)	(\$287.2)
Other Spec. Rev. - Interest to GF	(\$2.1)	\$16.5
Other State Funds - Interest to GF	\$9.0	\$17.4
Highway Fund	\$32.0	\$64.6
Other Spec. Rev. - Retaining Interest	\$29.9	\$31.4
Other State Funds	\$104.4	\$160.3
Independent Agency Funds	\$99.2	\$115.7
<b>Total Cash Pool</b>	<b>\$293.4</b>	<b>\$411.0</b>

# Fiscal Briefing (continued)

## 4. Revenue Forecast Update

### Summary of May 2011 Revenue Revisions

Millions of \$'s

#### General Fund Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$2,755.7	\$2,884.0	\$2,945.3	\$3,096.0	\$3,289.7	\$3,426.0
Annual % Growth	-2.0%	2.6%	6.9%	7.4%	11.7%	10.7%
Net Increase (Decrease)		\$12.1	(\$4.8)	(\$42.2)	(\$85.7)	(\$84.1)
Revised Forecast	\$2,755.7	\$2,896.1	\$2,940.6	\$3,053.8	\$3,203.9	\$3,341.9
Annual % Growth	-2.0%	5.1%	1.5%	3.9%	4.9%	4.3%

#### Highway Fund Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$311.2	\$307.7	\$315.0	\$320.4	\$326.9	\$333.0
Annual % Growth	-4.0%	-5.1%	1.2%	4.1%	3.8%	4.0%
Net Increase (Decrease)		\$0.6	\$1.3	\$3.3	\$2.3	\$0.8
Revised Forecast	\$311.2	\$308.3	\$316.4	\$323.6	\$329.2	\$333.9
Annual % Growth	-4.0%	-0.9%	2.6%	2.3%	1.7%	1.4%

#### Fund for a Healthy Maine Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$57.6	\$52.8	\$53.5	\$54.6	\$60.5	\$60.1
Annual % Growth	-15.9%	-8.3%	1.3%	2.1%	10.8%	-0.5%
Net Increase (Decrease)		\$1.6	\$0.0	(\$0.2)	(\$0.3)	(\$0.3)
Revised Forecast	\$57.6	\$54.4	\$53.5	\$54.4	\$60.2	\$59.9
Annual % Growth	-15.9%	-5.5%	-1.7%	1.7%	10.8%	-0.6%

#### Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$140.0	\$151.3	\$151.3	\$151.3	\$151.3	\$151.3
Annual % Growth	1.4%	8.0%	0.0%	0.0%	0.0%	0.0%
Net Increase (Decrease)		(\$3.4)	\$0.0	\$0.0	\$0.0	\$0.0
Revised Forecast	\$140.0	\$147.9	\$151.3	\$151.3	\$151.3	\$151.3
Annual % Growth	1.4%	5.6%	2.3%	0.0%	0.0%	0.0%

The General Fund revenue forecast, with a new underlying economic forecast that assumes a slower recovery than previously projected, reduces budgeted resources available for the 2012-2013 Biennial Budget by just under \$35 million. This amount reflects the increase of the FY 2011 balance forward by \$12.1 million. In addition to the effects of the economic forecast, the following revenue sources were major factors and reduced budgeted General Fund revenue over the 3-year current budget period by:

- Targeted Case Management revenue - \$25.8 million;
- Fines, Forfeits and Penalties revenue - \$7.1 million; and
- Lottery Revenue - \$6.4 million.

Budgeted revenue estimates for the Highway Fund and the Fund for a Healthy Maine were increased modestly, but the dedicated revenue taxes used to support the MaineCare program were revised downward on a one-time basis in the current fiscal year.

The most substantial risks to this forecast relate to the assumptions about oil prices. The underlying economic forecast assumes that oil prices, and subsequently energy prices, will recede from their current peaks. In addition, the Tobacco Settlement Payments may be significantly reduced next fiscal year depending on the outcome of legal proceedings on disputed payments related to the Non-participating Manufacturers (NPM) Adjustment.

**General Fund Revenue**  
**Fiscal Year Ending June 30, 2011 (FY 2011)**  
**March 2011 Revenue Variance Report**

Revenue Category	March '11 Budget	March '11 Actual	March '11 Variance	Fiscal Year-To-Date					FY 2011 Budgeted Totals
				Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	57,954,133	58,917,524	963,391	608,798,610	621,733,677	12,935,067	2.1%	4.0%	904,850,262
Service Provider Tax	4,413,292	4,035,682	(377,610)	38,706,307	36,100,800	(2,605,507)	-6.7%	-1.5%	57,814,486
Individual Income Tax	61,388,882	58,227,540	(3,161,342)	891,109,109	913,278,257	22,169,148	2.5%	9.8%	1,365,364,302
Corporate Income Tax	29,914,809	28,078,833	(1,835,976)	145,584,417	144,138,126	(1,446,291)	-1.0%	20.3%	200,490,112
Cigarette and Tobacco Tax	10,331,483	11,349,515	1,018,032	107,772,335	107,577,339	(194,996)	-0.2%	-2.1%	146,209,555
Insurance Companies Tax	15,171,813	13,690,373	(1,481,440)	27,782,323	26,213,430	(1,568,893)	-5.6%	-8.0%	76,765,000
Estate Tax	3,165,000	8,915,234	5,750,234	27,156,639	31,472,414	4,315,775	15.9%	53.2%	42,978,079
Other Taxes and Fees *	14,491,479	14,895,860	404,381	96,356,680	99,653,123	3,296,443	3.4%	4.1%	149,281,382
Fines, Forfeits and Penalties	3,283,590	2,713,073	(570,517)	24,426,687	21,591,086	(2,835,601)	-11.6%	-15.6%	31,133,161
Income from Investments	(34,945)	15,730	50,675	(212,030)	198,706	410,736	193.7%	42.5%	27,332
Transfer from Lottery Commission	4,002,631	4,170,889	168,258	39,025,689	36,919,341	(2,106,348)	-5.4%	-4.6%	52,034,250
Transfers to Tax Relief Programs *	(2,138,000)	(5,137,164)	(2,999,164)	(107,896,284)	(109,682,595)	(1,786,311)	-1.7%	-1.3%	(112,087,945)
Transfers for Municipal Revenue Sharing	(2,751,283)	(3,828,991)	(1,077,708)	(67,194,784)	(69,380,482)	(2,185,698)	-3.3%	8.3%	(89,975,242)
Other Revenue *	4,907,387	7,883,563	2,976,176	31,562,156	24,836,412	(6,725,744)	-21.3%	19.2%	59,089,977
<b>Totals</b>	<b>204,100,271</b>	<b>203,927,661</b>	<b>(172,610)</b>	<b>1,862,977,854</b>	<b>1,884,649,635</b>	<b>21,671,781</b>	<b>1.2%</b>	<b>8.2%</b>	<b>2,883,974,711</b>

\* Additional detail by subcategory for these categories is presented on the following page.

**General Fund Revenue**  
**Fiscal Year Ending June 30, 2011 (FY 2011)**  
**March 2011 Revenue Variance Report**

Revenue Category	March '11 Budget	March '11 Actual	March '11 Variance	Fiscal Year-To-Date					FY 2011 Budgeted Totals
				Budget	Actual	Variance	Variance %	% Change from Prior Year	
<b>Detail of Other Taxes and Fees:</b>									
- Property Tax - Unorganized Territory	0	0	0	12,080,762	11,896,097	(184,665)	-1.5%	5.0%	13,245,281
- Real Estate Transfer Tax	520,290	1,373,652	853,362	10,064,450	10,856,379	791,929	7.9%	18.8%	13,298,052
- Liquor Taxes and Fees	1,496,214	1,576,800	80,586	14,743,666	15,196,548	452,882	3.1%	2.9%	20,413,193
- Corporation Fees and Licenses	1,421,025	1,383,443	(37,582)	3,443,641	3,637,191	193,550	5.6%	7.3%	7,697,099
- Telecommunication Personal Prop. Tax	0	0	0	0	(24,852)	(24,852)	N/A	-136.8%	16,775,988
- Finance Industry Fees	2,101,419	2,609,620	508,201	16,561,695	18,481,520	1,919,825	11.6%	5.4%	22,865,980
- Milk Handling Fee	657,142	770,829	113,687	3,696,912	3,574,026	(122,886)	-3.3%	-54.5%	5,949,972
- Racino Revenue	787,029	987,072	200,043	7,355,082	7,162,418	(192,664)	-2.6%	2.4%	11,199,473
- Boat, ATV and Snowmobile Fees	236,441	130,741	(105,700)	2,993,306	2,622,064	(371,242)	-12.4%	-1.0%	4,500,295
- Hunting and Fishing License Fees	637,746	480,969	(156,777)	11,519,488	11,907,647	388,159	3.4%	0.5%	17,420,998
- Other Miscellaneous Taxes and Fees	6,634,173	5,582,735	(1,051,438)	13,897,678	14,344,084	446,406	3.2%	42.2%	15,915,051
<b>Subtotal - Other Taxes and Fees</b>	<b>14,491,479</b>	<b>14,895,860</b>	<b>404,381</b>	<b>96,356,680</b>	<b>99,653,123</b>	<b>3,296,443</b>	<b>3.4%</b>	<b>4.1%</b>	<b>149,281,382</b>
<b>Detail of Other Revenue:</b>									
- Liquor Sales and Operations	2,292	4,950	2,658	20,628	23,242	2,614	12.7%	17.3%	7,391,759
- Targeted Case Management (DHHS)	1,826,891	3,639,470	1,812,579	17,679,059	12,821,536	(4,857,523)	-27.5%	-17.8%	23,159,729
- State Cost Allocation Program	1,338,335	1,531,737	193,402	12,538,628	10,925,331	(1,613,297)	-12.9%	-8.3%	16,699,059
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	2,333,420
- Toursim Transfer	0	0	0	(9,048,877)	(9,048,877)	0	0.0%	-0.3%	(9,048,877)
- Transfer to Maine Milk Pool	(600,000)	(213,836)	386,164	(4,611,691)	(4,225,527)	386,164	8.4%	60.6%	(4,611,691)
- Transfer to STAR Transportation Fund	0	0	0	(3,100,352)	(3,100,352)	0	0.0%	1.1%	(3,100,352)
- Other Miscellaneous Revenue	2,339,869	2,921,241	581,372	18,084,761	17,441,060	(643,701)	-3.6%	8.0%	26,266,930
<b>Subtotal - Other Revenue</b>	<b>4,907,387</b>	<b>7,883,563</b>	<b>2,976,176</b>	<b>31,562,156</b>	<b>24,836,412</b>	<b>(6,725,744)</b>	<b>-21.3%</b>	<b>19.2%</b>	<b>59,089,977</b>
<b>Detail of Transfers to Tax Relief Programs:</b>									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(1,545,766)	(1,381,027)	164,739	(40,061,735)	(38,222,431)	1,839,304	4.6%	-3.3%	(43,500,000)
- BETR - Business Equipment Tax Reimb.	(573,076)	(3,756,137)	(3,183,061)	(50,289,744)	(55,153,152)	(4,863,408)	-9.7%	2.9%	(51,043,140)
- BETE - Municipal Bus. Equip. Tax Reimb.	(19,158)	0	19,158	(17,544,805)	(16,307,012)	1,237,793	7.1%	-12.8%	(17,544,805)
<b>Subtotal - Tax Relief Transfers</b>	<b>(2,138,000)</b>	<b>(5,137,164)</b>	<b>(2,999,164)</b>	<b>(107,896,284)</b>	<b>(109,682,595)</b>	<b>(1,786,311)</b>	<b>-1.7%</b>	<b>-1.3%</b>	<b>(112,087,945)</b>
<b>Inland Fisheries and Wildlife Revenue - Total</b>	<b>968,098</b>	<b>681,761</b>	<b>(286,337)</b>	<b>15,376,900</b>	<b>15,370,862</b>	<b>(6,038)</b>	<b>0.0%</b>	<b>0.4%</b>	<b>23,068,034</b>

# Highway Fund Revenue

## Fiscal Year Ending June 30, 2011 (FY 2011)

### March 2011 Revenue Variance Report

Revenue Category	March '11 Budget	March '11 Actual	March '11 Variance	Fiscal Year-To-Date					FY 2011 Budgeted Totals
				Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	13,768,393	13,900,318	131,925	133,022,878	133,454,772	431,894	0.3%	-0.1%	194,694,000
- Special Fuel and Road Use Taxes	4,170,729	3,309,557	(861,173)	29,956,358	29,646,969	(309,389)	-1.0%	-3.4%	43,651,789
- Transcap Transfers - Fuel Taxes	(1,321,844)	(1,264,720)	57,124	(13,501,533)	(13,494,220)	7,313	0.1%	-1.4%	(17,503,281)
- Other Fund Gasoline Tax Distributions	(344,305)	(347,619)	(3,314)	(3,826,613)	(3,839,515)	(12,902)	-0.3%	-1.6%	(4,968,712)
Subtotal - Fuel Taxes	16,272,973	15,597,536	(675,437)	145,651,090	145,768,005	116,915	0.1%	-1.0%	215,873,796
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	5,839,147	5,533,034	(306,113)	45,290,860	45,723,464	432,604	0.9%	2.3%	64,718,038
- License Plate Fees	305,924	332,080	26,156	2,348,901	2,339,858	(9,043)	-0.4%	-0.1%	3,445,125
- Long-term Trailer Registration Fees	730,331	2,702,107	1,971,776	5,560,838	8,343,921	2,783,083	33.4%	62.9%	7,884,523
- Title Fees	1,135,811	1,119,649	(16,162)	8,273,698	8,127,106	(146,592)	-1.8%	2.9%	10,871,056
- Motor Vehicle Operator License Fees	561,339	629,244	67,905	4,494,578	4,452,019	(42,560)	-1.0%	2.5%	5,958,859
- Transcap Transfers - Motor Vehicle Fees	(3,308,182)	(3,171,695)	136,487	(10,792,777)	(10,547,010)	245,767	2.3%	0.2%	(14,830,531)
Subtotal - Motor Vehicle Reg. & Fees	5,264,370	7,144,419	1,880,049	55,176,098	58,439,358	3,263,260	5.6%	8.6%	78,047,070
Motor Vehicle Inspection Fees	216,700	154,585	(62,115)	2,120,300	2,208,194	87,894	4.0%	4.7%	2,952,500
Other Highway Fund Taxes and Fees	79,205	82,166	2,961	931,920	915,584	(16,336)	-1.8%	-3.5%	1,325,823
Fines, Forfeits and Penalties	106,245	79,722	(26,523)	963,748	893,157	(70,591)	-7.9%	-22.1%	1,305,049
Interest Earnings	7,844	7,325	(519)	98,510	90,788	(7,722)	-8.5%	-14.2%	122,038
Other Highway Fund Revenue	572,145	302,805	(269,340)	6,220,442	5,908,559	(311,883)	-5.3%	-13.0%	8,102,531
<b>Totals</b>	<b>22,519,482</b>	<b>23,368,557</b>	<b>849,075</b>	<b>211,162,108</b>	<b>214,223,644</b>	<b>3,061,536</b>	<b>1.4%</b>	<b>1.0%</b>	<b>307,728,807</b>

**Legislative Council Actions  
Taken by Ballot Since the  
March 24, 2011 Council Meeting**

**Request for Introduction of Legislation**

- A. LR 2125      **An Act to Clarify the Scope of Practice of Licensed Alcohol and Drug Counselors Regarding Tobacco Use**

Submitted by: Representative Emily Cain

Accepted: April 7, 2011      Vote: 10 – 0 in favor

- B. LR 2131      **Resolve, Directing the Department of Marine Resources to Contract for an Independent Review of the Limited Entry Lobster Fishing System**

Submitted by: Representative Dianne Tilton

Accepted: April 13, 2011      Vote: 10 – 0 in favor

**AFTER DEADLINE REQUESTS TO INTRODUCE LEGISLATION  
FIRST REGULAR SESSION 125th LEGISLATURE**

**As of: April 20, 2011**

**Action**

<b>SPONSOR:</b> LR 2135	<b>Rep. Cain, Emily A.</b> An Act To Clarify the Award of Fees in Domestic Violence Cases
<b>SPONSOR:</b> LR 2149	<b>Rep. Clark, Herbert E.</b> An Act To Tax Water Used by Hydroelectric Facilities
<b>SPONSOR:</b> LR 2150	<b>Rep. Clark, Herbert E.</b> An Act Concerning Certain Privileges Transferred to GNE, LLC by Great Northern Paper, Inc.
<b>SPONSOR:</b> LR 2146	<b>Rep. Cornell du Houx, Alexander M.</b> An Act To Allow Retired Dentists To Obtain a License To Practice in Nonprofit Clinics
<b>SPONSOR:</b> LR 2141	<b>Rep. Fredette, Kenneth W.</b> Resolve, To Name the Main Street Bridge in Newport after Sergeant Donald Sidney Skidgel
<b>SPONSOR:</b> LR 2151	<b>Rep. Moulton, Bradley S.</b> An Act To Change Document Filing Fees for County Registries of Deeds
<b>SPONSOR:</b> LR 2134	<b>Sen. Sherman, Roger L.</b> An Act To Create the Nickerson Lake Sewer District
<b>SPONSOR:</b> LR 2139	<b>Rep. Turner, Beth P.</b> An Act To Reform the Land Use Regulation Commission
<b>SPONSOR:</b> LR 2138	<b>Sen. Whittemore, Rodney L.</b> An Act To Expand Health Insurance Choices
<b>SPONSOR:</b> LR 2122	<b>Rep. Willette, Alexander R.</b> An Act To Raise the Speed Limit on Interstate 95 between Old Town and Houlton

**JOINT RESOLUTION**

<b>SPONSOR:</b> LR 2120	<b>Rep. Espling, Eleanor M.</b> JOINT RESOLUTION MEMORIALIZING CONGRESS TO PASS THE PARENTAL RIGHTS AMENDMENT TO THE UNITED STATES CONSTITUTION
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**JOINT RESOLUTION**

**SPONSOR:**  
LR 2133

**Rep. Maker, Joyce A.**  
JOINT RESOLUTION MEMORIALIZING THE  
PRESIDENT OF THE UNITED STATES, MAINE'S  
CONGRESSIONAL DELEGATION AND THE UNITED  
STATES TRADE REPRESENTATIVE REGARDING  
STATES' RIGHTS IN FUTURE INTERNATIONAL  
TRADE POLICY

**JOINT RESOLUTION**

**SPONSOR:**  
LR 2127

**Rep. Turner, Beth P.**  
JOINT RESOLUTION MEMORIALIZING CONGRESS  
TO AWARD THE DISTINCTION OF VETERANS OF  
THE UNITED STATES AND THE STATE OF MAINE  
TO THE PROTECTORS AND DEFENDERS OF THE  
NORTHEASTERN BOUNDARY DISPUTE SERVING  
BETWEEN FEBRUARY 5, 1839 AND DECEMBER 31,  
1842

**TABLED BY THE LEGISLATIVE COUNCIL**

**SPONSOR:**  
LR 2027

**Rep. Berry, Seth A.**  
An Act To Prohibit the Sale or Possession of Bath Salts  
Containing Dangerous Synthetic Drugs

**Action**  
**TABLED 03/03/11**

**JOINT RESOLUTION**

**SPONSOR:**  
LR 2077

**Sen. Jackson, Troy D.**  
JOINT RESOLUTION MEMORIALIZING THE  
PRESIDENT OF THE UNITED STATES AND THE  
UNITED STATES TRADE REPRESENTATIVE  
REGARDING STATES' RIGHTS IN FUTURE  
INTERNATIONAL TRADE POLICY

**TABLED 03/03/11**

**ADDENDUM**  
**LEGISLATIVE COUNCIL**  
**AFTER DEADLINE REQUEST TO INTRODUCE LEGISLATION**  
**FIRST REGULAR SESSION 125th LEGISLATURE**  
**After: April 20, 2011**

**Action**

<b>SPONSOR:</b> LR 2157	<b>Rep. Celli, Michael</b> An Act To Give Judges Greater Flexibility When Sentencing Defendants Convicted of Murder
<b>SPONSOR:</b> LR 2161	<b>Rep. Damon, Douglas K.</b> An Act To Require Disclosures by 3rd-party Vendors Contracted To Perform Fund-raising
<b>SPONSOR:</b> LR 2153	<b>Rep. Haskell, Anne M.</b> An Act To Eliminate the Waiting Period before Insurance Adjusters May Offer Adjustment Services
<b>SPONSOR:</b> LR 2156	<b>Sen. Raye, Kevin L.</b> An Act To Authorize the Public Utilities Commission To Exercise Jurisdiction over Private Natural Gas Pipelines To Ensure Safe Operation
<b>SPONSOR:</b> LR 2158	<b>Sen. Rector, Christopher W.</b> An Act To Transfer the Guilford Butler School To Regional School Unit 13
<b>SPONSOR:</b> LR 2154	<b>Sen. Snowe-Mello, Lois A.</b> An Act To Allow Certain Wholesale Seafood Dealers To Process Imported Lobsters
<b>SPONSOR:</b> LR 2155	<b>Sen. Trahan, A. David</b> An Act To Ensure the Compensation of Public Employees Who Are Injured Due to Acts of Violence of Patients or Prisoners in Their Custody



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2011 APR 14 11:13  
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SINGLE AUDIT COORDINATOR

MICHAEL J. POULIN, CIA  
DIRECTOR OF AUDIT AND ADMINISTRATION

April 13, 2011

To the Legislative Council members for the 125th Legislature and  
Paul R. LePage, Governor, State of Maine

In accordance with 5 M.R.S.A. § 243 (9) *Single Audit* and federal regulations we are performing the Single Audit of the State of Maine for the year ending June 30, 2011. The Single Audit is an audit of the State's financial statements and applicable federal programs. Professional standards require that we provide "those who are charged with governance" with the following information related to our audit. We would be pleased to meet with you to discuss this information further.

**Our Responsibilities under U.S. Generally Accepted Auditing Standards; *Government Auditing Standards*; and OMB Circular A-133.**

Our responsibility, as described by professional auditing standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

In planning and performing our audit, we will consider the State of Maine's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the State of Maine's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants, where noncompliance could have a direct and material effect on the determination of financial statement amounts. However, providing our opinion on compliance with those provisions is not an objective of our audit. Also in accordance the OMB Circular A-133, we will examine, on a test basis, evidence about the State of Maine's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the State of Maine's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the State of Maine's compliance with those requirements.

## **Other Information Contained in the Single Audit**

We will apply certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information related to the financial statements. However, this information will not be audited and we will express no opinion on it.

An accompanying schedule of expenditures of federal awards will be presented for the purposes of additional analysis as required by OMB Circular A-133. This schedule will be subjected to the auditing procedures applied to the basic financial statements. An opinion will be rendered as to whether the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Planned Scope and Timing of the Single Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgments about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatements of the financial statements and to design the nature, timing and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will communicate significant audit findings at the conclusion of the audit. We will also communicate any internal control related matters that are required to be communicated in accordance with professional standards.

The audit of the federal program compliance section of the Single Audit will include examining, on a test basis, evidence supporting compliance with applicable program requirements that could have a direct and material effect on the programs we will audit. Approximately 25 federal programs representing 93% or \$4 billion of federal funds that the State will receive in fiscal year 2011 will be audited. The audit will also be designed to test internal controls over compliance.

We started our audit in April 2011 and will issue our report in March 2012.

## **Reporting**

At the conclusion of our audit we will issue the Single Audit report and communicate significant audit findings and other required information in accordance with professional auditing standards, and OMB Circular A-133.

The reports on internal control and compliance contained in the Single Audit report are intended solely for the use of those charged with governance and management of the State of Maine and are not intended to be and should not be used by anyone other than these specified parties. However, the report on the State's financial statements is not a restricted use report.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Neria R. Douglass".

Neria R. Douglass, JD, CIA  
State Auditor

cc: H. Sawin Millett, Jr., Commissioner, Department of Administrative and Financial Services