

MAINE STATE LEGISLATURE

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VICE-CHAIR

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REP. JEFFREY M. MCCABE
REP. ALEXANDER R. WILLETTE

126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

126th Legislature
Legislative Council

Thursday, March 27, 2014
1:30 PM

REVISED AGENDA

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE FEBRUARY 27, 2014 MEETING OF THE LEGISLATIVE COUNCIL	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
❖ 13	• Executive Director's Report (Mr. Boulter)	Information
15	• Fiscal Report (Mr. Pennoyer)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	• Personnel Committee (No Report)	
	• State House Facilities Committee (No Report)	
	OLD BUSINESS	
19	Item #1: Council Actions Taken By Ballot (No Action Required)	Information

NEW BUSINESS

- | | | | |
|------|----------|--|-----------------------|
| ❖ 20 | Item #1: | Consideration of After Deadline Bill Requests | Roll Call Vote |
| 24 | Item #2: | Submission of the Final Report of the Forensic Mental Health Services Oversight Committee (March 2014) | Acceptance |
| 29 | Item #3: | Submission of the Report of the Maine State Revenue Forecasting Committee (March 2014) | Acceptance |
| ❖ 37 | Item #4: | Submission of the Ninth Annual Report of the Citizen Trade Policy Commission (March 2014) | Acceptance |
| | Item #5: | Executive Session (if needed) | |

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. MARK W. EVES
CHAIR

SEN. JUSTIN L. ALFOND
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



126TH MAINE STATE LEGISLATURE
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**LEGISLATIVE COUNCIL
MEETING SUMMARY
February 27, 2014**

CALL TO ORDER

Legislative Council Chair Mark Eves called the February 27, 2014 Legislative Council meeting to order at 2:45 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Alfond, Senator Jackson, Senator Haskell and Senator Katz

Absent: Senator Thibodeau

Representatives: Speaker Eves, Representative Berry and Representative Willette

Absent: Representative McCabe and Representative Fredette

Legislative Officers: David E. Boulter, Executive Director of the Legislative Council
Robert Hunt, Assistant Clerk of the House
Dawna Lopatosky, Legislative Finance Director
Jackie Little, Human Resources Director
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Suzanne Gresser, Revisor of Statutes
John Barden, Director, Law and Legislative Reference Library
Scott Clark, Director, Legislative Information Technology
Beth Ashcroft, Director, Office of Program Evaluation and
Government Accountability

Speaker Eves convened the meeting at 2:45 p.m. with a quorum of members present.

Legislative Council Chair Eves asked if there was any objection to taking several items 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 considered and voted on the bill requests in accordance with the established protocol. Of the 25 bill requests, the council authorized 6 requests for introduction in the 2nd Regular Session of the 126th Legislature, 0 failed to be authorized, 3 were tabled until a future Legislative Council meeting, 3 were withdrawn, and the Legislative Council took no action on 12 requests previously tabled. The chair noted that the Legislative Council had acted on 1 requested bill earlier by ballot. Of the 2 joint resolutions, the Legislative Council took no action on 2 that were previously tabled. The Legislative Council's actions on the requests are included on the attached list.

SUMMARY OF JANUARY 23, 2013 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for January 23, 2013 be accepted and placed on file. Motion by Representative Willette. Second by President Alfond. **Motion passed unanimous (7-0-0-3, with Senator Thibodeau and Representatives McCabe and Fredette absent).**

NEW BUSINESS

Item #4: Consideration of An Exception to the Legislative Council's Policy on the Use of the Hall of Flags

Mr. Boulter reviewed the request submitted by Senator Jackson and Representative Berry to authorize a one-time, limited exception to the Legislative Council's Policy on the Use of the Hall of Flags for Franco-American Day. The request is to allow the use of an electric grill, properly ventilated and with the appropriate safety equipment, in the Hall of Flags during Franco-American Day for making ployes (Franco-American pancakes).

Motion: That the Legislative Council authorize a one-time exception to the Legislative Council's Policy on the Use of the Hall of Flags for Franco-American Day for the limited purpose of allowing use of an electric grill to cook ployes. Motion by President Alfond. Second by Representative Berry. **Motion passed unanimous (6-0-0-4, with Senators Thibodeau and Katz, and Representatives McCabe and Fredette absent).**

Item #9: 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, and discussing collective bargaining negotiations between the employee representative for the Independent Association of Nonpartisan Legislative Professionals and the Legislative Council. Motion by Senator Alfond. Second by Representative Berry. **Motion passed unanimous (6-0-0-4, with Senators Thibodeau and Katz, and Representatives McCabe and Fredette absent).**

The Legislative Council entered into an executive session at 3:10 p.m. At the conclusion of its executive session, on a motion by President Alfond, seconded by Senator Jackson, the Legislative

Council voted unanimously to end its executive session at 3:15 p.m. and reconvene its regular meeting.

President Alfond then offered the following motion:

Motion: That pursuant to its authority under 26 MRSA, §979-A, sub-§5, the Legislative Council of the 126th Legislature ratify the collective bargaining agreement for the period October 1, 2013 through September 30, 2015 that was negotiated and tentatively agreed to by the authorized representatives of the Legislative Council and the Maine State Employees Association-SEIU Local 1989 on behalf of the Administrative Unit of Legislative Employees on January 16, 2014, and ratified by its represented members on February 6, 2014;

Further, that pursuant to its authority under 26 MRSA, §979-A, sub-§5, the Legislative Council of the 126th Legislature ratify the agreement that was negotiated and tentatively agreed to by the authorized representatives of the Legislative Council and the Independent Association of Nonpartisan Legislative Professionals (IANLP) for the period October 1, 2013 through September 30, 2015, and ratified by its represented members on February 27, 2014.

Further, that the Legislative Council authorize the Executive Director to take all necessary steps to carry out the terms of these two Agreements;

Further, that the Legislative Council modify its personnel policies and guidelines for all legislative employees to apply personnel policies and benefit provisions including those relating to a retirement incentive and video display terminal benefit that are comparable to those contained in the collective bargaining agreement ratified by the Legislative Council and the MSEA-SEIU, and direct its Executive Director to incorporate as appropriate and administer those provisions; and

Further that compensation provisions in the form of lump sum payments, cost of living adjustments and salary steps comparable to that provided in the aforementioned collective bargaining agreement ratified by the Legislative Council and MSEA-SEIU be provided to legislative employees who are not represented by a collective bargaining agent, the effective dates of such compensation provisions to coincide with those contained in the aforementioned collective bargaining agreement ratified. Motion by Senator Alfond. Second by Representative Berry. **Motion passed unanimous (6-0-0-4, with Senators Thibodeau and Katz, and Representatives McCabe and Fredette absent).**

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

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

David Boulter, Executive Director, reported on the following:

1. NCSL Visit to Maine

Representatives of the National Conference of State Legislatures (NCSL) will be in Maine from March 18th - 20th to meet with members of Leadership, other Legislators and staff. The visit is part of NCSL's yearly effort to visit member state legislatures.

2. Change in Custodial Work Schedules

The Bureau of General Services has notified the Executive Director's office that it intends to eliminate its 3rd shift for custodians (10:30 pm – 6:30 am). This change will affect the State House since much of the cleaning of the chambers and offices occurs at night when the building is not occupied. Mr. Boulter requested that the elimination of the 3rd shift not take effect until the 2nd regular session adjourns *sine die*.

3. Natural Gas to Fuel State House Campus

The Bureau of General Services announced that as of Tuesday, February 25th, the State had converted from No. 2 fuel oil to natural gas as the fuel source to heat and cool the State House campus (including the State House and the Cross Building).

A gas pipeline to the Cross Building was installed last fall and boilers and chimneys were retrofitted over the past several months to convert them to methane use.

4. New Employee Orientation

The Executive Director's office held an orientation on February 21st for 16 new employees in the Legislature. The employees were provided information on administrative and security procedures, computer use policies, and sexual harassment and violence in the workplace response policies.

Fiscal Report

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

Revenue Update

Total General Fund Revenue - FY 2014 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$294.0	\$298.8	\$4.8	1.6%	\$302.7	-1.3%
FYTD	\$1,649.1	\$1,655.1	\$6.0	0.4%	\$1,607.4	3.0%

General Fund revenue was over budget by \$4.8 million (1.6%) in January and \$6.0 million (0.4%) for the fiscal year through January. Most of the major taxes are very close to budget.

The only significant negative variances are the Estate Tax and Transfers from the Lottery Commission. The Estate Tax was under budget for the fiscal year by \$3.6 million. This negative variance could be offset by year's end by the normal few larger estate tax filings. Lottery transfers are under budget by \$2.5 million for the fiscal year. These transfers are not expected to recover and offset the negative variance within this fiscal year.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2014 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$25.8	\$26.7	\$0.8	3.2%	\$26.1	2.3%
FYTD	\$165.2	\$169.5	\$4.3	2.6%	\$171.4	-1.1%

Highway Fund revenue was over budget by \$0.8 million (3.2%) in January and \$4.3 million (2.6%) for the fiscal year through January. The Fuel Taxes category was over budget by \$4.3 million through January accounting for almost all of this positive.

Cash Update

Average cash balances for January showed an improvement after falling below last year's balances in December. The General Fund, which was expected to decline below last year's level, rebounded in January. Highway Fund balances improved in January, recovering from the significant annual Local Road Assistance payment at the beginning of December.

Revenue Forecasting Update

With only very small adjustments to the updated economic forecast by the Consensus Economic Forecasting Commission (CEFC) and revenue performing close to or above budgeted levels, the Revenue Forecasting Committee (RFC) recommended the following modest net changes to budgeted revenue:

- General Fund revenue was revised upward by approximately \$2.3 million for the current biennium. Revenue from Liquor Sales and Operations and the net effect of an increase of projected milk prices were the largest contributors to the General Fund net increase;
- Highway Fund revenue was increased by \$3.5 million for the current biennium primarily from recognizing recent positive Gasoline Tax revenue variances;
- Fund for a Healthy Maine revenue was increased by \$7.6 million for the current biennium from updated projections of tobacco settlement payments and the recognition of the receipt of certain disputed payments; and
- MaineCare Dedicated Revenue Taxes were revised downward by \$7.2 million for the current biennium from revised estimates of taxes on hospital and private non-medical institutions.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

Legislative Council Chair Eves reported that the Personnel Committee held a meeting on January 30, 2014 to consider the following matters:

1. Reappointment of John R. Barden as Director of the Law and Legislative Reference Library to a new 3 year term.

The committee considered the reappointment of John Barden as Director. The committee met with Mr. Barden and discussed his accomplishments and challenges during the past 3 years and goals for the upcoming years. The Personnel Committee voted unanimously to

recommend that the Legislative Council reappoint Mr. Barden to a new 3-year term and to approve a one step increase in salary.

Legislative Council Chair Eves then offered the following motion:

Motion: That upon the unanimous recommendation of the Personnel Committee, the Legislative Council appoint John R. Barden to a new 3-year term as Director of the Law and Legislative Reference Library, the date of his reappointment being retroactive to January 2, 2014, and to approve a step increase in salary, also retroactive to January 2, 2014. Motion by Speaker Eves. Second by President Alfond. **Motion passed unanimous (6-0-0-4**, with Senators Thibodeau and Katz and Representatives McCabe and Fredette absent).

2. Step Increase for Marion Hylan Barr, Director of the Office of Policy and Legal Analysis.

The committee considered a step increase for Ms. Hylan Barr. The Personnel Committee voted unanimously to approve a step increase for Ms. Hylan Barr, retroactive to her work anniversary date. No Legislative Council action was required.

3. Step Increase for the Constitutional Officers and the State Auditor.

The committee considered a step increase for each of the Constitutional Officers and the State Auditor. The Personnel Committee voted unanimously to authorize a step increase for the Constitutional Officers and the State Auditor, retroactive to their work anniversary dates. No Legislative Council action was required.

4. Step Increase for the Secretary of the Senate and the Clerk of the House.

The committee considered step increases for the Senate Secretary and the House Clerk. The Personnel Committee voted unanimously to approve a step increase for the Senate Secretary and a two-step increase for the House Clerk, retroactive to their work anniversary dates. No Legislative Council action was required.

2. **State House Facilities Committee**

No report

OLD BUSINESS

Item #1: Council Actions Taken by Ballot Since the January 23, 2013 Council Meeting

Requests for Introduction of Legislation:

LR 2776 An Act to Amend Tidal Energy Demonstration Project Laws

Submitted by: Senator Edward Youngblood
Approved: February 4, 2014 Vote: 10-0 in favor

**LR 2785 An Act To Make Available to the Public Certain Information Concerning
the Alcohol Content of Malt Liquor**

Submitted by: Representative Louis Luchini
Approved: February 4, 2014 Vote: 7-3 in favor (with Senator Thibodeau,
and Representatives Fredette and Willette opposed)

**LR 2790 An Act to Designate Maine State Housing Authority to Receive the National
Housing Trust Fund**

Submitted by: Senator John Patrick
Approved: February 13, 2014 Vote: 9-0-1-0 in favor (with Representative
Fredette abstaining)

**LR 2794 An Act to Cancel the No Bid Alexander Group Contract to Produce Savings
in Fiscal Year 2014**

Submitted by: Representative Richard Farnsworth
Approved: February 14, 2014 Vote: 6-4 in favor (with Senators Thibodeau
and Katz and Representatives Fredette and Willette opposed)

LR 2804 An Act to Protect Jobs in the Forest Products Industry

Submitted by: Senator Troy Jackson
Approved: February 18, 2014 Vote: 10-0 in favor

Legislative Council Decisions:

That the Legislative Council authorize expenditures of up to \$5,000 to hire a human resources consultant to assist the personnel committee in carrying out its responsibilities.

Motion by: Representative Mark Eves
Second by: Senator Roger Katz
Approved: January 23, 2014 Vote: 10-0 in favor

NEW BUSINESS

Item #2: Submission of the Annual Report of the Midcoast Regional Redevelopment Authority

The Midcoast Regional Redevelopment Authority submitted its 2013 Annual Report for acceptance by the Legislative Council.

Motion: That the Legislative Council accept the 2013 Annual Report of the Midcoast Regional Redevelopment Authority and place it on file. Motion by President Alfond. Second

by Representative Willette. **Motion passed unanimous (6-0-0-4**, with Senators Thibodeau and Katz, and Representatives McCabe and Fredette absent).

Items #3, 5 and 8: Submission of Reports

Speaker Eves recommended that the following reports (New Business Items #3, #5 and #8) be considered as a group. The following reports have been submitted to the Legislative Council for acceptance:

- Submission of the State of Maine Compendium of State Fiscal Information (January 2014)
- Submission of the 2013 Annual Report on Activities and Performance (OPEGA, February 2014)
- Addendum to Report Accepted by the Legislative Council on January 23, 2014 – Commission to Study the State Board of Corrections and the Unified County Corrections System

Motion: That the Legislative Council accept and place on file the above noted reports. Motion by President Alfond. Second by Representative Berry. **Motion passed unanimous (6-0-0-4**, with Senators Thibodeau and Katz, and Representatives McCabe and Fredette absent).

Item #6: Invitation to the 2014 Maine STEM Summit, March 28, 2014

The Maine Mathematics and Science Alliance extended an invitation to the Members of the Legislative Council to attend the 2014 Maine Science, Technology, Engineering and Math (STEM) Summit that will be held on Friday, March 28, 2014 at Colby College. No Legislative Council action was required.

Item #7: Notice of Significant Audit Findings in the Single Audit of the State of Maine

The Office of the State Auditor submitted its notice of significant audit findings in the single audit of the State of Maine. No Legislative Council action was required.

ANNOUNCEMENTS AND REMARKS

With no other business to consider or announcements, the Legislative Council meeting was adjourned at 3:35 p.m.

**126th Maine State Legislature
Legislative Council
Requests to Introduce Legislation
Second Regular Session
As of: 2/27/2014**

SPONSOR: Sen. James A. Boyle

<u>LR #</u> 2826	- <u>Title</u> An Act To Clarify Outcome-based Forestry	- <u>Action</u> Tabled 2/27/14
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SPONSOR: Rep. Joseph E. Brooks

<u>LR #</u> 2816	- <u>Title</u> Resolve, To Require the Installation of a Fence on the Penobscot Narrows Bridge	- <u>Action</u> PASSED 2/27/14
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SPONSOR: Sen. Emily Cain

<u>LR #</u> 2780	- <u>Title</u> An Act to Authorize the State to Enter into Reciprocity Agreements with the New England Board of Higher Education	- <u>Action</u> WITHDRAWN
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SPONSOR: Rep. H. David Cotta

<u>LR #</u> 2767	- <u>Title</u> An Act To Provide a Means To Recover Costs for Damages to Discontinued or Abandoned Roads	- <u>Action</u> Tabled 2/27/14
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SPONSOR: Sen. John L. Patrick

<u>LR #</u> 2774	- <u>Title</u> An Act To Designate the Maine State Housing Authority as the Agency To Receive Funding from the National Housing Trust Fund	- <u>Action</u> Withdrawn and Replaced by LR2790 Action by Ballot
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SPONSOR: Rep. Sara Gideon

<u>LR #</u> 2817	- <u>Title</u> An Act To Provide for More Comprehensive Natural Gas Infrastructure Construction Standards	- <u>Action</u> Tabled 2/27/14
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SPONSOR: Sen. Troy D. Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2824	An Act To Establish a Commission on Manufacturing in the State	PASSED 2/27/14
2825	An Act To Ensure That Employees of the Maine Military Authority Retain the Right To Sue for Severance Pay	PASSED 2/27/14

SPONSOR: Rep. Jeff M. McCabe

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2823	An Act To Amend the Outcome-based Forestry Experimental Program	Action By Ballot

SPONSOR: Sen. John L. Tuttle, Jr

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2818	An Act To Increase Employment Opportunities for Veterans	PASSED 2/27/14

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR: Pres. Justin L. Alford

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2706	An Act To Disclose the Status of School Construction Projects	Tabled 01/23/14

SPONSOR: Rep. Eleanor M. Espling

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2742	An Act To Standardize the Vehicle Inspection Program across the State	Tabled 01/23/14

SPONSOR: Rep. Anne P. Graham

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2754	An Act Concerning Certain Issues Related to Recommendations of the Subcommittee on Abandoned and Discontinued Roads	Tabled 01/23/14

SPONSOR: Sen. Troy D. Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2699	An Act To Amend the Process for Pursuing Small Claims in Court	Tabled 01/23/14

SPONSOR: Sen. John L. Tuttle, Jr

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2726	An Act To Allow a Second Liquor Store in Certain Towns	Tabled 01/23/14

SPONSOR: Rep. Alexander R. Willette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2702	- An Act To Increase the Penalty for an Assault on a Health Care Worker	- Tabled 01/23/14

SPONSOR: Sen. Edward M. Youngblood

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2741	- An Act To Amend the Law Regarding Tidal Energy Demonstration Projects	- Tabled 01/23/14 (Withdrawn and Replaced by LR 2776 Action by Ballot)

SPONSOR: Sen. John J. Cleveland

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2623	- An Act To Assist Electric Utility Ratepayers	- Tabled 10/31/13 PASSED 2/27/14

SPONSOR: Rep. Kenneth W. Fredette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2509	- An Act To Expand the Maine New Markets Capital Investment Program	- Tabled 11/21/13

SPONSOR: Sen. Stanley J. Gerzofsky

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2302	- An Act To Provide Enforcement Authority to the State Board of Corrections	- Tabled 10/31/13 PASSED 2/27/14

2506	An Act Regarding the Involuntary Medication of an Inmate at a Correctional Facility	Tabled 11/21/13
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SPONSOR: Rep. Jeff M. McCabe

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2524	- An Act To Clarify County Jail Debt Financing	- Tabled 10/31/13

SPONSOR: Rep. Robert J. Saucier

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2477	- An Act To Restore Confidence in Maine Campaign Finance Laws	- Tabled 11/21/13

SPONSOR: Rep. Michael A. Shaw

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2248	- An Act To Enhance Freedom of Access	- Tabled 11/21/13

SPONSOR: Rep. Corey S. Wilson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2374	An Act To Grant the State Board of Corrections Authority To Approve Wages, Benefits and Budgets for Correctional Facilities	Tabled 11/21/13

JOINT RESOLUTION

SPONSOR: Rep. Justin Mark Chenette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2458	JOINT RESOLUTION URGING THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES TO RECONSIDER ITS DEFERRAL ON BLOOD DONATIONS FROM GAY MEN	Tabled 01/23/14

SPONSOR: Rep. Diane Russell

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2326	JOINT RESOLUTION MEMORIALIZING THE FEDERAL GOVERNMENT TO ENACT LAWS SAFEGUARDING THE PRIVACY OF AMERICANS AS IT RELATES TO GOVERNMENT SURVEILLANCE PROGRAMS	Tabled 01/23/14

DAVID E. BOULTER

EXECUTIVE DIRECTOR
OF THE LEGISLATIVE COUNCIL



MAINE STATE LEGISLATURE

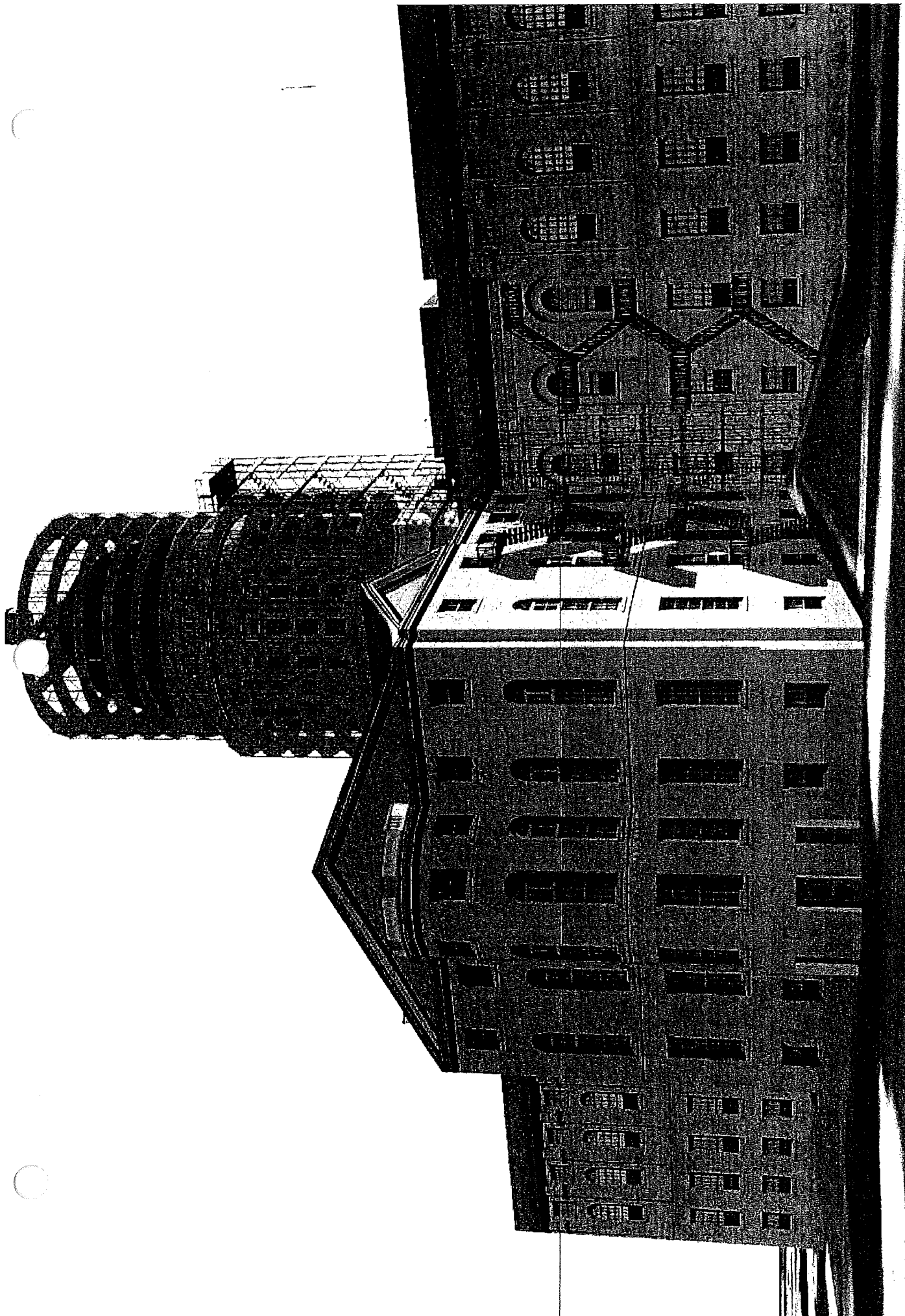
OFFICE OF THE EXECUTIVE DIRECTOR
LEGISLATIVE COUNCIL

Legislative Council

**Executive Director's Report
March 27, 2014**

1. Copper Dome Replacement

Work has begun on the copper dome replacement project. The stair tower is being erected on the southwest side of the State House, to be followed by erection of staging on the roof to the height of the statue. Actual roofing work is scheduled to begin in April once weather conditions allow. The project should be completed by November 2014.



Fiscal Briefing

Legislative Council Meeting

March 27, 2014

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (also see attached)

Total General Fund Revenue - FY 2014 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$99.2	\$110.0	\$10.8	10.9%	\$112.1	-1.9%
FYTD	\$1,748.3	\$1,765.0	\$16.7	1.0%	\$1,719.4	2.7%

General Fund revenue was over budget by \$10.8 million (10.9%) in February and \$16.7 million (1.0%) for the fiscal year through February. These variances through February do not yet reflect the \$0.2 million reduction to FY 2014 General Fund revenue in the March 2014 revenue forecast. The March monthly revenue report will reflect a new monthly distribution resulting from the March forecast.

Positive variances related to refunds in the Individual Income Tax (\$22.9 million) and Corporate Income Tax (\$5.3 million) generated February's positive variance. Within the Individual Income Tax, this slower refund processing helped offset an unexplained \$9.9 million negative variance in income tax withholding during February.

2. Highway Fund Revenue Update (also see attached)

Total Highway Fund Revenue - FY 2014 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$25.0	\$25.5	\$0.5	2.0%	\$25.3	0.7%
FYTD	\$190.2	\$195.1	\$4.9	2.6%	\$196.7	-0.8%

Highway Fund revenue was over budget by \$0.5 million (2.0%) in February and \$4.9 million (2.6%) for the fiscal year through February. The Fuel Taxes category was under budget for February, due to a \$0.9 million negative variance from Special Fuel and Road Use Taxes. The Gasoline Tax portion continued to exceed budget and was over budget by \$3.4 million through February. The March revenue forecast increased budgeted revenue from the Gasoline Tax by \$2.0 million in FY 2014. After adjusting for that upward revision, the Gasoline Tax will still have a sizeable surplus to provide a cushion against future negative variances.

3. Cash Update

Average cash balances in FY 2014 through February continued to exceed last fiscal year's balances, both for the total cash pool and the General Fund. Strong performances during the past fall in the Sales and Use Tax and Individual Income Tax estimated payments and the change in the Circuitbreaker program to an income tax credit, the Property Tax Fairness Credit, which delayed these similar reimbursements/credits until the second half of the fiscal year, helped to offset the negative cash flow effects of the \$98.5 million one-day borrowing to balance the FY 2014 General Fund budget.

Highway Fund balances have nearly recovered to last year's levels in February after the significant drop in December due to the change to a single annual payment for the \$23 million Local Road Assistance program, which are now paid by December 1st each year.

General Fund Revenue
Fiscal Year Ending June 30, 2014 (FY 2014)
February 2014 Revenue Variance Report

Fiscal Briefing - Page 2 of 4

Revenue Category				Fiscal Year-To-Date					FY 2014 Budgeted Totals
	February '14 Budget	February '14 Actual	February '14 Var.	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	72,701,259	71,244,691	(1,456,568)	656,387,965	659,646,979	3,259,014	0.5%	10.9%	1,108,677,783
Service Provider Tax	3,936,859	4,013,944	77,085	28,498,117	28,339,918	(158,199)	-0.6%	-2.3%	49,317,427
Individual Income Tax	579,524	12,004,102	11,424,578	826,204,445	840,075,278	13,870,833	1.7%	-6.7%	1,380,685,000
Corporate Income Tax	(128,007)	2,763,428	2,891,435	82,147,157	87,364,915	5,217,758	6.4%	8.8%	169,706,958
Cigarette and Tobacco Tax	9,719,881	9,348,714	(371,167)	90,835,657	91,435,407	599,750	0.7%	-0.5%	135,900,000
Insurance Companies Tax	932,947	1,135,792	202,845	14,119,727	13,976,713	(143,014)	-1.0%	-9.6%	80,715,000
Estate Tax	2,109,365	2,405,393	296,028	14,897,795	11,583,842	(3,313,953)	-22.2%	-65.7%	27,553,982
Other Taxes and Fees *	7,750,373	8,144,315	393,942	76,168,186	78,584,044	2,415,858	3.2%	-7.7%	127,884,891
Fines, Forfeits and Penalties	2,271,522	1,962,847	(308,675)	15,563,246	14,890,544	(672,702)	-4.3%	-3.5%	23,431,666
Income from Investments	(2,678)	26,641	29,319	111,595	179,862	68,267	61.2%	99.9%	13,818
Transfer from Lottery Commission	4,288,457	4,422,296	133,839	36,451,914	34,132,805	(2,319,109)	-6.4%	5.7%	55,750,000
Transfers to Tax Relief Programs *	(1,775,714)	(4,245,902)	(2,470,188)	(60,031,258)	(62,568,933)	(2,537,675)	-4.2%	40.9%	(61,540,498)
Transfers for Municipal Revenue Sharing	(7,238,516)	(7,356,458)	(117,942)	(44,757,152)	(45,280,463)	(523,311)	-1.2%	29.6%	(64,795,934)
Other Revenue *	4,068,369	4,113,758	45,389	11,718,073	12,674,669	956,596	8.2%	17.1%	41,077,521
Totals	99,213,641	109,983,560	10,769,919	1,748,315,467	1,765,035,580	16,720,113	1.0%	2.7%	3,074,377,614

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

General Fund Revenue
Fiscal Year Ending June 30, 2014 (FY 2014)
February 2014 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2014 Budgeted Totals
	February '14 Budget	February '14 Actual	February '14 Var.	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	0	0	0	11,970,000	11,999,965	29,965	0.3%	24.3%	13,584,806
- Real Estate Transfer Tax	513,903	1,155,006	641,103	5,475,373	6,376,857	901,484	16.5%	6.7%	9,176,840
- Liquor Taxes and Fees	1,714,948	1,331,749	(383,199)	13,775,592	14,317,163	541,571	3.9%	8.7%	20,818,837
- Corporation Fees and Licenses	400,580	599,789	199,209	2,016,329	2,275,067	258,738	12.8%	9.7%	8,313,649
- Telecommunication Excise Tax	0	4,123	4,123	0	(1,165,849)	(1,165,849)	N/A	-188.7%	8,000,000
- Finance Industry Fees	2,028,653	2,344,050	315,397	16,737,289	18,085,550	1,348,261	8.1%	7.7%	24,851,990
- Milk Handling Fee	104,859	97,665	(7,194)	784,504	748,299	(36,205)	-4.6%	-61.3%	1,203,936
- Racino Revenue	732,706	630,940	(101,766)	6,027,046	5,818,511	(208,535)	-3.5%	-39.3%	8,957,869
- Boat, ATV and Snowmobile Fees	334,885	252,997	(81,888)	2,418,887	2,335,957	(82,930)	-3.4%	-0.9%	4,523,561
- Hunting and Fishing License Fees	1,291,457	782,377	(509,080)	11,060,984	11,408,947	347,963	3.1%	3.4%	16,101,822
- Other Miscellaneous Taxes and Fees	628,382	945,618	317,236	5,902,182	6,383,577	481,395	8.2%	-50.7%	12,351,581
Subtotal - Other Taxes and Fees	7,750,373	8,144,315	393,942	76,168,186	78,584,044	2,415,858	3.2%	-7.7%	127,884,891
Detail of Other Revenue:									
- Liquor Sales and Operations	2,173	0	(2,173)	12,909	27,440	14,531	112.6%	81.1%	8,408,196
- Targeted Case Management (DHHS)	176,028	91,821	(84,207)	1,408,222	1,323,560	(84,662)	-6.0%	-18.6%	2,112,332
- State Cost Allocation Program	1,286,451	1,544,037	257,586	12,035,866	12,663,773	627,907	5.2%	22.4%	18,296,833
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	6,015,000
- Tourism Transfer	0	0	0	(10,381,884)	(10,381,884)	0	0.0%	-4.5%	(10,381,884)
- Transfer to Maine Milk Pool	0	0	0	(282,242)	0	282,242	100.0%	100.0%	(282,242)
- Transfer to STAR Transportation Fund	0	0	0	(6,069,901)	(6,069,901)	0	0.0%	1.1%	(6,069,901)
- Other Miscellaneous Revenue	2,603,717	2,477,900	(125,817)	14,995,103	15,111,680	116,577	0.8%	-8.0%	22,979,187
Subtotal - Other Revenue	4,068,369	4,113,758	45,389	11,718,073	12,674,669	956,596	8.2%	17.1%	41,077,521
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(1,000)	3,004	4,004	(758,484)	(752,988)	5,496	0.7%	98.0%	(760,000)
- BEIR - Business Equipment Tax Reimb.	(1,048,608)	(3,942,442)	(2,893,834)	(36,715,605)	(37,973,886)	(1,258,281)	-3.4%	20.5%	(38,205,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	(726,106)	(306,464)	419,642	(22,557,169)	(23,842,059)	(1,284,890)	-5.7%	-14.3%	(22,575,498)
Subtotal - Tax Relief Transfers	(1,775,714)	(4,245,902)	(2,470,188)	(60,031,258)	(62,568,933)	(2,537,675)	-4.2%	40.9%	(61,540,498)
Inland Fisheries and Wildlife Revenue - Total	1,700,611	1,138,624	(561,987)	14,134,820	14,554,932	420,112	3.0%	2.4%	21,532,511

Highway Fund Revenue **Fiscal Year Ending June 30, 2014 (FY 2014)**

February 2014 Revenue Variance Report

Revenue Category	February '14 Budget	February '14 Actual	February '14 Var.	Fiscal Year-To-Date					FY 2014 Budgeted Totals
				Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	14,087,125	14,709,255	622,130	114,031,694	117,435,126	3,403,432	3.0%	0.8%	188,780,000
- Special Fuel and Road Use Taxes	3,544,652	2,686,523	(858,129)	25,958,548	27,065,134	1,106,586	4.3%	2.9%	42,980,000
- Transcap Transfers - Fuel Taxes	(1,295,511)	(1,288,514)	6,997	(11,845,240)	(12,238,520)	(393,280)	-3.3%	-1.4%	(17,027,938)
- Other Fund Gasoline Tax Distributions	(352,276)	(367,834)	(15,558)	(3,272,962)	(3,360,603)	(87,641)	-2.7%	-0.6%	(4,720,822)
Subtotal - Fuel Taxes	15,983,990	15,739,430	(244,560)	124,872,040	128,901,137	4,029,097	3.2%	1.1%	210,011,240
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	4,524,558	4,470,407	(54,151)	40,694,253	40,937,062	242,809	0.6%	1.0%	65,659,536
- License Plate Fees	226,631	248,923	22,292	2,067,965	2,177,858	109,893	5.3%	4.0%	3,351,681
- Long-term Trailer Registration Fees	1,775,822	3,024,597	1,248,775	5,621,694	6,941,182	1,319,488	23.5%	18.2%	9,384,523
- Title Fees	1,138,691	753,858	(384,833)	8,484,699	8,354,800	(129,899)	-1.5%	-41.0%	12,843,660
- Motor Vehicle Operator License Fees	684,362	576,368	(107,994)	5,556,436	5,274,385	(282,052)	-5.1%	-6.0%	8,522,204
- Transcap Transfers - Motor Vehicle Fees	0	0	0	(7,608,626)	(7,751,270)	(142,644)	-1.9%	17.0%	(15,398,687)
Subtotal - Motor Vehicle Reg. & Fees	8,350,064	9,074,153	724,089	54,816,421	55,934,016	1,117,595	2.0%	-5.1%	84,362,917
Motor Vehicle Inspection Fees	5,050	88,619	83,569	2,281,055	2,050,020	(231,036)	-10.1%	-9.9%	2,982,500
Other Highway Fund Taxes and Fees	79,248	87,840	8,592	830,259	775,347	(54,912)	-6.6%	-2.7%	1,313,165
Fines, Forfeits and Penalties	65,525	60,350	(5,175)	674,526	666,135	(8,391)	-1.2%	-4.4%	1,007,998
Interest Earnings	8,286	3,612	(4,674)	67,678	36,000	(31,678)	-46.8%	-30.0%	100,825
Other Highway Fund Revenue	523,760	473,323	(50,437)	6,670,801	6,708,407	37,606	0.6%	2.5%	8,797,218
Totals	25,015,923	25,527,327	511,404	190,212,780	195,071,060	4,858,280	2.6%	-0.8%	308,575,863

**Legislative Council Actions
Taken by Ballot Since the
February 27, 2014 Council Meeting**

Requests for Introduction of Legislation:

LR 2823 An Act to Amend the Outcome-based Forestry Experimental Program

Submitted by: Representative Jeff McCabe
Approved: February 27, 2014 Vote: 6-3-1-0 in favor (with Senator Thibodeau
and Representatives Fredette and Willette opposed, and Senator Katz abstaining)

LR 2829 An Act to Require the Licensure of Scrap Metal Recyclers

Submitted by: Representative Thomas Longstaff
Approved: March 11, 2014 Vote: 9-1-0-0 in favor (with Senator Thibodeau
opposed)

**LR 2836 An Act to Correct an Error in the Permitting Process by the Department of
Environmental Protection**

Submitted by: Senator Troy Jackson
Approved: March 13, 2014 Vote: 10-0 in favor

LR 2823 An Act to Clarify Outcome-based Forestry

Submitted by: Senator James Boyle
Approved: March 19, 2014 Vote: 10-0 in favor

Legislative Council Decisions:

That the Legislative Council authorize legislative budget adjustments in the FY2014-2015 biennium by lapsing a total of \$2,250,000 from unspent balances in legislative accounts to the General Fund not later than June 30, 2015 and convey its decision to the Joint Standing Committee on Appropriations and Financial Affairs. Further, that the Legislative Council direct the Executive Director to prepare and submit implementing language reflecting this decision of the Legislative Council to the Joint Standing Committee on Appropriations and Financial Affairs on behalf of the Legislative Council for inclusion in the committee bill authorized pursuant to Joint Order HP 1284.

Motion by: Senator Justin Alfond
Second by: Representative Mark Eves
Approved: March 20, 2014 Vote: 10-0 in favor

**126th Maine State Legislature
Legislative Council
Requests to Introduce Legislation
Second Regular Session**

As of: 3/24/2014

REVISED

SPONSOR: Rep. Stanley Byron Short, Jr.

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2863	An Act To Define the Term "Solicitor" as It Pertains to the Gathering of Signatures for an Initiative Petition	
2864	An Act To Create Fairness in the Ballot Initiative Process for Wildlife Policies	

SPONSOR: Rep. Madonna M. Soctomah

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2868	An Act To Allow a Portion of the Annual Quota of Elver Fishery Landings Allocated to the Passamaquoddy Tribe To Be Fished as a Group Quota	

JOINT RESOLUTION

SPONSOR: Rep. Michael Gilbert Devin

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2876	JOINT RESOLUTION MEMORIALIZING THE FEDERAL DRUG ADMINISTRATION TO RECONSIDER ITS APPROVAL OF THE DRUG ZOHYDRO	

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR: Pres. Justin L. Alfond

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2706	An Act To Disclose the Status of School Construction Projects	Tabled 01/23/14

SPONSOR: Rep. H. David Cotta

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2767	An Act To Provide a Means To Recover Costs for Damages to Discontinued or Abandoned Roads	Tabled 02/27/14

SPONSOR: Rep. Eleanor Espling

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2742	- An Act to Standardize the Vehicle Inspection Program Across the State	- Tabled 01/23/14 Withdrawn by Sponsor after Legislative Council meeting on 02/27/14

SPONSOR: Rep. Sara Gideon

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2817	- An Act To Provide for More Comprehensive Natural Gas Infrastructure Construction Standards	- Tabled 02/27/14

SPONSOR: Rep. Anne P. Graham

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2754	- An Act Concerning Certain Issues Related to Recommendations of the Subcommittee on Abandoned and Discontinued Roads	- Tabled 01/23/14

SPONSOR: Sen. Troy D. Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2699	- An Act To Amend the Process for Pursuing Small Claims in Court	- Tabled 01/23/14

SPONSOR: Sen. John L. Tuttle, Jr

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2726	- An Act To Allow a Second Liquor Store in Certain Towns	- Tabled 01/23/14

SPONSOR: Rep. Alexander R. Willette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2702	- An Act To Increase the Penalty for an Assault on a Health Care Worker	- Tabled 01/23/14

SPONSOR: Rep. Kenneth W. Fredette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2509	- An Act To Expand the Maine New Markets Capital Investment Program	- Tabled 11/21/13

SPONSOR: Sen. Stanley J. Gerzofsky

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2506	An Act Regarding the Involuntary Medication of an Inmate at a Correctional Facility	Tabled 11/21/13

SPONSOR: Rep. Jeff M. McCabe

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2524	An Act To Clarify County Jail Debt Financing	Tabled 10/31/13

SPONSOR: Rep. Robert J. Saucier

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2477	An Act To Restore Confidence in Maine Campaign Finance Laws	Tabled 11/21/13

SPONSOR: Rep. Michael A. Shaw

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2248	An Act To Enhance Freedom of Access	Tabled 11/21/13

SPONSOR: Rep. Corey S. Wilson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2374	An Act To Grant the State Board of Corrections Authority To Approve Wages, Benefits and Budgets for Correctional Facilities	Tabled 11/21/13

JOINT RESOLUTION

SPONSOR: Rep. Justin Mark Chenette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2458	JOINT RESOLUTION URGING THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES TO RECONSIDER ITS DEFERRAL ON BLOOD DONATIONS FROM GAY MEN	Tabled 01/23/14

SPONSOR: Rep. Diane Russell

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2326	JOINT RESOLUTION MEMORIALIZING THE FEDERAL GOVERNMENT TO ENACT LAWS SAFEGUARDING THE PRIVACY OF AMERICANS AS IT RELATES TO GOVERNMENT SURVEILLANCE PROGRAMS	Tabled 01/23/14

126th Maine State Legislature

ADDENDUM

Legislative Council
Requests to Introduce Legislation
Second Regular Session

Actions Taken After March 24, 2014

SPONSOR: Rep. Benjamin M. Chipman

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2883	Resolve, To Require the Analysis of the Distribution of Funding within the University of Maine System	

SPONSOR: Sen. Troy D. Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2884	An Act To Establish a Surcharge on Fines and Penalties Imposed for Violations of Drug-related Crimes To be Used for Prevention and Treatment of Substance Abuse Addiction	

SPONSOR: Rep. Peter B. Johnson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2880	An Act To Amend the Laws Governing the Superintendents' Agreement Process Regarding the Transfer of Students	

SPONSOR: Rep. Allen M. Nadeau

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2878	An Act To Amend the Method of Adjustments to Valuation for Sudden and Severe Disruptions	

SPONSOR: Rep. Madonna M. Soctomah

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2886	An Act To Impose a Moratorium on the Operation of Casinos and Table Games in the State until the Adoption by the State of a Comprehensive Plan for Gaming	

SPONSOR: Rep. Alexander R. Willette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2881	An Act To Implement the Electronic Registration Information Center	

**STATE OF MAINE
126th LEGISLATURE
FIRST REGULAR SESSION**

EXECUTIVE DIRECTOR'S
OFFICE

2014 MAR 11 A 9:59

**Final Report
of the
Forensic Mental Health Services Oversight Committee**

March 2014

Members:

**Sen. Stan J. Gerzofsky, Senate Chair
Sen. Roger J. Katz
Sen. Colleen M. Lachowicz
Sen. Patrick S. Flood
Rep. Andrew M. Gattine, House Chair
Rep. Mark N. Dion
Rep. Aaron M. Frey
Rep. Stacey K. Guerin
Rep. Richard S. Malaby**

**Staff:
Jane Orbeton, Senior Analyst
Curtis Bentley, Legislative Analyst
Office of Policy & Legal Analysis
Maine Legislature
(207) 287-1670**

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- A. Authorizing Legislation, Public Law 2013, Chapter 434
- B. Forensic Mental Health Services Oversight Committee Membership List
- C. AMHI Consent Decree, Appropriations Committee Presentation by the Office of the Attorney General, February 5, 2009
- D. History of Service to Forensic Clients, Department of Health and Human Services, November 12, 2013
- E. Responses of the Department of Corrections and Department of Health and Human Services to information requests from the Forensic Mental Health Services Oversight Committee, January 7, 2014
- F. Memorandum of Agreement between the Department of Corrections and the Department of Health and Human Services for the Placement and Treatment of Prisoners into the Department of Corrections Intensive Mental Health Unit
- G. Memorandum of Agreement between Department of Corrections and the Department of Health and Human Services for the Placement of Prisoners under Guardianship
- H. Contract for Special Services between Department of Corrections and Correct Care Solutions, LLC, dated November 7, 2013

Executive Summary

In 2013, the 126th Legislature established the Forensic Mental Health Oversight Committee with the passage of LD 1515, An Act to Increase the Availability of Mental Health Services (Public Law 2013, chapter 434). Public Law 2013, chapter 434, section 12 established and specified the duties of the committee and set January 15th, 2014 as the due date for its report to the Legislature. A copy of Public Law 2013, chapter 434 is included as Appendix A.

The membership of the committee includes two members of the Joint Standing Committee on Appropriations and Financial Affairs, two members of the Joint Standing Committee on Criminal Justice and Public Safety, one member of the Joint Standing Committee on Judiciary, one member of the Joint Select Committee on Maine's Workforce and Economic Future and three members of the Joint Standing Committee on Health and Human Services. A copy of the membership list of the committee is included as Appendix B.

The nine member committee met on November 12 and December 20, 2013, and January 7 and February 19, 2014. All four meetings were held in the State House in Augusta and were open to the public and broadcast through the Legislature's public Internet system. In addition, on December 3 the committee conducted a tour of the special care unit of the Riverview Psychiatric Center and a tour of the mental health unit and the future intensive mental health unit at the Maine State Prison.

At the conclusion of its work the committee agreed on statements of support as follows.

- A. The committee supports the Memorandum of Agreement for the Placement and Treatment of Prisoners into the Department of Corrections Intensive Mental Health Unit (see Appendix F).
- B. The committee supports the use of evidence-based training for staff at the intensive mental health unit and the use of contracted mental health services by Correct Care Solutions LLC (see Appendix H).
- C. The committee supports the establishment of the intensive mental health unit at the Maine State Prison as a long-awaited mechanism for providing mental health services to persons with mental illness in Maine's county jails and correctional facilities.
- D. The committee supports the ongoing work between the Department of Corrections and the Department of Health and Human Services including:
 - 1. The establishment of priorities for patients transferred to the intensive mental health unit at the Maine State Prison from Riverview Psychiatric Center to facilitate their eventual transfer back to the Riverview Psychiatric Center; and
 - 2. The development of a future memorandum of agreement between the two departments on public guardianship.

At the conclusion of its work the committee also agreed to make the following recommendations.

A. The committee recommends that the Department of Corrections and the Department of Health and Human Services work closely with the Joint Standing Committees on Appropriations and Financial Affairs, Criminal Justice and Public Safety, and Health and Human Services to ensure the smooth implementation of Public Law 2013, chapter 434 and the continued work on initiatives that have not been completed. The departments should report regularly to the committees on developing issues and the operation of the intensive mental health unit at the Maine State Prison. The committees should actively oversee implementation and continuing work as follows:

1. With regard to the intensive mental health unit:

- (a) The operation of the intensive mental health unit, including staffing and staff training;
- (b) The census on the unit and whether a waiting list for transfer or admission develops;
- (c) Protocols Riverview Psychiatric Center will use to provide consultations to the Department of Corrections on the provision of mental health services;
- (d) The administration of medication on an involuntary basis;
- (e) The amendment or development of memoranda of agreement between the Department of Corrections and the county jails and between the Department of Corrections and the Department of Health and Human Services;
- (f) The use of best clinical practices in medication and mental health treatments; and
- (g) The coordination of activities between the county jails and Riverview Psychiatric Center; and

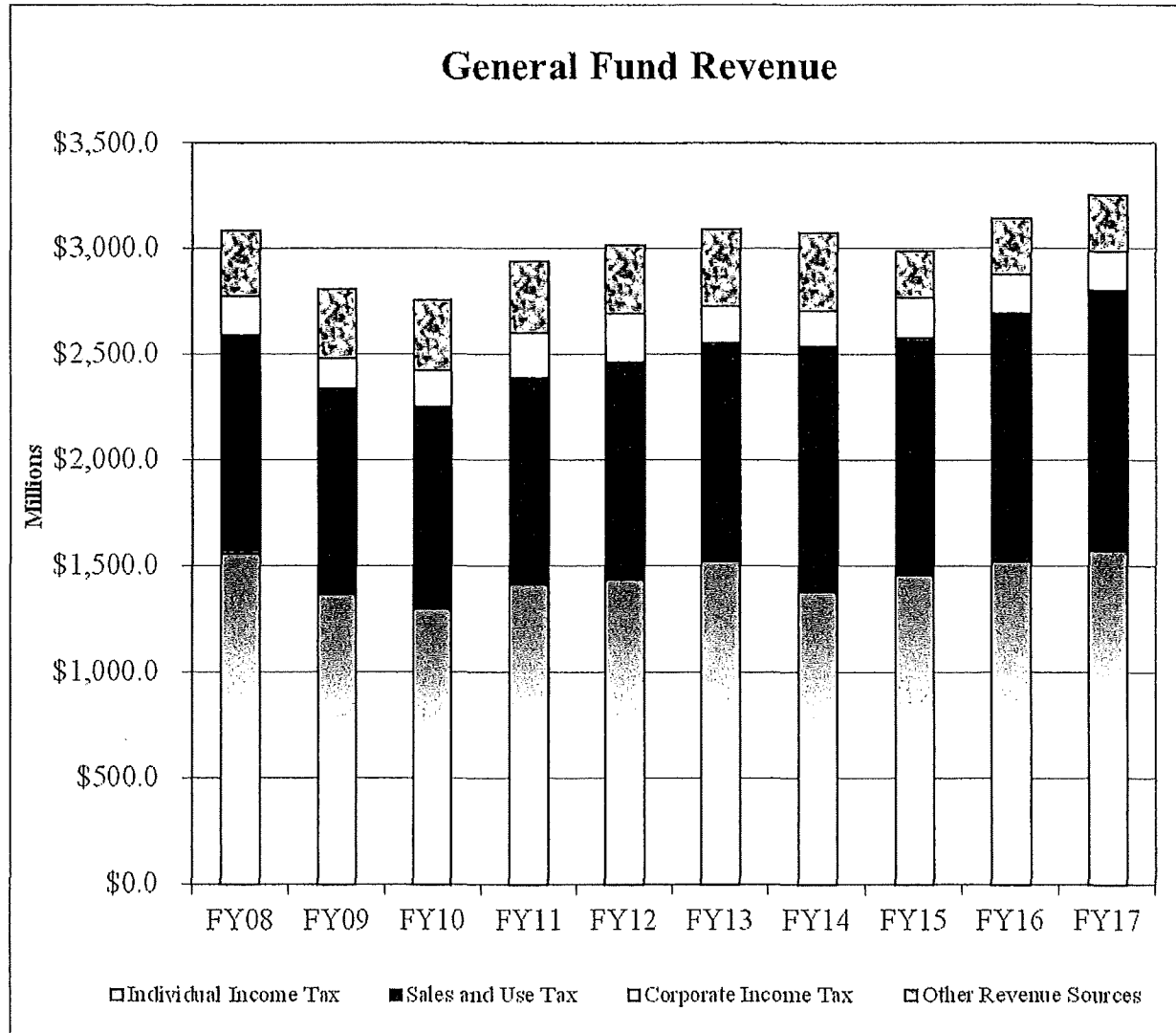
2. With regard to Riverview Psychiatric Center:

- (a) The progress in certification of the Lower Saco Unit and certification of the Riverview Psychiatric Center as a whole;
- (b) The census at the Riverview Psychiatric Center, including the distribution of civil and forensic patients and the status of the waiting list for admission;
- (c) The protocols Riverview Psychiatric Center will use to provide consultations to the Department of Corrections on the provision of mental health services and the administration of medication on an involuntary basis;
- (d) The amendment or development of a memorandum of agreement between the Department of Corrections and the Department of Health and Human Services regarding public guardianships;
- (e) The staffing and staff training and the use of best clinical practices in medication and mental health treatments; and
- (f) The coordination of activities among the county jails and the Department of Corrections.

B. The committee emphasized the importance of continued funding to ensure the ongoing operation of the intensive mental health unit at the Maine State Prison. The committee recognizes the considerable investment that the State of Maine has made in establishing the unit and cautions that the State should not lose the benefits of the intensive mental health unit because of inadequate funding. Committee members urge the Joint Standing Committee on Appropriations and Financial Affairs to carefully review the need for funding for Fiscal Year 2014-2015.

REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

March 2014



Michael Allen, Chair
Associate Commissioner for Tax Policy

James Breece
University of Maine System

Marc Cyr
Office of Fiscal & Program Review

Melissa Gott
State Budget Officer

Grant Pennoyer, Director
Office of Fiscal & Program Review

Amanda Rector
State Economist

Report of the Maine State Revenue Forecasting Committee March 2014 Forecast

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- B. Highway Fund Summary Table**
- C. Fund for a Healthy Maine Summary Table**
- D. Medicaid/MaineCare Dedicated Revenue Taxes Summary Table**
- E. Economic Background Information**
- F. Maine Revenue Services Recommendations and other Background Materials**

Introduction

The Revenue Forecasting Committee (RFC) met on February 21, 2014 to review and update the current revenue forecast to comply with this year's statutory reporting date of March 1st. The RFC revised its revenue projections through the fiscal year ending June 30, 2017 based on the new economic forecast by the Consensus Economic Forecasting Commission for its February 1st reporting date, updated tax data and a review of recent experience. The RFC updated its forecasts for the General Fund, Highway Fund, Fund for a Healthy Maine and Medicaid/MaineCare Dedicated Revenue Taxes.

Summary of Economic Forecast

This update of the revenue forecast included a review of the economic forecast statutorily due by February 1st, three months after the previous revision. The economic forecast was developed by the Consensus Economic Forecasting Commission (CEFC) at its meeting on January 30.

The Maine and U.S. economies continued along the path of gradual improvement since the CEFC met in October 2013, with Maine's economy continuing to grow more slowly than the nation as a whole.

Personal income in Maine grew 2.5% year-over-year in the first three quarters of 2013, while wage and salary income, which makes up around half of total personal income, grew 2.7% over the same period. The debt-to-income level for Maine businesses and households jumped to pre-recession levels in the second quarter of 2013. The Consumer Price Index was 1.5% higher in December 2013 than it was in December 2012.

Nationwide, consumer sentiment increased 9.9% month-over-month in December while small business optimism increased 1.5% over the month and was up 6.7% over the previous year's level. The price of crude oil decreased 0.3% in the fourth quarter of 2013 to around \$109 per barrel. Heating oil prices increased slightly through the current heating season while gasoline prices remained relatively steady.

Existing single-family home sales in Maine were up 11.5% in December 2013 compared to December 2012 and housing permits for the December 2012-November 2013 year were 14.4% higher than the previous 12-month period. The median home price in the Portland Metropolitan Statistical Area (York, Cumberland, and Sagadahoc Counties) increased 5.3% year-over-year in the third quarter of 2013. Mortgage delinquency rates remain above pre-recession levels but below peak crisis levels. The foreclosure rate in Maine declined in the third quarter of 2013 although it remained above the national rate for a fifth straight quarter.

With only one or two new data points, much of the forecast was left unchanged from the December 2013 forecast. Wage and salary employment, inflation, and several components of personal income were left unchanged. The major revisions to the forecast were to corporate profits and dividends, interest, and rent. Transfer payments were adjusted for 2013 and 2014. Non-farm proprietors' income was adjusted for 2013 only. In each of these cases, the forecast was adjusted to accept the IHS Economics baseline forecast.

The forecasts for wage and salary employment, wage and salary income, and supplements to wages and salaries remain below the Moody's Analytics and IHS Economics forecasts in most years. This is a result of the consensus that these forecasts are based on overly optimistic population projections for the state of Maine, causing employment forecasts, among other things, to grow at an unattainable rate. For this reason, employment and the components of income most closely correlated with employment levels were left unchanged from the previous downward revision.

Total personal income was left unchanged for 2013 and revised downwards by a tenth of a percentage point for each year of 2014-2017. The CEFC accepted the baseline forecast from IHS Economics for corporate profits for all years.

A copy of the February 2014 report of the CEFC and other economic information providing the basis for this revenue forecast is included in Appendix E.

Summary of Revenue Forecast

This new RFC revenue forecast essentially reaffirms the December 1, 2013 revenue forecast. Given the rather modest nature of the adjustments to the economic variables in the CEFC forecast, the economic forecast was not a significant factor in the revisions in this revenue forecast. With the major General Fund taxes tracking very close to budget and very little new data since the last revenue forecast, the RFC is not recommending any significant changes from its last forecast.

The review of recent performance and data related to non-tax revenue lines by a number of different state agencies and staff in the Office of Fiscal and Program Review and the Bureau of the Budget also produced only modest net changes to the fall forecast. The consensus recommendations of this process were reviewed by the RFC at its meeting on February 21st and were accepted. The following tables and narratives highlight the final changes to each of the major funds and revenue sources projected by the RFC as part of this revenue forecast. More detail on each of the funds and revenue sources is provided in the various appendices.

General Fund Summary

	FY13 Actual	FY14	FY15	FY16	FY17
Current Forecast	\$3,094,383,842	\$3,074,377,614	\$3,275,813,158	\$3,141,373,000	\$3,254,534,076
Annual % Growth	2.6%	-0.6%	6.6%	-4.1%	3.6%
Net Increase (Decrease)		(\$223,125)	\$2,488,233	\$63,134	(\$636,866)
Revised Forecast	\$3,094,383,842	\$3,074,154,489	\$3,278,301,391	\$3,141,436,134	\$3,253,897,210
Annual % Growth	2.6%	-0.7%	6.6%	-4.2%	3.6%

General Fund revenue estimates were revised downward by \$0.2 million in FY14 and upward by \$2.5 million in FY15 (upward by \$2.3 million for the 2014-2015 biennium). The forecasts for the major tax lines were left unchanged in this forecast. Changes in the forecast for milk prices and adjustments to revenue from liquor sales and lottery operations were the major factors in this forecast.

While sales tax revenues are over budget through January by \$4.7 million, consumer sales activity has slowed significantly since late fall. The surplus since the last forecast represents weak sales activity, but not as weak as projected. Adjusting for the sales tax increase, year-over-year growth for November and December was only 1.6%; well below the 6.4% average for the three month period ending in October.

The new revenue forecast assumes similar growth for January and February and then picking up to approximately 4% for the remainder of FY14. These assumptions result in no change for this tax line.

Individual income tax receipts are over budget by \$2.5 million through January. While the total line is close to budget, estimated payments are under budget by \$12.3 million and are currently being offset by surpluses on the other sources of individual income tax receipts. The March RFC forecast makes no change to the previous forecast and assumes that slightly stronger final payments and lower refunds will negate the weaker than projected final estimated payment for the 2013 tax year. Even with this assumption, final payments for the 2013 tax year are assumed to be 17.5% lower than 2012 and refunds are projected to be 22.5% higher than 2012.

Some of the increase in refunds is associated with the new Property Tax Fairness Credit (PTFC). Through the middle of February returns processed show the PTFC may not be reducing revenue by as much as estimated during last session's budget negotiations. The RFC has decided to keep the current projection for the PTFC of approximately \$35 million for the 2013 tax year and reevaluate after the close of the income tax processing season.

Corporate Income Tax was also slightly over budget through January. However, there remain a number of refund requests that are being reviewed by MRS that may impact FY14 corporate receipts. For that reason and for lack of new data, the RFC has decided not to change the current forecast for corporate income tax receipts.

Although there were no aggregate changes to the totals for the projections of the revenue sharing taxes, the monthly distribution of the sales and income taxes will be adjusted and consequently will result in a shift of the projected Transfers for Municipal Revenue Sharing between FY14 and FY15. The total projected transfers for the 2014-2015 biennium are not affected.

For each forecast, the RFC receives an updated forecast of milk prices. The volatility of milk prices usually produces changes in each forecast affecting both the Milk Handling Fee and Transfers to Maine Milk Pool. The milk price forecast for the March 2014 update reflects an increase in milk prices (see Appendix F). As a result, the projections for Milk Handling Fee revenue are decreased by \$0.1 million in FY14, \$0.8 million in FY15 and \$1.1 million annually in FY16 and FY17. The more significant effect of the revised milk price forecast was on the Transfers to Maine Milk Pool, which were revised downward (a General Fund revenue increase) by \$0.3 million in FY14, \$2.8 million in FY15 and \$2.1 million annually. The Transfers to Maine Milk Pool category is also affected by projections of dedicated revenue from the Oxford Casino. No revisions were included in this forecast for casino revenue.

Revenue from Liquor Sales and Operations was updated in FY14 to reflect the actual profit sharing amount for calendar year 2013 paid to the General Fund. The actual transfer was \$1.6 million higher than budgeted.

Lottery revenue was revised downward by \$2.25 million in FY14, upward by \$0.3 million in FY15. The rebound in FY15 reflects the effect of the first full year of savings related to a new contract. Longer term projections of lottery revenue reflect modest growth, but a decline of \$1.0 million from budget in FY16 and \$1.7 million in FY17.

The estimates for Transfers to Tax Relief Programs were revised in FY14 by a net downward adjustment of \$0.7 million. The Business Equipment Tax Reimbursement (BETR) program was revised upward to reflect lower than anticipated transfers from the General Fund of \$0.6 million and the Business Equipment Tax Exemption (BETE) program was revised downward to reflect higher than anticipated transfers of \$1.4 million. Future years may need to be adjusted in this coming fall's forecast when the local data is available.

The Finance Industry Fees were adjusted upward in this forecast, similar to the situation in the December forecast. The \$0.5 million increase of projections recognizes a portion of the positive variance accumulated through January.

Miscellaneous revenue adjustments for the Department of Health and Human Services revenue sources, one-time increase from concealed weapons permit fees and the General Fund portion of the changes to the gasoline tax estimates (see Highway Fund discussion) result in net increases to budgeted revenue of \$0.4 million in FY14 and \$0.1 million annually beginning in FY15.

More detail on the other revenue categories can be found in Appendix A and other background materials in Appendix F.

Highway Fund Summary

	FY13 Actual	FY14	FY15	FY16	FY17
Current Forecast	\$318,825,700	\$308,575,863	\$306,789,766	\$306,422,199	\$306,042,627
Annual % Growth	0.5%	-3.2%	-0.6%	-0.1%	-0.1%
Net Increase (Decrease)		\$1,691,348	\$1,786,974	\$1,800,475	\$1,786,975
Revised Forecast	\$318,825,700	\$310,267,211	\$308,576,740	\$308,222,674	\$307,829,602
Annual % Growth	0.5%	-2.7%	-0.5%	-0.1%	-0.1%

Highway Fund revenue estimates (also see Appendix B) were revised upward by \$1.7 million in FY14 and \$1.8 million in FY15 (\$3.5 million for the 2014-2015 biennium). These revisions result primarily from upward revisions to gasoline tax receipts.

After making no adjustments to the forecast for fuel taxes in the December 2013 forecast, the RFC recognized a \$2.0 million increase of projections for gasoline tax in each year of the forecast period, which after various transfers resulted in a net increase of Highway Fund revenue of \$1.8 million. The RFC recognized only a portion of the \$4.3 million positive variance in the Fuel Taxes category that has accumulated through January. Monthly fluctuations from budget for this category have been common and were the primary reason for the cautious recognition of only a portion of the recent positive variances.

Within the broader category of Motor Vehicle Registrations and Fees, the RFC revised estimates for Motor Vehicle Operator License Fees downward by \$0.3 million in FY14 only based on recent performance. Other one-time FY14 adjustments to revenue included: a \$0.05 million downward adjustment to Income from Investments and a \$0.24 upward adjustment to reflect additional revenue accruing to the Highway Fund from the Municipal Excise Tax Reimbursement program.

Fund for a Healthy Maine Summary

	FY13 Actual	FY14	FY15	FY16	FY17
Current Forecast	\$50,992,315	\$54,705,782	\$54,340,982	\$53,861,451	\$53,384,108
Annual % Growth	-8.1%	7.3%	-0.7%	-0.9%	-0.9%
Net Increase (Decrease)		\$1,214,994	\$6,343,549	\$833,155	\$890,662
Revised Forecast	\$50,992,315	\$55,920,776	\$60,684,531	\$54,694,606	\$54,274,770
Annual % Growth	-8.1%	9.7%	8.5%	-9.9%	-0.8%

The Fund for a Healthy Maine (FHM) revenue forecast was adjusted upward by \$1.2 million in FY14 and \$6.3 million in FY15. The RFC reviewed and adopted revised estimates of the tobacco settlement payments released by the National Associations of Attorneys General (NAAG), which increased projections of these payments by \$1.2 million in FY14 and \$0.8 million in FY15. These estimates continue to assume full withholding of disputed payments by participating manufacturers.

There remains a good deal of uncertainty surrounding certain legal proceedings under the Master Settlement Agreement. Maine prevailed in the legal challenge related to the NPM (non-participating manufacturer) adjustment for 2003 calendar year sales. The release of Maine's share of the disputed payments for that sales year, \$5.6 million, is being challenged by certain states that were not successful in these proceedings. There is a potential for Maine's share of these disputed payments to be included in the April 2014 payment. The RFC assumes that the states challenging the release of the disputed payments may be successful in delaying the release as part of the April 2014 payment, but ultimately Maine would receive the \$5.6 million as part of the April 2015 payment.

As noted in the General Fund section, the RFC recommended no changes to the revenue estimates from casinos. As a result, the 10% percent share of slot machine revenue at Hollywood Casino in Bangor that accrues to the FHM remains as forecasted in the December 2013 forecast.

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY13 Actual	FY14	FY15	FY16	FY17
Current Forecast	\$153,241,054	\$172,021,517	\$172,021,517	\$172,021,517	\$172,021,517
Annual % Growth	0.9%	12.3%	0.0%	0.0%	0.0%
Net Increase (Decrease)		(\$3,583,841)	(\$3,583,841)	(\$3,583,841)	(\$3,583,841)
Revised Forecast	\$153,241,054	\$168,437,676	\$168,437,676	\$168,437,676	\$168,437,676
Annual % Growth	0.9%	9.9%	0.0%	0.0%	0.0%

The forecast of Medicaid/MaineCare Dedicated Revenue Taxes revenue was revised downward by \$3.6 million in each year of the forecast based on updated information. The most significant revision was the \$3.2 million downward revenue adjustment for the Hospital Excise Tax, which was increased beginning in FY14 by the Biennial Budget Bill, PL 2013, c. 368 to modify the hospital tax base year from hospital fiscal years ending during calendar year 2008 to hospital fiscal years ending during calendar year 2012. The estimates for this tax were downgraded to reflect the closing of one hospital and the incorrect reporting of revenue by certain hospitals. Another revenue change in the Biennial Budget Bill increased estimates for the Service Provider Tax - Private Non-medical Institutions. Those estimates were also downgraded based on recent experience by \$0.4 million annually. (See Appendix D for more information).

Conclusions

The modest changes in this forecast and the immediately preceding forecasts indicate that we have settled into a period of stable, but slow growth and recovery. The volatile swings during the recent recession and the risks to the forecasts have subsided. Federal budget stability and the lack of pending crisis have contributed to this more stable pattern and should help to sustain it for the immediate future.

However, there are concerns over Maine's demographics with an aging population and little to no population growth. The Consensus Economic Forecasting Commission (CEFC) noted that the Maine forecasts produced by the major economic forecasting firms were too optimistic in their employment outlook given Maine's demographics. While the CEFC adjusted its Maine forecast downward from the forecast provided by IHS Economics, these ad hoc adjustments to the economic model in the income and employment variables may not have adequately captured all the interactive effects on the other variables. The CEFC and the RFC will be working with the major forecasting firms, Moody's Analytics and IHS Economics, to improve the underlying assumptions in their forecasts for Maine.

Partial Report
Received 3-26-14

**STATE OF MAINE
126th LEGISLATURE
FIRST REGULAR SESSION**

**Ninth Annual Report
of the
Citizen Trade Policy Commission**

March 2014

Voting Members:

**Sen. Troy Jackson, Co-Chair
Rep. Sharon Anglin Treat, Co-Chair
Sen. John L. Patrick
Sen. Roger L. Sherman
Rep. Jeffrey McCabe
Rep. Bernard L. Ayotte**

**Stephen Cole
Michael Herz
Robert Umphrey
Dr. Joel Kase
Linda Pistner
John Palmer
Harry K. Ricker
Jay Wadleigh**

**Staff
Lock Kiermaier, Contract Staff**

**Advisory Members
Mike Karagiannes
Pamela Taylor
Wade Merritt**

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- B. Membership list, Citizen Trade Policy Commission
- C. Legislative Resolution sponsored by the Citizen Trade Policy Commission
- D. Letters sent by the Citizen Trade Policy Commission

I. INTRODUCTION

The Citizen Trade Policy Commission (CTPC) was established during the Second Special Session of the 121st Legislature by Public Law 2003, chapter 699. A copy of the law establishing and governing the Commission and amendments to that law are in Appendix A. The 22-member Commission includes six legislators, an Attorney General designee, five non-voting agency officials representing the Department of Labor, the Maine International Trade Center, the Department of Environmental Protection, the Department of Agriculture, Food and Rural Resources, and the Department of Human Services, and 10 public members representing business, labor, health, government and environmental interests. The Commission initially convened on October 6, 2004. The Commission's current membership list can be found in Appendix B.

The Commission provides an ongoing state-level mechanism to assess the impact of international trade policies and agreements on Maine's state and local laws, business environment and working conditions. Specifically, the Commission has the following duties:

- 1) To assess and monitor the legal and economic impacts of trade agreements on state and local laws, working conditions and the business environment;
- 2) To provide a mechanism for citizens and legislators to voice their concerns and recommendations;
- 3) To make policy recommendations designed to protect Maine's jobs, business environment and laws from any negative impacts of trade agreements; and
- 4) To establish and maintain a communication link between local, state and federal agencies and the public.

Information about the Commission's activities and all Commission documents can be found online at <http://www.maine.gov/legis/opla/citpol.htm> or obtained through the Office of Policy and Legal Analysis.

II. MEETINGS

During this reporting period, January 1, 2013 through December 31, 2013, the Commission held seven meetings on the following dates:

- March 22, 2013
- April 26, 2013
- May 24, 2013
- July 1, 2013
- September 19, 2013 (Meeting & Public Hearing)

- November 15, 2013
- December 12, 2013 (Public Hearing)

Summaries of the Commission's meetings can be found on its website <http://www.maine.gov/legis/opla/citpol.htm>.

The Commission used its meetings and public hearings to:

- Monitor, discuss and react to on-going and emerging trade issues with a specific focus on the developing Trans Pacific Partnership Agreement (TPP) and the recent negotiations for the Transatlantic Trade and Investment Partnership (TTIP);
- Continue to explore the impact of international trade agreements on Maine's businesses, labor force, healthcare system and the environment;
- Coordinate its efforts with Maine's congressional delegation, state officials and other entities involved with international trade; and
- Further develop its relationship and communications with the United States Trade Representative.

The Commission is required by statute to hold at least two meetings per year at different locations in the state in order to hear public testimony and recommendations from people in the state regarding the actual and potential impacts of international trade agreements. During this reporting period of 12 months, the Commission held public hearings in Augusta and Belfast.

In addition, the Commission regularly invited guest speakers to its meetings to provide information on trade issues, pending trade agreements and issues relevant to the Commission's work. During this reporting period (January 2013 to December 2013), the Commission benefited from the following presentations:

- **Representative Sharon Anglin Treat, CTPC Chair and Cleared Advisor, United States Trade Representative.** During the CTPC's meeting on March 22, 2013, Representative Treat made a PowerPoint presentation titled, "Trade Policy 101: Trade Fundamentals and the Impact of the TransPacific Partnership on Maine" regarding an overview of international trade fundamentals and the possible effects of the TPP on Maine.
- **Daniel Deveau, Maine Canadian Trade Ombudsman.** Mr. Deveau made 2 presentations to the CTPC; the first presentation was made during the April 26, 2013 meeting and second was made at the May 24, 2013 meeting. In both meetings, Mr. Deveau discussed his role in the newly created position of Maine Canadian Trade Ombudsman within the Governor's Office. Mr. Deveau also provided details about a recent Memorandum of Understanding between the State of Maine and the Province of Quebec, discussed a recent proposal from the U.S. Department of Homeland Security to impose a border crossing fee for those individuals traveling between the U.S. and Canada and

informed the CTPC about the New England Governors – Eastern Provincial Conference to be held in Quebec on September 8, 2013.

- **Wade Merritt, CTPC member and Vice President of the Maine International Trade Center (MITC).** Mr. Merritt made a presentation to the CTPC during its April 26, 2013 meeting regarding the purpose, activities and recent accomplishments of the MITC. Mr. Merritt emphasized the MITC's successful efforts in collaborating with many in-state and international entities to significantly increase international trade activity for the State of Maine.

- **Kathie Leonard, President of Auburn Manufacturing and Cleared Advisor to the USTR.** Ms. Leonard spoke to the CTPC during their meeting on July 1, 2013 and discussed her perspective on international trade as CEO for a prominent manufacturing company located in Maine. Ms. Leonard detailed her frustrations of competing with foreign manufacturers on what she believes to be an unfair playing field and her perspective on the provisions of current international trade treaties that she believes put many domestic manufacturers such as Auburn Manufacturing at a competitive disadvantage.

On November 15, 2013, the CTPC member Senator Roger Sherman and CTPC Chair Representative Sharon Anglin Treat had the opportunity to meet with U.S. Senator Angus S. King, Jr. to discuss the CTPC's concerns and perspectives on President Obama's Trade Promotion Authority (aka "Fast Track") proposal and on the TPP and TTIP, all of which are under review or pending before Congress.

In addition, as required by current law, in 2013 the CTPC held two well attended public hearings in different locations across the state. The first public hearing was held in Augusta on September 19th and featured personal testimony on a variety of trade topics from 10 individuals including representatives from Maine Congressman Mike Michaud's office, Friends of the Earth, AFL-CIO, American Civil Liberties Union of Maine, Maine Fair Trade Campaign, Environmental Health Strategy Center, Georgetown University Law Center, Sappi Somerset Plant in Skowhegan, and Defending Water for Life in Maine.

The second public hearing held by the CTPC took place in Belfast on December 12th and had a focus on agricultural and seafood topics as they pertain to the various international trade treaties currently under negotiation. The public hearing featured personal testimony from 19 individuals including representatives from Food for Maine's Future, Pax Christi Maine, Maine Lobstermen's Union, Maine Congresswoman Chellie Pingree's office, Maine Farm Bureau Association, Alliance for Democracy, Maine Farmland Trust, Food & Water Watch, Institute for Agriculture and Trade Policy, Waldo County Peace and Justice Group, and 350 Maine.

III. COMMISSION ACTIONS

In addition to actions previously discussed, the Commission engaged in the following activities.

- During its April 26, 2013 meeting, the CTPC drafted and unanimously approved a Resolution regarding the use of the Trade Promotion Authority (Fast Track) urging the President, the USTR and members of Congress to develop a middle ground approach to congressional review and approval of international trade treaties such as the TPP and the TTIP. This Resolution was unanimously approved by the Legislature and is included as Appendix C.
- Also during its April 26, 2013 meeting, upon a unanimous vote, the CTPC sent a letter to the Legislative Council regarding a proposed Resolution which included language supporting the inclusion of the Republic of China (Taiwan) in the ongoing TPP negotiation. In this letter, the CTPC expressed its position that this Resolution should be amended to omit any such endorsement until the CTPC or some other legislative policy commission had adequately reviewed and vetted any such endorsement. This letter is included in Appendix D.
- Upon unanimous approval during its April 26, 2013 meeting, the CTPC also sent a letter to Secretary Janet Napolitano of the U.S. Department of Homeland Security about a proposed border crossing fee for those traveling between the U.S. and Canada. This letter is included in Appendix D.
- As a further result of the April 26, 2013 meeting, the CTPC unanimously voted to send a letter to U.S. Congressional leadership indicating its strong support for continued funding for the State Trade and Export Promotion program within the U.S. Small Business Administration. This letter is included in Appendix D.
- The Chairs of the CTPC, Senator Troy Jackson and Representative Sharon Anglin Treat, sent a letter dated August 22, 2013 to USTR Michael Froman indicating their opposition to the current USTR proposal regarding inclusion of tobacco control provisions in the TPP. This letter is included in Appendix D.
- To follow up on a November 15, 2013 meeting with U.S. Senator Angus S. King, Jr., CTPC member Senator Roger Sherman and CTPC Chair Representative Sharon Anglin Treat sent a letter to Senator King reiterating CTPC concerns about USTR proposals for the TPP and the President's Trade Promotion Authority (Fast Track) proposal. This letter is included in Appendix D.

IV. AGENDA FOR 2014

The Commission's agenda for 2014 will include the following efforts.

- The Commission will continue its dialogue with federal, state and local entities and Maine's citizenry to advocate for improvement in the federal government's consultation with states.
- As required by law, the Commission will conduct an assessment of the impacts of international trade agreements on Maine's state laws, municipal laws, and the business environment and working conditions in Maine.
- The Commission will continue to monitor international trade negotiations and elevate trade-related issues affecting Maine at the state and local levels to Maine's Congressional Delegations and to other appropriate federal entities.

- The Commission will continue to closely monitor the ongoing negotiations of the Trans Pacific Partnership Agreement and work with the representative on the USTR Intergovernmental Policy Advisory Committee to the greatest extent possible to ensure positive results for Maine people.
- The Commission will continue to meet its statutory obligations to monitor the impacts of trade agreements on state and local laws, working conditions and the environment.
- The Commission will work to continue to provide a mechanism for citizens and legislators to voice their concerns and recommendations and to make policy recommendations with the hope of protecting Maine's laws, jobs and the overall business environment from any negative impacts of trade agreements.