

MAINE STATE LEGISLATURE

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REP. MARK W. EVES
CHAIR

SEN. JUSTIN L. ALFOND
VICE-CHAIR

EXECUTIVE DIRECTOR
GRANT T. PENNOYER



SEN. TROY D. JACKSON
SEN. MICHAEL D. THIBODEAU
SEN. ANNE M. HASKELL
SEN. ROGER J. KATZ
REP. SETH A. BERRY
REP. KENNETH W. FREDETTE
REP. JEFFREY M. MCCABE

126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

126th Legislature
Legislative Council

November 25, 2014
1:30 PM

REVISED AGENDA

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
❖ 1	SUMMARY OF THE OCTOBER 23, 2014 MEETING OF THE LEGISLATIVE COUNCIL	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
❖ 7	• Executive Director's Report (Mr. Pennoyer)	Information
❖ 9	• Fiscal Report (Ms. Dawson)	Information
❖ 15	• Interim Studies Report (Ms. Hylan Barr)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	• Personnel Committee	
	○ Reappointment of OPLA Director	Decision
	○ Revisions to the Personnel Policies	Decision
	○ Appointment of OFPR Director	Decision
	• State House Facilities Committee	
	No report	
	OLD BUSINESS	
	None	
	NEW BUSINESS	
18	Item #1: Request for Extension of the November Reporting Deadline (Commission on Independent Living and Disability)	Decision

- | | | | |
|----|----------|--|-------------------|
| 19 | Item #2: | Request for Approval of an Additional Meeting (Commission to Study the Effects of Coastal and Ocean Acidification and Its Existing Potential Effects on Species that are Commercially Harvested and Grown along the Maine Coast) | Decision |
| 21 | Item #3: | Proposed Document Service Fee Schedule for 127 th Legislature, First Regular Session (Hon. Robert Hunt) | Decision |
| 23 | Item #4: | Submission of Loring Development Authority of Maine's Annual Report for Fiscal Year 2014 | Acceptance |
| 31 | Item #5: | Submission of the Final Report of the Commission to Continue the Study of Long-term Care Facilities | Acceptance |
| 36 | Item #6: | Submission of the Final Report of the Maine Health Exchange Advisory Committee | Acceptance |

ANNOUNCEMENTS AND REMARKS

Presentation to the Members of the Legislative Council, 126th Legislature

ADJOURNMENT

REP. MARK W. EVES
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126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

**LEGISLATIVE COUNCIL
MEETING SUMMARY - REVISED
October 23, 2014**

CALL TO ORDER

Legislative Council Chair Mark Eves called the October 23, 2014 Legislative Council meeting to order at 1:59 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Alfond, Senator Jackson and Senator Katz

Absent: Senator Haskell and Senator Thibodeau

Representatives: Speaker Eves, Representative Berry, Representative McCabe and Representative Fredette

Legislative Officers: Darek Grant, Secretary of the Senate
Robert Hunt, Clerk of the House pro tem
Jennifer McGowan, Assistant Clerk of the House pro tem
Grant Pennoyer, Executive Director
Dawna Lopatosky, Legislative Finance Director
Jackie Little, Human Resources Director
Maureen Dawson, Acting Director, Office of Fiscal and Program Review
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Suzanne Gresser, Revisor of Statutes
John Barden, Director, Law and Legislative Reference Library
Nik Rende, Acting Director, Legislative Information Technology
Beth Ashcroft, Director, OPEGA

Speaker Eves convened the meeting at 1:59 p.m. with a quorum of members present.

SUMMARY OF SEPTEMBER 30, 2014 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for September 30, 2014 be accepted and placed on file. Motion by President Alfond. Second by Representative Berry. **Motion passed unanimous (7-0-0-2, with Senators Haskell and Thibodeau absent).**

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

Grant Pennoyer, Executive Director, reported on the following:

1. Dome Project

Final work on the State House Dome is progressing toward conclusion. Scaffolding remains in place to conclude the project. This week's weather has delayed the completion of the painting, but they plan on working this Saturday. The dismantling of the staging is now planned for November 3rd.

2. Parking Garage Update

After a delay in the receipt of the required materials to implement the project to extend the useful life of the parking garage, all indications are that the project will conclude by the revised end date of October 31st. The parking garage should be fully open for use on Monday, November 3rd.

3. West Wing Plumbing Issues

Work is progressing on fixing leaking pipes and fittings in the West Wing of the State House. The current work is concentrated in the Legislative Conference, the Welcome Center, the State House Café, the Governor's Office (staff offices above the welcome center and conference room) and the Governor's Cabinet room. Heating to those areas should be restored shortly as the piping replacement is nearing conclusion. Some further work will continue to repair access holes in the walls and floors. As was noted last month, a contracted assessment of the problems was recently concluded, which identified issues with the replacement heating and cooling plumbing system that replaced the initial installation for this purpose that failed shortly after the completion of the renovation of the West Wing. We are working on a further analysis of the extent of this problem and will report back when we have more information.

4. YMCA Youth in Government Program

The State YMCA of Maine will hold its annual civic education program on legislating for high school youth in the State House on Friday through Sunday, November 14-16, 2014. Planning for the program is underway.

5. Acting Director of the Office of Fiscal and Program Review

Maureen Dawson has been appointed as Acting Director of the Office of Fiscal and Program pending the appointment of the permanent Director. Recruitment for that position is currently progressing as rapidly as possible.

Fiscal Report

Maureen Dawson, Acting Director, Office of Fiscal and Program Review, reported on the following:

Revenue Update

Total General Fund Revenue - FY 2015 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$346.4	\$351.7	\$5.3	1.5%	\$318.8	10.3%
FYTD	\$675.1	\$685.0	\$9.9	1.5%	\$622.0	10.1%

General Fund revenue was over budget by \$5.3 million (1.5%) for September which added to the fiscal year to date positive variance. This positive variance is largely driven by \$5.8 million positive variance in the estate tax category and supported by a \$3.6 million positive variance in the corporate income tax category. The positive variances in these and other categories were partially offset by a negative variance of \$8.0 million in individual income tax receipts.

In August, a shortfall in income tax withholding receipts was largely responsible for a negative monthly variance in General Fund revenue. At the time, it was unclear as to whether the income tax issue was related to the year-end accrual offset, a timing issue or a more fundamental problem. There was a worsening of the negative variance in this category in September but the issue may still be one of timing related to the budgeted disbursement of predicted revenue - as opposed to evidence of a looming shortfall in the total revenue to be collected. October data and a new forecast by the Consensus Economic Forecasting Commission will be instrumental in determining whether the shortfall will continue and whether it may be a factor the upcoming revenue forecast.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2015 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$24.9	\$25.6	\$0.8	3.0%	\$26.0	-1.3%
FYTD	\$61.6	\$64.0	\$2.4	3.9%	\$62.8	1.8%

Highway Fund revenue was over budget by \$0.8 million (3%) in September which improves the picture for the fiscal year to date from what it was a month ago. The special fuel tax category was the primary driver of this improvement. It went from a \$0.93 million negative variance in August to a \$0.39 million positive variance in September. Monthly volatility is common for special fuel collections as they are due at the very end of the month, thus creating significant timing issues. The other contributor to the improvement in the Highway Fund performance was the gasoline tax category which went from a small (\$0.13 million) negative variance in the month of August to a small (\$0.15) million positive variance in the month of September. The gasoline tax category is less subject to timing issues than the special fuel tax category but more subject to factors such as personal income, weather and, most importantly, gas prices. If gas prices stay low then the small (1.3%) year-to-date variance is likely to continue to grow or at least hold steady.

Cash Balances

Total average balance in the cash pool was higher and General Fund internal borrowing was lower in September than it was last month and in the prior two Septembers. The timing of the balance of General Fund revenue and expenditures in the 2014-2015 Biennial Budget which necessitated a one-day borrowing at the end of Fiscal Year 2014 means that, if all else goes as planned (such as revenue collections and cost savings initiatives), the need for internal borrowing should continue to decrease as the fiscal year progresses. And if all else does not go exactly as planned, a healthy balance in the cash pool will minimize the need for external borrowing.

Interim Legislative Studies Report

Marion Hylan Barr, Director, Office of Policy and Legal Analysis, reported as to the current status of the interim legislative studies and commissions. (Refer to status report in the agenda materials.) Ms. Hylan Barr reported that most commissions are either meeting or finishing up their work. She also brought Members attentions to the memo from the State Education and Employment Outcomes Task Force to extend its reporting deadline. Two other requests from commissions will be forthcoming.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

Legislative Council Chair Eves reported that the Personnel Committee met on October 23, 2014 to consider the following matters:

1. Nonpartisan Employee's Request for Position Reclassification.

The Personnel Committee reviewed the request and denied the position reclassification.

2. Update on Recruitment of Director, Legislative Information Technology

The committee received an update on the recruitment of the Director, Legislative Information Technology position.

3. Acting Director, Office of Fiscal and Program Review Position

Executive Director Pennoyer reported that Maureen Dawson has been selected to serve as Acting Director for the Office of Fiscal and Program Review.

4. Recruitment of Director, Office of Fiscal and Program Review

The committee received and approved the recruitment plan and schedule for the Director, Office of Fiscal and Program Review position.

5. Request for Temporary Disability Income Benefits for a Nonpartisan Staff Member

The committee considered a request by a Legislative employee for temporary disability income benefits. The request was consistent with the provisions for temporary disability income benefits under the Administrative Bargaining Unit guidelines. Upon the recommendation of the Executive Director, the committee voted unanimously to approve the request. No Legislative Council action is required.

6. Reappointment of Marion Hylan Barr as Director of the Office of Policy and Legal Analysis to a new 3 year term.

The committee tabled this item.

7. Step Increase for Suzanne Gresser, Revisor of Statutes.

The committee considered a step increase for Ms. Gresser. The Personnel Committee voted unanimously to approve a step increase for Ms. Gresser.

8. Proposed Changes to the Personnel Policies and Guidelines for Legislative Council Employees

A draft proposal of changes to the *Personnel Policies and Guidelines for Legislative Council Employees* was presented to the Personnel Committee for review.

2. **State House Facilities Committee**

No Report

3. **State House Broadcasting Subcommittee**

Representative Jeff McCabe, Chair, reported that the State House Broadcasting Subcommittee met on Wednesday, September 3, 2014 and again on Thursday, October 23, 2014 to consider the request from the Maine Public Broadcasting Network (MPBN) for funding of the *Maine Capitol Connection* (MCC) channel.

Mark Vogelzang, President and CEO of MPBN, was invited to present MPBN's written responses to the questions forwarded to MPBN by the committee on August 18th. Mr. Vogelzang went through MPBN's answers to the committee's questions, and responded to additional questions from the committee that were prompted by the discussion, including but not limited to: issues regarding ownership of equipment and content; viewership statistics and market demand; content and transmission control; and cost. The committee indicated that it would likely have additional follow-up questions, which would be transmitted to Mr. Vogelzang and his colleagues at MPBN.

After discussion during today's meeting, the committee voted to recommend that the Legislative Council decline funding for MPBN's request for a memorandum of understanding for cost-sharing of the MCC channel. The subcommittee further suggested that the State House Facilities Committee continue to have discussions with MPBN on how to improve state-owned broadcasting equipment to improve broadcast quality.

Motion: That upon the recommendation of the State House Broadcasting Subcommittee, the Legislative Council decline the request from Maine Public Broadcasting Network to provide funding through a fee-for-service contract for continued operation of the *Maine Capitol Connection* Channel; and further that the Legislative Council direct the State House Facilities Committee and the Executive Director to continue to have discussions with MPBN on how to improve state-owned broadcasting equipment to improve broadcast quality. Motion by Representative McCabe. Second by Senator Jackson. **Motion passed unanimous (7-0-0-2,** with Senators Haskell and Thibodeau absent).

Speaker Eves expressed his appreciation to MPBN and his support of more discussions to be held as stated in the motion. Representative Fredette suggested that a review of the long-term implications of any type of funding for this channel in terms of the Legislature's budget be undertaken.

OLD BUSINESS

None

NEW BUSINESS

Item #1: Announcement of the Single Audit

The Office of the State Auditor announced that it is conducting the Single Audit for the State of Maine for the year ended June 30, 2014. The Single Audit is an audit of the State's financial statements and major federal assistance programs. The report is expected in late December 2014.

Item #2: Request from the State Education and Employment Outcomes Task Force

Mr. Pennoyer reviewed the request from the State Education and Employment Outcomes Task Force to hold a meeting after its current report deadline and to extend its final reporting deadline to December 1, 2014.

Motion: That the Legislative Council approve the request from the State Education and Employment Outcomes Task Force to hold a meeting after its current report deadline and to extend its final reporting deadline to December 1, 2014. Motion by Representative Fredette. Second by President Alfond. **Motion passed unanimous (7-0-0-2, with Senators Haskell and Thibodeau absent).**

Item #3: Report: *2014 Trade Policy Assessment* prepared for the Maine Citizen Trade Policy Commission

The Maine Agriculture and Food Systems in the Transatlantic Trade and Investment Partnership prepared the *2014 Trade Policy Assessment* for the Maine Citizen Trade Policy Commission.

ANNOUNCEMENTS AND REMARKS

Speaker Eves announced that the next Legislative Council meeting is scheduled for Thursday, November 20, 2014 at this time.

With no other business to consider or announcements, the Legislative Council meeting was adjourned at 2:24 p.m.

REP. MARK W. EVES
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REP. JEFFREY M. MCCABE

126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

Legislative Council

**Executive Director's Report
November 25, 2014**

1. Dome Project Completed

Final work on the State House Dome has concluded. The final portions of the staging, namely the stair tower, will be taken down this week. Some minor repairs to the roof from the dome work and staging are required. Next year's major project includes replacing the EPDM (rubber) roof on the State House now that the dome project is complete.

2. YMCA Youth in Government Program

The State YMCA of Maine held its annual civic education program on legislating for high school youth in the State House on Friday through Sunday, November 14-16, 2014. According to the program director, this year's program was its most successful.

3. West Wing Plumbing Issues

Work has concluded on fixing several leaking pipes and fittings in the West Wing of the State House. These plumbing projects and related cosmetic fixes are finishing up this week. The areas affected included the Legislative Conference, the Welcome Center, the State House Café, the Governor's Office (staff offices above the welcome center and conference room) and the Governor's Cabinet room. Heating to those areas has been restored. We are currently investigating another potential leak coming from above the 4th floor of the West Wing that may affect the Criminal Justice and Public Safety Committee Room, the House Republican Office and the portion of the Governor's Office below the House Republican Office.

4. Installation of Backup Cooling System for Computer Server Room

Work to connect a backup cooling system for the Computer Server Room on the 1st floor of the State House is in progress. The most disruptive work affecting the 1st floor ladies room and the hallway outside the ladies room is nearly complete. The remainder of the work will be in the computer server room, when the unit arrives.

5. Fire Sprinkler System Leak on Second Floor of State House

During a charging of the fire system this morning when the fire alarm system went off, the fire sprinkler system released a significant amount of water into the ceiling of Room 221 of the State House, which houses the Governor's Office staff. There is significant water damage from this leak and it is affecting the Legislative Information Office, which is immediately below Room 221. We are still assessing the cause of the leak and the resulting damage and will keep you and the Governor's Office informed.

Fiscal Briefing

Legislative Council Meeting – November 25, 2014

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached)

Total General Fund Revenue - FY 2015 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
October	\$266.0	\$283.8	\$17.7	6.7%	\$258.4	9.8%
FYTD	\$941.1	\$968.7	\$27.6	2.9%	\$880.5	10.0%

General Fund revenue was over budget by \$17.7 million (6.7%) for October which added to the fiscal year to date positive variance. This positive variance is largely due to a \$13.5 million positive variance in the individual income tax category driven by lower than expected refunds and higher payments than expected payments from those who had filed for extensions back in April submitted their final returns. Withholding is still slightly under budget but the Maine Revenue Service said that this is still likely still due to a timing issue related to the monthly distribution of the total budget and not indicative of an underlying weakness in the forecast. The estate tax category came in significantly over budget again in October. This is a relatively volatile category which had shown some weakness in the recent past - so the performance over the past two months is likely to be a case of rebounding toward the mean.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2015 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
October	\$27.6	\$27.8	\$0.2	0.8%	\$27.9	-0.4%
FYTD	\$89.2	\$91.8	\$2.6	2.9%	\$90.7	1.2%

Highway Fund revenue was over budget by \$0.2 million (0.8%) in October and which improves the picture for the fiscal year to date from what it was a month ago. The motor fuel excise taxes show a positive variance year-to-date but are about even with one year ago. This indicates that even with falling gas prices, usage is fairly flat. According to most other state and federal estimates, usage is likely to stay flat or grow very slightly for the near term which would be an improvement over the slight decline assumed in prior Maine revenue forecasts.

3. Cash Balances Update

Cash balances continue to improve by every measure. Total average cash pool balance in October was higher than the previous month; higher than in October of 2012 and 2013; and higher than the average October balance for the past ten years. General Fund internal borrowing was lower in October than it was last month and in the prior two Octobers. The average Highway Fund balance in October also improved over the prior month and over the past two Octobers.

General Fund Revenue
Fiscal Year Ending June 30, 2015 (FY 2015)
October 2014 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2015 Budgeted Totals
	October '14 Budget	October '14 Actual	October '14 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	114,504,194	111,073,288	(3,430,906)	358,715,397	354,709,329	(4,006,068)	-1.1%	14.4%	1,187,737,653
Service Provider Tax	4,642,267	3,995,129	(647,138)	12,180,902	12,715,182	534,280	4.4%	6.9%	50,303,776
Individual Income Tax	106,733,333	120,268,603	13,535,270	420,468,333	427,089,414	6,621,081	1.6%	2.5%	1,455,836,200
Corporate Income Tax	4,800,000	5,395,114	595,114	46,000,000	50,441,708	4,441,708	9.7%	12.8%	177,651,225
Cigarette and Tobacco Tax	12,216,384	13,540,619	1,324,235	48,140,079	50,106,826	1,966,747	4.1%	-0.5%	133,590,000
Insurance Companies Tax	6,936,027	8,427,997	1,491,970	8,067,700	9,128,740	1,061,040	13.2%	-9.9%	80,715,000
Estate Tax	2,255,000	9,332,759	7,077,759	4,405,000	17,533,240	13,128,240	298.0%	375.0%	26,957,040
Other Taxes and Fees *	18,296,587	19,469,879	1,173,292	43,657,475	47,592,484	3,935,009	9.0%	7.0%	132,978,084
Fines, Forfeits and Penalties	1,924,323	1,977,465	53,142	8,231,381	8,058,109	(173,272)	-2.1%	-0.1%	23,421,666
Income from Investments	14,372	39,540	25,168	67,160	103,644	36,484	54.3%	-4.7%	93,858
Transfer from Lottery Commission	4,442,343	3,860,638	(581,705)	18,779,961	17,845,967	(933,994)	-5.0%	2.1%	57,350,462
Transfers to Tax Relief Programs *	(1,344,289)	(8,590,334)	(7,246,045)	(10,726,053)	(12,780,639)	(2,054,586)	-19.2%	12.9%	(58,183,362)
Transfers for Municipal Revenue Sharing	(7,418,509)	(7,212,412)	206,097	(16,523,937)	(17,181,951)	(658,014)	-4.0%	22.3%	(61,066,238)
Other Revenue *	(1,963,801)	2,183,109	4,146,910	(313,724)	3,365,849	3,679,573	1172.9%	2627.6%	39,939,411
Totals	266,038,231	283,761,394	17,723,163	941,149,674	968,727,902	27,578,228	2.9%	10.0%	3,247,324,775

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

General Fund Revenue
Fiscal Year Ending June 30, 2015 (FY 2015)
October 2014 Revenue Variance Report

Revenue Category	October '14 Budget	October '14 Actual	October '14 Variance	Fiscal Year-To-Date					FY 2015 Budgeted Totals
				Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	10,571,602	11,203,639	632,037	10,571,602	11,203,639	632,037	6.0%	-6.6%	13,949,984
- Real Estate Transfer Tax	1,282,389	1,389,996	107,607	4,212,450	4,018,939	(193,511)	-4.6%	93.9%	13,042,455
- Liquor Taxes and Fees	1,751,304	1,791,093	39,789	7,005,216	8,601,362	1,596,146	22.8%	4.5%	21,015,690
- Corporation Fees and Licenses	167,500	218,300	50,800	1,009,850	1,223,054	213,204	21.1%	15.1%	8,313,649
- Telecommunication Excise Tax	0	34,849	34,849	0	52,290	52,290	N/A	104.5%	9,200,000
- Finance Industry Fees	1,987,667	2,217,950	230,283	7,950,668	9,046,900	1,096,232	13.8%	2.6%	24,351,990
- Milk Handling Fee	92,164	96,654	4,490	368,656	359,708	(8,948)	-2.4%	9.5%	1,105,968
- Racino Revenue	878,635	896,094	17,459	3,510,470	3,289,631	(220,839)	-6.3%	0.1%	9,256,406
- Boat, ATV and Snowmobile Fees	224,618	206,699	(17,919)	1,401,096	1,359,687	(41,409)	-3.0%	0.1%	4,523,561
- Hunting and Fishing License Fees	851,310	719,410	(131,900)	5,530,134	6,116,583	586,449	10.6%	1.6%	16,038,274
- Other Miscellaneous Taxes and Fees	489,398	695,197	205,799	2,097,333	2,320,692	223,359	10.6%	-5.3%	12,180,107
Subtotal - Other Taxes and Fees	18,296,587	19,469,879	1,173,292	43,657,475	47,592,484	3,935,009	9.0%	7.0%	132,978,084
Detail of Other Revenue:									
- Liquor Sales and Operations	811,945	4,593,672	3,781,727	3,247,780	4,606,552	1,358,772	41.8%	26854.7%	9,743,384
- Targeted Case Management (DHHS)	60,037	186,909	126,872	745,269	797,405	52,136	7.0%	15.8%	2,103,916
- State Cost Allocation Program	1,514,175	2,167,595	653,420	5,300,052	7,654,106	2,354,054	44.4%	18.7%	15,000,000
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	6,015,000
- Tourism Transfer	(4,633,050)	(4,598,110)	34,940	(11,659,067)	(11,624,127)	34,940	0.3%	-12.0%	(11,659,067)
- Transfer to Maine Milk Pool	0	0	0	(187,155)	0	187,155	100.0%	N/A	(563,777)
- Transfer to STAR Transportation Fund	(1,666,308)	(2,545,361)	(879,053)	(6,187,481)	(7,066,534)	(879,053)	-14.2%	-16.4%	(6,187,481)
- Other Miscellaneous Revenue	1,949,400	2,378,405	429,005	8,426,878	8,998,447	571,569	6.8%	-1.8%	25,487,436
Subtotal - Other Revenue	(1,963,801)	2,183,109	4,146,910	(313,724)	3,365,849	3,679,573	1172.9%	2627.6%	39,939,411
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	0	426	426	0	2,620	2,620	N/A	100.3%	0
- BETR - Business Equipment Tax Reimb.	(1,344,289)	(8,590,760)	(7,246,471)	(10,691,988)	(12,753,586)	(2,061,598)	-19.3%	8.2%	(31,080,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	0	0	0	(34,065)	(29,673)	4,392	12.9%	2.1%	(27,103,362)
Subtotal - Tax Relief Transfers	(1,344,289)	(8,590,334)	(7,246,045)	(10,726,053)	(12,780,639)	(2,054,586)	-19.2%	12.9%	(58,183,362)
Inland Fisheries and Wildlife Revenue - Total	1,146,241	1,034,960	(111,281)	7,228,928	7,826,793	597,865	8.3%	1.7%	21,470,489

Highway Fund Revenue **Fiscal Year Ending June 30, 2015 (FY 2015)**

October 2014 Revenue Variance Report

Revenue Category	October '14 Budget	October '14 Actual	October '14 Variance	Fiscal Year-To-Date					FY 2015 Budgeted Totals
				Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	15,952,908	16,458,291	505,383	53,567,595	54,570,153	1,002,558	1.9%	-0.3%	189,910,000
- Special Fuel and Road Use Taxes	4,453,270	4,187,157	(266,113)	11,389,465	11,947,004	557,539	4.9%	2.7%	42,610,000
- Transcap Transfers - Fuel Taxes	(1,500,543)	(1,517,541)	(16,998)	(6,333,460)	(6,448,585)	(115,125)	-1.8%	0.3%	(17,082,820)
- Other Fund Gasoline Tax Distributions	(398,934)	(411,572)	(12,638)	(1,760,933)	(1,785,976)	(25,043)	-1.4%	0.7%	(4,749,079)
Subtotal - Fuel Taxes	18,506,701	18,716,335	209,634	56,862,667	58,282,596	1,419,929	2.5%	0.3%	210,688,101
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	5,496,526	5,580,377	83,851	22,885,829	23,049,061	163,232	0.7%	1.5%	65,659,536
- License Plate Fees	152,094	149,389	(2,705)	1,208,939	1,331,287	122,348	10.1%	3.0%	3,351,681
- Long-term Trailer Registration Fees	659,965	495,333	(164,632)	1,510,940	2,323,354	812,414	53.8%	44.8%	9,384,523
- Title Fees	1,091,680	1,159,279	67,599	4,319,090	4,566,857	247,767	5.7%	-4.4%	13,129,254
- Motor Vehicle Operator License Fees	663,206	660,777	(2,430)	2,536,846	2,633,374	96,528	3.8%	-11.7%	7,425,882
- Transcap Transfers - Motor Vehicle Fees	0	0	0	(4,231,172)	(4,265,780)	(34,608)	-0.8%	0.9%	(15,483,404)
Subtotal - Motor Vehicle Reg. & Fees	8,063,471	8,045,155	(18,316)	28,230,472	29,638,153	1,407,681	5.0%	2.0%	83,467,472
Motor Vehicle Inspection Fees	287,365	296,096	8,731	1,167,668	938,611	(229,057)	-19.6%	11.6%	2,982,500
Other Highway Fund Taxes and Fees	111,211	106,215	(4,996)	444,172	456,936	12,764	2.9%	9.0%	1,285,229
Fines, Forfeits and Penalties	82,785	81,750	(1,035)	364,914	372,536	7,622	2.1%	3.5%	1,007,998
Interest Earnings	9,419	7,809	(1,610)	37,676	25,684	(11,992)	-31.8%	14.8%	113,022
Other Highway Fund Revenue	511,557	549,667	38,110	2,086,947	2,088,954	2,007	0.1%	8.5%	9,032,418
Totals	27,572,509	27,803,027	230,518	89,194,516	91,803,470	2,608,954	2.9%	1.2%	308,576,740

Fiscal Briefing Revenue Forecast Addendum

Legislative Council Meeting – November 25, 2014

Prepared by the Office of Fiscal & Program Review

PRELIMINARY General Fund Summary (Millions of \$'s)

	FY14 Actual	FY15	FY16	FY17	FY18	FY19
Current Forecast	\$3,113.5	\$3,247.3	\$3,146.3	\$3,261.6		
Annual % Growth	0.6%	4.3%	-3.1%	3.7%		
Net Increase (Decrease)		\$45.3	\$28.1	\$38.9	\$3,408.9	\$3,523.7
Revised Forecast	\$3,113.5	\$3,292.6	\$3,174.4	\$3,300.5	\$3,408.9	\$3,523.7
Annual % Growth	0.6%	5.8%	-3.6%	4.0%	3.3%	3.4%

General Fund revenue estimates were revised upward by \$45.2 million in the current fiscal year, by \$28.1 million in FY16 and \$38.9 million in FY17 (\$67.0 million over the 2016-2017 biennium). The Consensus Economic Forecasting Commission (CEFC) assumes the economy will grow at a slightly higher pace relative to previous forecasts. This, coupled with a stronger than expected revenue picture in FY14, resulted in an increase in forecasted revenue in FY15 and in the next biennium.

PRELIMINARY Highway Fund Summary (Millions of \$'s)

	FY14 Actual	FY15	FY16	FY17	FY18	FY19
Current Forecast	\$317.1	\$308.6	\$308.2	\$307.8		
Annual % Growth	-0.5%	-2.7%	-0.1%	-0.1%		
Net Increase (Decrease)		\$7.4	\$10.8	\$14.7	\$325.7	\$328.7
Revised Forecast	\$317.1	\$316.0	\$319.0	\$322.6	\$325.7	\$328.7
Annual % Growth	-0.5%	-0.3%	1.0%	1.1%	1.0%	1.0%

Highway Fund revenue estimates were revised upward by \$7.4 million in the current fiscal year, by \$10.8 million in FY16 and by \$14.7 million in FY17 (\$25.5 million over the 2016-2017 biennium). The changes are largely driven by total motor fuel tax revenue being over budget in FY14 combined with an increased growth projection.

PRELIMINARY Fund for a Healthy Maine Summary (Millions of \$'s)

	FY14 Actual	FY15	FY16	FY17	FY18	FY19
Current Forecast	\$60.6	\$60.7	\$54.7	\$54.3		
Annual % Growth	18.8%	0.2%	-9.9%	-0.8%		
Net Increase (Decrease)		(\$7.6)	(\$1.0)	(\$1.6)	\$48.3	\$47.4
Revised Forecast	\$60.6	\$53.1	\$53.7	\$52.7	\$48.3	\$47.4
Annual % Growth	18.8%	-12.4%	1.2%	-1.8%	-8.3%	-1.8%

Fund for a Healthy Maine revenues are predicted to go up in FY16 then begin to decline. The FY15 drop is mainly due to adjustments for receipt of a payment in FY14 instead of FY15 and an apparent over payment to be refunded in FY15.

PRELIMINARY Medicaid/MaineCare Dedicated Revenue Taxes Summary (Millions of \$'s)

	FY14 Actual	FY15	FY16	FY17	FY18	FY19
Current Forecast	\$168.6	\$169.4	\$169.4	\$169.4		
Annual % Growth	10.0%	0.5%	0.0%	0.0%		
Net Increase (Decrease)		\$2.1	\$2.5	\$2.5	\$171.9	\$171.9
Revised Forecast	\$168.6	\$171.5	\$171.9	\$171.9	\$171.9	\$171.9
Annual % Growth	10.0%	1.7%	0.2%	0.0%	0.0%	0.0%

Medicaid/MaineCare Dedicated Revenue is expected to increase in FY 15 and FY16 before leveling off mainly due to an assumed increase in MaineCare Nursing Facility payments and trends in Service Provider tax payments to reflect recent payment trends.

2014 Interim Legislative Studies and Committee Meetings

Updated November 25, 2014

Study/Committee	Citation	2014 Meetings Authorized	2014 Meetings Held	Scheduled Next Meeting Date(s)	Report Date	Chair(s)	Status Notes
NEW STUDIES							
Task Force To End Student Hunger in Maine	Resolve 107	5	7/7/14 8/11/14 9/9/14 10/6/14	12/8/14	12/9/2014	Pres. Alfond Rep. Kornfield	Appointments complete; conducting work; draft report in progress
Commission To Study College Affordability and College Completion	Resolve 109	4	8/5/14 8/26/14 9/18/14 10/8/14 10/22/14 11/12/14		12/9/2014	Sen. Millett Rep. Daughtry	Work completed; contract staff; OPLA to provide drafting assistance (prior request for additional meetings approved)
Commission To Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding Formula	Resolve 114	6	7/25/14 10/20/14 11/6/14 11/14/14	11/25/14 12/4/14	12/9/2014	Sen. Millett Rep. Hubbell	Appointments complete; DOE and Ed. Rsch. Inst. staff; OPLA to provide drafting assistance
Commission to Continue the Study of Long-term Care Facilities	PL 594	4	9/2/14 9/23/14 10/14/14 10/28/14		10/15/2014 extended to 11/14/2014	Sen. Craven Rep. Stuckey	Work completed; report printed
Commission on Independent Living and Disability	HP 1361	4	10/8/14 10/24/14 11/7/14	11/20/14	*11/5/2014 (extension pending approval)	Sen. Craven Rep. Peterson	Appointments not complete; conducting work; *approval of report extension pending (12/3); draft report in progress
Commission To Improve Protections for Injured Workers Whose Employers Have Wrongfully Not Secured Workers' Compensation Insurance	SP 759	4					Appointments not complete; per LCRED chairs, no plan to meet, as work is being conducted by Workers' Comp. Bd.
Commission To Study the Effects of Coastal and Ocean Acidification and Its Existing and Potential Effects on Species That Are Commercially Harvested and Grown along the Maine Coast	Resolve 110	at least 4	8/1/14 9/4/14 9/18/14 10/10/14 10/21/14 11/12/14	*12/1/14 (pending approval)	12/5/2014	Sen. Johnson Rep. Devin	Appointments complete; conducting work; subcommittees also meeting; prior request for 2 additional meetings approved; *approval of additional meeting request pending (12/1); draft report in progress
Maine Health Exchange Advisory Committee	HP 1136	at least 4	6/3/14 8/26/14 9/22/14 10/16/14		12/4/2013 (prelim.) 11/5/2014 (final)	Sen. Craven Rep. Treat	Work completed; report printed

2014 Interim Legislative Studies and Committee Meetings

Updated November 25, 2014

<u>Study/Committee</u>	<u>Citation</u>	<u>2014 Meetings Authorized</u>	<u>2014 Meetings Held</u>	<u>Scheduled Next Meeting Date(s)</u>	<u>Report Date</u>	<u>Chair(s)</u>	<u>Status Notes</u>
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ON-GOING LEGISLATIVE STUDIES

State Education and Employment Outcomes Task Force	PL 593	may hold 4 per year	8/11/14 9/29/14 10/20/14 11/17/14		11/1 annually extended to 12/1/2014	Sen. Patrick Rep. Berry	Work completed; request for extension of reporting deadline approved; draft report in progress
Legislative Youth Advisory Council	3 MRSA 168-B	may hold 2 per year			2nd Friday in February in even numbered years		Appointments not complete; has not convened
Right to Know Advisory Committee	1 MRSA 411	at least 4 per year	8/19/14 9/17/14 11/06/14 11/17/14		1/15 annually	Sen. Valentino	Work completed; draft report in progress
Citizen Trade Policy Commission	10 MRSA 11	at least 2 per year	6/26/14 10/7/14 11/20/14		annually	Sen. Jackson Rep. Treat	Conducting work; contract staff
Judicial Compensation Commission	4 MRSA 1701	N/A; funded from court system			12/15 biennially (due this year)		Appointments not complete; has not convened

2014 Interim Legislative Studies and Committee Meetings

Updated November 25, 2014

Study/Committee	Citation	2014 Meetings Authorized	2014 Meetings Held	Scheduled Next Meeting Date(s)	Report Date	Chair(s)	Status Notes
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AUTHORIZED COMMITTEE MEETINGS (other than AFA)

JUD Committee Study of Social Media Privacy in School and in the Workplace	Resolve 112	4			11/5/2014	Sen. Valentino Rep. Priest	Outside funding was not received; requests for interim committee meetings for this purpose were not approved
VLA meetings to consider casino market analysis of contractor	Resolve 111	up to 4	9/10/14 11/24/14	12/1/14	12/3/2014	Sen. Tuttle Rep. Luchini	Contract awarded for analysis of potential market for casinos; report to VLA anticipated by 9/1/14
ENR meeting for DEP and Maine Water Environment briefings		1	8/28/14		N/A	Sen. Boyle Rep. Welsh	Meeting approved 7/17/14
HHS meeting for DHHS updates/briefings		1	10/15/14		N/A	Sen. Craven Rep. Farnsworth	Meeting approved 6/25/14
LCRED meeting for Workers' Comp. Board briefing		1			N/A	Sen. Patrick Rep. Herbig	Meeting approved 6/25/14; meeting date TBD
ACF meeting regarding outcome-based forestry (off-site); meeting for CTPC presentation		2	9/3/14 9/24/14 11/20/14		N/A	Sen. Vitelli Rep. Dill	Meetings approved; request to POs to approve 3rd meeting to attend joint PH on 11/20/14 at invitation of CTPC approved
CJPS meeting for presentations from DPS and DOC			9/23/14				Meeting approved



EXECUTIVE DIRECTOR'S
OFFICE

2014 NOV -4 P 12: 26

STATE OF MAINE

ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE

COMMISSION ON INDEPENDENT LIVING AND DISABILITY

TO: The Honorable Mark W. Eves, Chair
The Honorable Justin L. Alfond, Vice-Chair
Members, Legislative Council, 126th Legislature

FROM: Senator Margaret M. Craven, Senate Chair *Sen Craven*
Representative Matthew J. Peterson, House Chair *Rep Peterson*
Commission on Independent Living and Disability

DATE: October 29, 2014

RE: Request for Extension of the November Reporting Deadline

The Commission on Independent Living and Disability (H.P. 1361) respectfully requests an extension of the November 5th report deadline to December 3rd. The Commission received its appointments in late September and worked to quickly secure ASL interpreters for each of its four meetings. To date, the Commission has held 2 meetings and intends to meet again on November 7th and November 20th to develop its final recommendations and report.

Thank you for your consideration.

cc: Grant Pennoyer, Executive Director
Marion Hylan Barr, OPLA Director

Sen. Christopher K. Johnson, Chair
Sen. Brian D. Langley
Susie Arnold
Mark Green
Jon Lewis
Kathleen Leyden
Larry Mayer
Susanne Miller

EXECUTIVE DIRECTOR
OFFICE

2014 NOV 12 A 10:01




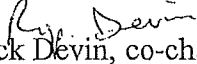
Rep. Michael G. Devin, Chair
Rep. Wayne R. Parry
Rep. Joan W. Welsh
Bill Mook
Richard Nelson
Joe Payne
Joseph Salisbury
Meredith White

STATE OF MAINE

**Commission to Study the Effects of Coastal and Ocean Acidification
and Its Existing and Potential Effects on Species That Are
Commercially Harvested and Grown along the Maine Coast**

MEMORANDUM

TO: Representative Mark W. Eves, Speaker of the House, Chair
Senator Justin L. Alfond, President of the Senate, Vice-Chair
Legislative Council
Grant Pennoyer, Executive Director, Legislative Council

FROM:  Senator Chris Johnson and  Representative Mick Devin, co-chairs
Commission to Study the Effects of Coastal and Ocean Acidification and its Existing and
Potential Effects on Species That Are Commercially Harvested and Grown along the
Maine Coast

DATE: 21 October 2014

RE: **Request for Approval of an Additional Meeting**

The Commission to Study the Effects of Coastal and Ocean Acidification and Its Existing and Potential Effects on Species That Are Commercially Harvested and Grown along the Maine Coast requests approval for one more meeting in addition to the six meetings already approved by the Legislative Council. Public Law 2013, c. 110 requires the commission to meet no fewer than 4 times over the interim and to submit its report to the Joint Standing Committee of Marine Resources by December 5, 2014. If approved, we plan to hold our final meeting on December 1, 2014.

The Legislative Council approved and budgeted for four commission meetings and approved an additional two meetings at the council's last meeting. As of today, we have met five times leaving us one more authorized meeting to finish up our work. While we have made great progress on developing our recommendations, we need to review new data that was presented at our last meeting and finalize the current 38 recommendations we have tentatively approved. We believe trying to accomplish all of this in one meeting is not feasible or prudent.

The Legislative Council authorized the commission to spend a total of \$3,050 (\$1,500 in General Fund money and \$1,550 in outside funding) to support its activities. To date we have expended \$1,010 of those dollars leaving a balance of \$2,040. Commission members have not been putting in for their expenses and have stated they do not intend to do so. We firmly believe that this amount

is more than enough to cover the expenses associated with the remaining authorized meeting and the extra meeting we are requesting today.

Thank you for your consideration of this request. If you have any questions, please do not hesitate to contact us.

cc: Members, Commission to Study the Effects of Coastal and Ocean Acidification and its Existing and Potential Effects on Species That Are Commercially Harvested and Grown along the Maine Coast
Marion Hylan Barr, OPLA Director



STATE OF MAINE
HOUSE OF REPRESENTATIVES
CLERK'S OFFICE

EXECUTIVE DIRECTOR'S State House Station
OFFICE Augusta, Maine 04333-0002

Robert B. Hunt

Clerk of the House Pro Tempore

2014 NOV 17 P 4: 33

November 20, 2014

The Honorable Mark Eves, Chair
Legislative Council
115 State House Station
Augusta, ME 04333-0115

Dear Chairman Eves:

The enclosed proposal regarding the Clerk's Office Legislative Document Service is hereby submitted for consideration by the Legislative Council for the First Regular Session of the 127th Legislature.

All items offered through this Service are available on the Legislature's website. We are encouraging clients to use the online service and as a result have had a steady decline in the demand for paper copies of several documents. We will continue to offer certain documents via e-mail at no cost. I have attached the order form for the upcoming session. Our prices remain the same as they were for the First Regular Session of the 126th Legislature.

Thank you for taking the time to consider this proposal. Please do not hesitate to contact me should you have questions or need additional information.

Sincerely,

Robert B. Hunt
Clerk of the House Pro Tempore

CC: Members of the Legislative Council
Enclosure

	126 th 2 nd session Rates	Proposed rates 127 th 1 st session
1. Bills & Resolves (L.D.s) FIRST CLASS – Mailed Daily	\$580.00	\$580.00
2. Bills & Resolves (L.D.s) THIRD CLASS – Mailed Twice Weekly	\$370.00	\$370.00
3. Bills & Resolves (L.D.s) PICKED UP IN DOCUMENT ROOM	\$210.00	\$210.00
4. Amendments –Mailed Weekly	\$140.00	\$140.00
5. Amendments PICKED UP IN DOCUMENT ROOM	\$84.00	\$84.00
6. Legislative Record (debate) FIRST CLASS	\$150.00	\$150.00
7. Public & Private & Special Laws, Resolves, & Constitutional Res. FIRST CLASS – Mailed Weekly	\$315.00	\$315.00
8. Weekly Legislative Report (listing of bills printed, enacted, and signed by Governor) FIRST CLASS MAIL	\$21.00	\$21.00
9. Joint Resolutions	\$84.00	\$84.00
10. Weekly Legislative Calendar (1 year subscription) FIRST CLASS MAIL	\$31.00	\$31.00
11. Roll Call Votes (House and Senate) PICKED UP IN DOCUMENT ROOM	\$30.00	\$30.00

2014 ANNUAL REPORT

LORING DEVELOPMENT AUTHORITY OF MAINE



PARAGRAPH 1A: DESCRIPTION OF THE AUTHORITY'S OPERATIONS

Loring Development Authority (LDA) is responsible for the redevelopment of the properties formerly comprising the Loring Air Force Base, for the purpose of creating new jobs and new economic activity following the base's closure. Accomplishing that mission requires LDA to manage the 3,700-acre business-commercial and industrial park including a 1,600-acre aviation complex; serve as landlord to leasehold businesses and supply municipal-type services to 430 residents and to 22 businesses that collectively employ approximately 980 people and occupy 1.6 million square feet of space in nearly 80 major buildings. LDA operates a water treatment plant, water distribution system, a wastewater collection system, and a fire department; maintains and plows 26 miles of roadways; performs grounds maintenance on hundreds of acres of developed and developable property; and provides for ambulance services, law enforcement services and wastewater treatment; and works with prospective businesses to develop opportunities to reuse additional facilities and properties, create additional employment and economic activity both at Loring and in the broader region.

Employers at Loring represent industrial, manufacturing, agriculture, forestry, energy, telecommunications, commercial, back-office, education, recreation, conservation and aviation sectors. A profile of the employers at Loring, included in Addendum-4 at the end of this report, illustrates the significant level and diversity of economic activity generated by the reuse of facilities at Loring Commerce Centre.

FISCAL YEAR 2014 ACCOMPLISHMENTS

The following summarizes the LDA's accomplishments for fiscal year 2014, which support its primary mission of job creation and facility absorption on Loring Commerce Centre.

BANGOR GAS/PENOBSCOT NATURAL GAS. Bangor Gas acquired the leasehold interest to the LDA's Searsport to Loring jet fuel pipeline and has worked on its incremental reactivation. In the first phase, 62 miles of the pipeline was activated, from Bangor to Madawamkeag. Bangor Gas then built a lateral to bring natural gas to Lincoln Paper and Tissue, and to the Lincoln community; service is scheduled to begin by November 2014. Phase two includes reactivation from Bangor to Searsport, with the rebuild of rectifier sites in Searsport, Hampden and Lincoln. Phase three would be to place the pipeline into service from Madawamkeag to Houlton in 2015.

LORING HOLDINGS, LLC. Loring Holdings is working on two projects. Anchor Power, a combined heat and power (CHP) plant at Loring that is to be powered by piped natural gas and Maine Power Express, a DC power converter plant with a transmission line to southern New England. The CHP project includes 65MW of cogeneration base load power and potentially steam or thermal byproduct. A new natural gas pipeline would supply gas to the plant and to other customers in the region. The Maine Power Express project would bring clean energy from

northern Maine and Canada to southern New England. A 390 mile underground DC transmission line, from Loring to Boston, and two converter stations would be constructed. The energy projects would utilize the pipeline corridor; LDA would be compensated for new uses in the corridor.

NORINCO MOTORS, INC. Norinco Motors, a very large diversified Chinese company that manufactures a variety of vehicles and equipment, believes it has an opportunity to manufacture railcars at Loring. The project would help fill the demand for new railcars that will meet new safety standards in Canada and the United States. Loring has the physical assets and labor force needed to support such a manufacturing operation. A Memorandum of Understanding between Norinco, LDA and the Maine Military Authority (MMA) was signed during a visit to China. Governor Paul LePage and representatives of LDA, MMA, MDOT, and the Governor's staff met with Norinco representatives in China; the parties worked to establishing the foundation necessary to move the project forward. Rail service to Loring will need to be reestablished for this project.

LORING INDUSTRIES, INC. The newly created entity could pursue business opportunities with various partners such as Norinco. The partners could include private investors and the LDA could participate as an equity holder, exchanging a portion of the value of our property for an equity stake. This concept is not typical for LDA but it may provide a new means for us to pursue business opportunities.

GLOBAL MEGA RECYCLE (GMR). GMR has been pursuing plans to establish a tire and plastics recycling plant using the former Alert Hangar complex, building 8410. GMR holds a nine-month lease option for the building. The option period will allow the company to secure customers and complete due diligence including working with DEP to ensure compliance with environmental regulations. While the project is not large enough to justify an investment to reactivate the rail line serving Loring, if the line were activated for another customer, GMR would likely make use of railway service.

MAINE MILITARY AUTHORITY (MMA). The reduction of operations at MMA resulted in the layoff of about two thirds of the existing workforce, or 140 people, in early October 2013. Recent building and production line upgrades performed by MMA on former warehouse buildings provide a "linear" production process adding more streamlined efficiencies to the vehicle rebuilding process. New efficiencies helped MMA secure \$19 MM contract with the Massachusetts Bay Transit Authority to rebuild articulating buses. With this new contract, MMA has established itself as a non-military rebuild facility. This work will help to offset continued declines in military rebuild work. At this level, additional employees and facilities will not be needed, but that could change if additional work is secured. MMA is working diligently to land other contracts.

VISIT FROM THE FEDERAL AVIATION ADMINISTRATION (FAA). The Regional Administrator for the FAA visited Loring during a tour of the aviation facilities in the region. Loring International Airport is private and receives no funding from the FAA. The FAA administrator inquired about Loring's interest in the proposed six designated unmanned aircraft sites. Unmanned aircraft (UAV) testing is a good example of a perfect use for Loring's airfield, but the LDA does not have the financial support to establish a test center that could compete with proposals being submitted by states that are the leaders in UAVs. The State of Maine has a potential interest in a statewide initiative but inadequate financial support has limited the effort to stand up an unmanned aircraft testing center.

AIRSPACE WORKING GROUP. In October 2013, prior to any public knowledge of FAA's plans to designate six test ranges, as a development project encouraged by the Mobilize Maine initiative, a working group was formed to explore the potential for UAV testing at Loring.

ALTAEROS ENERGIES. Altaeros, a small development stage company with roots at MIT, conducted tests of its airborne wind turbine using Loring's Arch Hangar and airfield in the past two years. Altaeros' innovation is a wind turbine in a helium-filled housing, marketed as a "BAT", a buoyant airborne turbine. The device can be deployed and retrieved quickly and moved from place to place making it ideal for military operations in forward areas or as a replacement for diesel generators in remote areas not served by transmission lines. Other important advantage are that BATS produce two times more energy than standard wind turbines there is no capital tied up in the construction of large towers as traditional turbines require. Altaeros expects to deploy BATS in Alaska. The company was very pleased with the Loring Commerce Centre as a test site and indicated its interest in returning for future research and testing operations should the need arise.

THREE RING BINDER PROJECT. In July 2013, LDA hosted the Maine Fiber Company and Tilson Technologies ribbon cutting ceremony for the 3 Ring Binder (3RB) kick off in Aroostook County. Federal funding dedicated to upgrading the communication infrastructure in rural areas made the 3RB project a reality in Maine. Maine Fiber Co. installed dark fiber (144 and 288 strand fiber optic cable) in selected areas in the state including the Loring campus, making dark fiber available at competitive rates, which is good for businesses using high volumes of data. Most of Loring's business locations are within a few hundred feet of this new resource. More information can be found at the Maine Fiber Company web site: www.maineiberco.com

TIN CUP LAND COMPANY. Tin Cup Land Company, owners of the residential units at Loring and the Limestone Country Club, decided last year to dissolve the company, divide its interests and obligations and create two separate businesses. Crossroads Land Company received the deed to the residential units and Phairways Enterprises entered into a lease for the golf course and country club. [Subsequently, the new companies, now facing unexpected difficulties, have decided that they will not be able to continue operations and are working with LDA to transition the businesses to new operators. Tentatively, LDA will operate the residential business until another operator is in place and a new lease is currently being developed with a new party for the operation of the country club.]

NORTHERN GIRL, LLC. Northern Girl, an organic vegetable processing company, leased the kitchen area of Loring's NCO Club allowing it to start operations while its facility in Van Buren was constructed. The company relocated to its new facility this year, but continues to have an interest in a regional food hub and a shared kitchen, which would make use of the NCO facility.

ROOSTOOK CAR CLUB. Roostook Car Club, a model car racing group, is leasing space in Building 6540 for their racing events. The dedicated group of volunteers and hobbyists hope to develop their hobby into a business as interest in model car racing grows.

LORING MILITARY HERITAGE CENTER (LMHC). The LMHC, a museum of Loring's military heritage, hosted a very successful open house this summer, bringing many people to Loring.

LAND SPEED RACING. Loring Timing Association (LTA) has been hosting land speed racing events at Loring for five years without incident, but last summer a tragic accident claimed the

life of William Warner. Mr. Warner was revered within the racing community for his accomplishments and dedication to the sport of land speed racing.

LDA Trustees examined the race events, the effect of the events on the local economy, the attention they bring to Loring and to northern Maine and the LTA's safety program. The Rules & Regulations for the LTA events parallel or exceed the rules of the older East Coast Timing Association race events. The accident which occurred was most likely a result of equipment failure. Loring events draw about 1,200 visitors to the area over the course of a weekend in July, providing a benefit to local businesses and the vendors that service the event. The event is primarily a New England event with 40% of the racers coming from Maine. The event has brought Loring's facilities and airfield to the attention of additional companies interested in automotive product testing, research and development.

AUTOCROSS EVENT. Cumberland Motor Club Inc. held another successful autocross precision driving event at Loring this year. The event consisted of automobiles, including high performance cars, being operated within a defined course. Although the race events do not attract huge crowds they do bring visitors to the area who provide increased traffic to restaurants, hotels and other businesses.

PROSPECTS. Active prospects include various aircraft companies, a buildings products company, a company seeking to do rocket launches, a data center, a small food processor, and some MMA projects that require LDA collaboration.

WATER SUPPLY SYSTEM UPGRADES. LDA and the Air Force entered into a Memorandum of Agreement, which included a payment to LDA of \$1.5 million for upgrades to the water treatment plant and distribution system. The MOA and payment addresses the Air Force's responsibility to provide potable water to Loring, where groundwater contamination prevents the use of wells. The funding matched a \$1,132,000 grant from the Economic Development Administration (EDA). The grant provides for 50% of the costs of a \$2,264,000 project to upgrade Loring's drinking water treatment infrastructure. Phase one upgrades the treatment system and is intended to improve water quality. This phase along with the rebuilding of the fishway on the water impoundment dam was completed last year. Phase two nears completion; it includes the repair of the concrete weir and intake structure, additional upgrades to the treatment system and facility improvements.

EDA VISIT. The Regional Director for EDA visited Aroostook County recently and stopped at Loring to discuss past projects and potential future funding opportunities. He toured facilities improved with EDA assistance and expressed his interest in continuing to support development efforts at Loring; he encouraged LDA to bring larger-scale projects forward for consideration.

SMALL BUSINESS FACILITIES UPGRADES. LDA's \$1 million Small Business Administration (SBA) earmark grant is funding improvements to facilities for small business uses; energy efficiency is a project priority. The work nears completion.

INFLOW AND INFILTRATION (I/I) REDUCTION AT LORING COMMERCE CENTRE. Reduction of the I/I of ground and surface water in Loring's wastewater collection systems is an ongoing project. The first three phases of the sewer line replacement project are complete, but much work remains to be completed. A large rain event maxed out the sewer line's capacity and clearly demonstrated that the LDA needs to continue to the next phase of I/I reduction work. A

small project, approximately \$73,500, will be completed this fall to replace infrastructure with the significant I/I.

LORING INFRASTRUCTURE FUNDING. Legislation to authorize a \$50 million state bond for infrastructure and site improvements at two former military installations was developed but was not moved forward for the bond referendum; the bond could move forward in the next legislative session. Three years ago LDA financed the paving of approximately 10% of Loring's roadways at a cost of \$350,000. LDA held discussions with state officials about the potential for the LDA to obtain funding from a future bond issue for on-going roadway re-surfacing and maintenance. The transportation bond issue is the most likely vehicle to provide such funding as Loring's roads are considered "private" and therefore, are on the same legal footing as the streets through a Maine University campus.

ENERGY COSTS REDUCTION. An energy audit identified potential for energy savings for LDA buildings. A variety of energy alternatives were identified as potential means to reduce energy costs for the LDA. One option, Compressed Natural Gas (CNG), costs about 70% of fuel oil, but was not selected because it requires significant upfront equipment and installation costs. Propane was also considered, with lower installation costs than CNG, attractive current pricing for commercial customers and a very short payback period; propane was installed at two buildings and is being considered for other buildings as funding allows. Pellets are another option with a pay back of a few years and a cost of about 50% of fuel oil; pellet burners supply heat at two buildings where the LDA simply purchases heat from the owner/operator of the pellet systems.

MARKETING EFFORTS

ADVERTISING. The LDA participates in a hard copy and digital campaign through the Maine Economic Development Guide, an official publication of the Maine Department of Economic and Community Development. The ad appears in the hard copy magazine and in the online guide at businessclimate.com/maine. Advertisements were created in-house and provided electronically to publishers.

An advertisement/sponsorship for radio coverage and a printed ad were purchased for the annual Limestone 4th of July Festivities. Print ads were also placed in a Fort Fairfield publication.

WEBSITE. A new Loring.org website has been completed and seamlessly launched, with a simplified layout and quick access for browsers. The site was designed to provide downloadable data for available facilities, up-to-date information, ease in making in-house changes and an efficient delivery of board meeting documents.

PROMOTING LORING

Loring's facilities, attributes and contact information are available on numerous business development websites such as The Maine Chamber, Maine Better Transportation Association, The Yellow Pages online, www.aviationacres.com and other aviation interests.

Following a request for proposals to provide real estate services, the LDA signed an Exclusive Right to Sell Listing Agreement with Re/Max Central to provide Sales Agent services and exposure on the Multiple Listing Service for designated Loring properties. The goal is to

promote Loring properties, for sale or lease, to the widest possible audience. For properties not specifically listed, LDA maintains an "Open Listing" and encourages all real estate brokers to bring prospective purchasers or commercial lessees to Loring.

PUBLIC OUTREACH

STAKEHOLDER & BUSINESS DEVELOPMENT MEETINGS. The LDA President & CEO regularly leads tours and presents Loring's buildings and assets to potential tenants and visitors. He also promotes Loring and northern Maine when participating in speaking engagements and meetings regionally and state-wide.

PUBLIC BOARDS AND AFFILIATIONS. The LDA President & CEO serves in a voluntary capacity on regional and state-wide Boards, networking within various communities and acquainting people with Loring Commerce Centre, the State of Maine's largest industrial, business and aviation complex.

OTHER ACTIVITIES & EFFORTS

MISSILE DEFENSE. LDA worked with the Department of Defense as it considered Loring as a potential location for a ground-based missile interceptor site. Although Loring was considered, an alternate site was selected.

REAL ESTATE BROKERS. LDA selected Re/Max to list some facilities in an Exclusive Listing contract for selected commercial properties. An exclusive listing opportunity provides an incentive for the selected broker to promote Loring properties, increasing potential sales. The exclusive listing contract is for specific properties. An Open Listing is maintained for properties not specifically listed.

LIMESTONE REAL ESTATE TAXES. The town of Limestone bore a large share of the impact of the closure of Loring Air Force Base and could not absorb the cost of providing municipal services at the 8,700 acre commerce center. LDA provides those services at Loring but does not have the ability to levy taxes. When a property at Loring is sold it becomes a part of the Limestone tax base. LDA Trustees and members of the Limestone Select Board began discussing a gain-sharing arrangement to assist with the costs of municipal services at Loring.

MOBILIZE MAINE. LDA continues to collaborate with DECD and the Northern Maine Development Commission (NMDC) on the Mobilize Maine effort – a proactive, assets based grassroots approach to economic development. The asset mapping component has been completed. DECD, Fairpoint Communications and the six economic development districts identified renewable energy and information technology as two areas of economic promise for Aroostook County. LDA's President & CEO is a member of the Mobilize Northern Maine group and serves on its committee for the Renewable Energy cluster. An information technology cluster is examining ways to utilize Aroostook's comparative advantage in the area of fiber optics for data farms and other IT related businesses.

LEAD-LEADERS ENCOURAGING AROOSTOOK DEVELOPMENT. LDA President Carl W. Flora serves on the Board of Directors of LEAD.

KEEPING INFORMED. When relevant to the LDA's activities, LDA staff members actively participate in community and state economic development efforts, serving on various boards,

attending workshops, development forums and trainings, keeping abreast of programs and other opportunities available to businesses.

LDA FUNDING

STATE OF MAINE. DECD was able to identify funding assistance of \$175,000 to support newly developing manufacturing projects, including the Norinco and GMR projects. The State did not provide financial support for operating expenses at the Loring Applied Technology Center through fiscal year 2014.

TAX INCREMENT FINANCING FUND. The Loring Tax Increment Financing (TIF) Program allows the LDA to receive 50% of the Maine State Income Tax withheld from incremental jobs created at the Loring Commerce Centre. Contributions to this fund for fiscal year 2013 totaled \$777,444. These funds are used to fund municipal service costs and maintenance of public infrastructure.

PROPERTY SALE, LEASE, MUNICIPAL SERVICES AND MISCELLANEOUS REVENUES. During fiscal year 2014, the LDA received revenues from its tenants, from the sale of land and personal property and from miscellaneous revenues in the amount of \$1,946,413.

KATAHDIN TRUST COMPANY. LDA has two lines of credit from Katahdin Trust Company to assist in the management of cash flow; one line for \$1,000,000 and the second for \$250,000. At the end of FY 2014, funds advanced under the line of credit totaled \$957,000. This debt was retired in July 2014.

SBA GRANT. In FY11 LDA secured a \$1 million federal appropriation which is administered through a grant from the Small Business Administration. The funding is for the upgrading of facilities in support of small businesses; the project is close to completion.

EDA GRANT. In FY11 LDA was awarded \$1,132,000 from the Economic Development Administration for the upgrade of Loring's water supply infrastructure; about 95% complete.

2015 FUNDING. In order for LDA's 2015 budget to work, LDA needs to raise \$400,000 beyond operating revenues this year and potentially for the next two years. LDA is working with Katahdin Trust Company to secure a \$1,200,000 loan. The \$1.2M loan would be drawn down over three years, as needed. The sale of future pipeline lease revenue was also considered, but that is a more complex transaction and finding an interested company is difficult, so a loan is the preferable option. The loan would be collateralized by the stream of payments from the pipeline lease.

STATE OF MAINE
126th LEGISLATURE
SECOND REGULAR SESSION

EXECUTIVE DIRECTOR'S
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Final Report
of the
COMMISSION TO CONTINUE THE STUDY
OF LONG-TERM CARE FACILITIES

November 2014

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Executive Summary

The Commission to Continue the Study of Long-term Care Facilities was established by Public Law 2013, chapter 594, section 6. The Commission continued the work of the Commission to Study Long-term Care Facilities that was formed pursuant to Resolve 2013, chapter 78 and met during the interim of 2013. The duties established in Public Law 2013, chapter 594, section 6, subsection 4 were to study the following issues in the long-term care system:

- Funding for long-term care facilities, payment methods and the development of a pay-for-performance program to encourage and reward strong performance by nursing facilities;
- Regulatory requirements other than staffing requirements and ratios;
- Collaborative agreements with critical access hospitals for the purpose of sharing resources;
- The viability of privately owned facilities in rural communities;
- The impact on rural populations of nursing home closures; and
- Access to nursing facility services statewide.

The Commission is required to submit a report, with findings and recommendations, including suggested legislation, to the Health and Human Services (HHS) Committee by November 14, 2014. The Commission established a technical subcommittee on reimbursement issues that met twice. The full Commission met four times and developed the following specific recommendations.

1. Convene a technical work group to examine rate-setting. Recommend that the HHS Committee send a letter to the Department of Health and Human Services (DHHS) requesting that the department convene a technical work group of stakeholders to examine the following components of rate-setting in order to develop a logical proposal:

1. The wage index for direct care;
2. The development of a wage index for routine care;
3. The suitability of the current four labor regions;
4. Extraordinary circumstances; and
5. Acuity.

The technical work group must report its findings to the HHS Committee no later than January 1, 2016. The work group must retain the values surrounding access, adequate reimbursement for direct care and quality. Vote: 10 in favor; 1 absent.

2. Develop a policy for complex-needs patients. Recommend that the technical work group also include discussions and policies to include eligibility and reimbursement for complex-needs patients currently in out-of-state facilities or in hospitals. Vote: 10 in favor; 1 absent.

3. Convene a work group to develop pay-for-performance models with new money. Recommend that the HHS Committee send a letter to DHHS requesting that the department

convene a work group of a broad range of stakeholders to develop appropriate pay-for-performance models to be applied to the industry with new money. Stakeholders must include DHHS, nursing facilities, the Ombudsman program and organizations devoted to quality such as the Culture Change Coalition, Health Centric Advisors and Local Areas Networks of Excellence. When the work group has completed its work, it must meet with the technical work group to determine financing specifics. The work group recommendations and financing specifics must be included in the report to the HHS Committee no later than January 1, 2016. Vote: 10 in favor; 1 absent.

4. Provide a financial picture of the nursing facility industry. Recommend that the HHS Committee send a letter to DHHS requesting the department require facilities to provide a balance sheet and income statement with “vital signs” data including measures of financial condition (liquidity, debt, capital structure including age of the facility), provider subsidies and state shortfalls for direct care and routine cost funding, charity care, bad debt, investment earnings, donations and any other federal or state funding. DHHS would de-identify the facilities and aggregate the data into a publicly accessible financial picture of the industry. Vote: 9 in favor; 1 against; 1 absent. (The Commission member who voted against the motion supports the substance of the recommendation but opposes the request by letter, preferring legislation.)

5. Provide a history of the combination of the health care provider tax and General Fund contributions to MaineCare seed funding. Recommend that, in addition to the financial information in the recommendation above, the letter to DHHS requests that the department makes available to the Legislature and interested parties a history of the combination of health care provider tax collection and General Fund contributions to MaineCare seed funding. (This vote was combined with the vote above on financial information.)

6. Seek assistance to improve options for pursuing unpaid cost of care. Recommend that the HHS Committee write a letter to the Office of the Attorney General requesting assistance in considering available options for pursuing unpaid cost of care from families, guardians and powers of attorney and developing new strategies that may require legislative action to increase accountability. The Commission recognizes that the cost of legal fees for the collection of bad debt is currently an unreimbursed burden for long-term care facilities. In addition, the Commission believes allowing organizations, agencies and facilities to claim court costs as reimbursable costs for unpaid MaineCare debt should be considered. Vote: 10 in favor; 1 absent.

7. Restore crossover payments to nursing facilities. Recommend the restoration of crossover payments to nursing facilities for Qualified Medicare Beneficiaries that were cut in Public Law 2013, chapter 368. Vote: 10 in favor; 1 abstention.

8. Include continuing education for direct care staff in direct care costs. Recommend that the cost of continuing education for direct care staff be included in direct care costs rather than routine costs. Vote: 10 in favor; 1 absent.

9. Lower the threshold for occupancy adjustments. Recommend that the Principles of Reimbursement for Nursing Facilities, chapter 101 of the MaineCare Benefits Manual, Chapter III, Section 67, be amended so that the requirement for occupancy adjustments (penalties) is dropped to 80% of bed capacity for nursing facilities with more than 60 beds and to 75% for facilities with 60 beds or less. Vote: 9 in favor; 2 absent.

10. Initiate a Maine-focused time study to reflect staff time with patients with dementia. Recommend that DHHS initiate a process that would result in a time study for Maine long-term care facilities reflecting the amount of time to support quality care for patients with dementia. Vote: 10 in favor; 1 absent.

11. Develop a critical access nursing facility designation. Recommend that DHHS develop a critical access nursing facility designation using criteria that is sensitive to the unique remote access challenges in Maine and is an allowable exception to MaineCare budget neutrality, and implement the program by April 15, 2015. Vote: 11 in favor.

12. Develop a procedure when bed rights are relocated. Recommend that the HHS Committee send a letter to DHHS requesting that the department develop and implement a procedure for considering when a nursing facility wants to close or reduce active nursing facility capacity due to the sale or transfer of bed rights; relocate beds to another facility under common ownership; or convert nursing facility beds to residential care beds. The report must include how the procedure could relate to the Certificate of Need process. The report is due to the HHS Committee no later than April 15, 2015. As part of the approval process, analysis will include:

1. The population aged over 65 and over 85;
2. Acuity average in the facility;
3. The number of nursing facility beds in the county;
4. Out-migration and in-migration trends;
5. Travel distance to the nearest nursing facility;
6. Occupancy data including the percentage of MaineCare occupancy;
7. Quality date (federal Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare);
8. Workforce availability;
9. Travel distance to other community resources such as residential care, assisted living facilities, independent housing with services, adult family care homes, and home and community-based care.
10. Economic impact on the county; and
11. Other factors affecting access to nursing facility beds or home based care.

Vote: 11 in favor.

13. Review recommendations in the Center for Long-term Care Reform. Recommend that the HHS Committee send a letter to DHHS requesting that the department review and take into consideration the findings and recommendations in the Center for Long-term Care Reform reports, including, but not limited to, enhancing MaineCare's estate recovery program, reviewing eligibility requirements for MaineCare's long-term care programs, and initiating public awareness about financial planning for long-term care. The Commission further recommends

that, in the letter, the HHS Committee ask the department to report back during the 127th Maine Legislature with an update on efforts relating to financial eligibility for MaineCare's long-term care program. Vote: 11 in favor.

14. Support the Maine Aging Initiative. Recommend sending a letter to Speaker Eves expressing the Commission members' support for the Maine Aging Initiative and its efforts to address issues surrounding Maine's aging population, including long-term care challenges. Vote: 11 in favor.

15. Support DHHS's comprehensive planning for the continuum of care. Recommend that DHHS continue on its course of comprehensive planning for the continuum of care, recognize and seek to address current gaps and shortcomings in those plans and also acknowledge that other entities, such as housing for the elderly and/or disabled, play a part and should be considered in the statewide plan. The Commission also recommends that that the HHS Committee send a letter to DHHS requesting that the department consult and work in partnership with the Maine Aging Initiative in this regard and report back to the HHS Committee no later than February 15, 2015, with an update on the State of Maine's continuum of care planning efforts. Vote: 11 in favor.

16. Increase the personal needs allowance. Recommend the personal needs allowance for persons residing in nursing facilities increase from the current \$40 per month to \$50 per month and for persons residing in residential care from \$70 per month to \$90. Vote: 9 in favor; 2 absent.

STATE OF MAINE
126th LEGISLATURE
SECOND REGULAR SESSION

EXECUTIVE DIRECTOR'S
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2014 NOV 19 A 10: 1.2

Final Report
of the
Maine Health Exchange Advisory Committee

November 2014

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Sen. Margaret M. Craven, Co-chair
Rep. Sharon Anglin Treat, Co-chair

Sen. Rodney L. Whittemore

Rep. Michael D. McClellan

Rep. Linda Sanborn

Christine Alibrandi

John Benoit

John Costin

Bob Dawber

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EXECUTIVE SUMMARY

The Maine Health Exchange Advisory Committee was established by Joint Order, H.P. 1136, to advise the Legislature regarding the interests of individuals and employers with respect to any health benefit exchange that may be created for this State pursuant to the federal Patient Protection and Affordable Care Act. In December 2013, the Advisory Committee submitted a preliminary report to the Legislature. The preliminary report is found at <http://www.maine.gov/legis/opla/MHEAC2013Report.pdf>. This is the final report of the Advisory Committee.

Senator Margaret M. Craven and Representative Sharon Anglin Treat served as the Senate and House chairs of the Advisory Committee. As required by the Joint Order, the Advisory Committee has 18 members: 5 Legislators representing the Joint Standing Committees on Insurance and Financial Services, Appropriations and Financial Affairs and Health and Human Services; 6 members appointed by the President of the Senate; and 7 members appointed by the Speaker of the House of Representatives. While the Joint Order directed the President of the Senate and the Speaker of the House of Representatives to invite the Superintendent of Insurance and Commissioner of Health and Human Services or their designees to participate as ex officio nonvoting members, the Governor declined to appoint any representatives of the Administration to serve on the Advisory Committee.

During 2014, the Advisory Committee met 4 times: June 3, August 26, September 22 and October 16. All of the meetings were held in the Room 228 at the State House in Augusta and open to the public. Live audio of each meeting was made available through the Legislature's webpage. The Advisory Committee also posted agendas, meeting materials, links to related resources and audio recordings of selected committee meetings to its website, <http://www.maine.gov/legis/opla/healthexchangeac.htm>.

The Advisory Committee monitored the operations of Maine's federally-facilitated marketplace (FFM) and the coordination between the FFM, the Medicaid program, the Bureau of Insurance and the qualified health plans operating in Maine on and off the FFM. The Advisory Committee also focused on the consumer outreach and assistance resources available to individuals and small businesses and the effectiveness of those resources.

The Advisory Committee received an update at each meeting from Christie Hager, Region One Director for the United States Department of Health and Human Services. Ms. Hager was a valuable resource to the Advisory Committee and an important link for information on federal implementation efforts for the FFM in Maine and other provisions of the federal Affordable Care Act. The Superintendent of Insurance, Eric Cioppa provided updates at each meeting on the regulatory activities of the Bureau of Insurance with regard to the FFM and oversight of qualified health plans. The Advisory Committee also received presentations on the medical and dental plans available through the FFM in 2014 (and expected in 2015) from representatives of Anthem Health Plans of Maine, Maine Community Health Options, Northeast Delta Dental and Harvard Pilgrim Health Care.

The Advisory Committee discussed consumer outreach and enrollment assistance issues with representatives from Western Maine Community Action, Maine Health Access Foundation, Consumers for Affordable Health Care and Maine Equal Justice Partners. Finally, the Advisory Committee discussed the Basic Health Program and other coverage options with Jessica Schubel from the Center for Budget Policies and Priorities.

The Advisory Committee was disappointed that representatives of the Department of Health and Human Services did not attend any meetings or make presentations as requested. Although DHHS did submit written information in response to requests from the Advisory Committee, the lack of full participation affected the Advisory Committee's discussions.

Pursuant to H.P. 1136, the Maine Health Exchange Advisory Committee was directed by the Legislature to consider the issues described below. Based on its review and discussions, the Advisory Committee makes the following findings and recommendations.

1. Whether Maine's federally-facilitated marketplace is effective for individuals and small businesses and whether the State should transition to a partnership exchange or state-based exchange in the future.

Recommendation: The Advisory Committee recommends the State continue with a Federally-Facilitated Marketplace in Maine in 2016, but the Legislature should continue to monitor the operations of the FFM and, after the 2015 enrollment period, assess whether any changes can be made to make the Marketplace more effective for individuals and small businesses.

2. Evaluate the implementation and operation of any exchange with respect to the essential health benefits benchmark plan designated in this State under the federal Patient Protection and Affordable Care Act, including whether the State should change its designation.

Recommendation: Since the current Essential Health Benefits package maintains the status quo and incorporates mandated health benefits previously enacted by the Legislature, the Advisory Committee does not believe changes are needed to Maine's designated benchmark plan.

3. Evaluate the impact of federal and state laws and regulations governing the health insurance rating for tobacco use and coverage for wellness programs and smoking cessation programs on accessibility and affordability of health insurance.

Recommendation: While there are some differences in the coverage provided, the Advisory Committee believes Maine's insurers are complying with the requirements for coverage of tobacco cessation benefits. At this time, the Advisory Committee does not recommend any policy changes to Maine's law relating to tobacco rating, but the impact of tobacco rating should continue to be monitored for its effect on the accessibility and affordability of health insurance.

4. Evaluate the consumer outreach and enrollment conducted by the exchange and whether the navigator program is effective and whether navigators or other persons providing assistance to consumers are in compliance with any federal or state certification and training requirements.

Recommendation: The Advisory Committee believes that consumer outreach and enrollment efforts in Maine have been successful despite limited federal resources. However, the Advisory Committee believes additional resources are needed to enhance the consumer education, outreach and assistance efforts currently being provided and the Advisory Committee supports continued federal funding for navigators.

5. Evaluate the coordination between the state Medicaid program and the exchange.

Recommendation: The Advisory Committee has had limited information about the coordination of the Medicaid program and Maine's FFM. In order to assess the implementation of the Marketplace and the relationship between the Marketplace and the State's MaineCare program, the Advisory Committee recommends that uniform data elements and common definitions be

developed for use, to the extent possible, by the Department of Health and Human Services, Bureau of Insurance, state agencies, navigators, certified application counselors and other entities to collect and report data.

Recommendation: The Advisory Committee recommends notices sent by DHHS must provide accurate information on all of the coverage options, all of the ways consumers can apply for coverage and all of the resources available to the consumer for assistance in evaluating health coverage options.

6. Evaluate whether health insurance coverage through the exchange is affordable for individuals and small businesses, including whether individual subsidies are adequate.

Recommendation: The Advisory Committee supports providing access to affordable health care coverage for all Maine people as well as the goal of reducing the uninsured and would support policy changes that would close the coverage gap as soon as possible and expand access to affordable health coverage.

7. Evaluate whether the exchange is effective in providing access to health insurance coverage for small businesses.

Recommendation: Because full implementation of the SHOP Marketplace through healthcare.gov was delayed in FFM states until 2015, it is premature for the Advisory Committee to assess the effectiveness of the FFM model for small businesses. The Legislature should monitor the operations of the SHOP in Maine and, after the 2015 enrollment period, assess whether any changes can be made to make the Marketplace more effective for small businesses.

8. Evaluate the implementation of rebates under the federal Patient Protection and Affordable Care Act and the Maine Revised Statutes, Title 24-A, section 4319.

Recommendation: As implemented so far, the minimum medical loss ratio standards and the rebate provisions of federal and state law appear to have had a positive impact on Maine's health insurance market. The Advisory Committee acknowledges that the results for the 2014 plan year may be more complicated due to the impact of the transitional federal risk adjustment programs on health insurance companies.

9. Evaluate the coordination of plan management activities between the Department of Professional and Financial Regulation, Bureau of Insurance and the exchange, including the certification of qualified health plans and rate review.

Recommendation: The Advisory Committee believes current coordination of plan management activities by the Bureau of Insurance with the FFM has been effective for the health plans operating in Maine as well as for Maine insurance consumers. The Advisory Committee does not recommend any changes to this oversight structure at this time but recommends the Legislature's Joint Standing Committee on Insurance and Financial Services monitor the relationship of the FFM with the Bureau of Insurance and determine whether a future transition to a formal partnership model would provide any added benefit.

10. Study the basic health program option, as set forth in the federal Affordable Care Act and make recommendations as appropriate, that examine the potential for establishing a basic health

program for eligible individuals in order to ensure continuity of care and that families previously enrolled in Medicaid remain in the same plan.

Recommendation: Without additional information about the feasibility of a Basic Health Program or other alternatives, it is premature for the Advisory Committee to make a specific policy recommendation. Instead, the Advisory Committee recommends the State conduct an independent study of the feasibility of operating a Basic Health Program as well as other alternatives for coverage.

11. Evaluate the continued necessity of a state health exchange advisory committee, including, including the staffing and funding needs of such an advisory committee and recommend, whether such an advisory committee should be established by the 127th Legislature and whether any changes should be made to the Maine Revised Statutes governing such an advisory committee.

Recommendation: The Advisory Committee recommends the Legislature establish a permanent state health exchange advisory committee.

In addition to the specific issues the Advisory Committee was directed to consider by Joint Order, H.P. 1136, the Advisory Committee also discussed issues related to the implementation and operation of Maine's Federally-Facilitated Marketplace and makes the following additional recommendations.

Recommendation: The Advisory Committee recommends the tax reconciliation process for enrollees in Maine's Federally-Facilitated Marketplace and the exemption process for Maine residents eligible to claim an exemption from the shared responsibility requirement of the federal Affordable Care Act be simplified and streamlined.

Recommendation: The Advisory Committee recommends the Joint Standing Committee on Insurance and Financial Services and any future Advisory Committee gather information about the impact of provider networks on access to health care services with regard to "surprise" bills from out-of-network health care providers for services received in in-network hospitals, looking specifically at emergency services and ancillary services provided in in-network hospitals.

Pursuant to the Joint Order establishing the Advisory Committee, this is the final report of the Advisory Committee. However, the Advisory Committee believes there is an ongoing need for an advisor and liaison to the Governor, the Legislature and the federal Government as implementation of the federal Affordable Care Act continues in Maine. The Advisory Committee urges the Legislature to support its recommendation to establish a permanent advisory committee.