

# MAINE STATE LEGISLATURE

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SEN. MICHAEL D. THIBODEAU  
CHAIR

REP. MARK W. EVES  
VICE-CHAIR

EXECUTIVE DIRECTOR  
GRANT T. PENNOYER



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

SEN. GARRETT P. MASON  
SEN. ANDRE E. CUSHING  
SEN. JUSTIN L. ALFOND  
SEN. DAWN HILL  
REP. JEFFREY M. MCCABE  
REP. SARA GIDEON  
REP. KENNETH W. FREDETTE  
REP. ELEANOR M. ESPLING

**127<sup>th</sup> Legislature  
Legislative Council**

**January 29, 2015  
1:30 PM**

**REVISED AGENDA**

<b><u>Page</u></b>	<b><u>Item</u></b>	<b><u>Action</u></b>
	<b>CALL TO ORDER</b>	
	<b>ROLL CALL</b>	
<b>1</b>	<b>SUMMARY OF THE JANUARY 8, 2015 MEETING OF THE LEGISLATIVE COUNCIL</b>	<b>Acceptance</b>
	<b>REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS</b>	
<b>❖ 7</b>	<ul style="list-style-type: none"><li>Executive Director's Report (Mr. Pennoyer)</li></ul>	<b>Information</b>
<b>8</b>	<ul style="list-style-type: none"><li>Fiscal Report (Mr. Nolan)</li></ul>	<b>Information</b>
<b>❖ 13</b>	<ul style="list-style-type: none"><li>Interim Studies Report (Ms. Hylan Barr)</li></ul>	<b>Information</b>
	<b>REPORTS FROM COUNCIL COMMITTEES</b>	
	<ul style="list-style-type: none"><li>Personnel Committee<ul style="list-style-type: none"><li>Reappointment of Beth Ashcroft, OPEGA Director</li></ul></li><li>State House Facilities Committee No report</li></ul>	<b>Decision</b>
	<b>OLD BUSINESS</b>	
	None	
	<b>NEW BUSINESS</b>	
<b>❖ 16</b>	<b>Item #1: Consideration of After Deadline Bill Requests</b>	<b>Roll Call Vote</b>
<b>19</b>	<b>Item #2: Submission of the 2014 Annual Report on Activities and Performance, OPEGA (Ms. Ashcroft)</b>	<b>Acceptance and Report</b>
<b>47</b>	<b>Item #3: Submission of the Report of the Task Force to End Student Hunger in Maine</b>	<b>Acceptance</b>

<b>50</b>	Item #4:	Submission of the Report of 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	<b>Acceptance</b>
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**ANNOUNCEMENTS AND REMARKS**

**ADJOURNMENT**

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**LEGISLATIVE COUNCIL  
MEETING SUMMARY  
January 8, 2015**

**CALL TO ORDER**

Speaker Eves called the January 8, 2015 meeting of the Legislative Council to order at 12:15 p.m. in the Legislative Council Chamber.

**ROLL CALL**

Senators:	President Thibodeau, Senator Mason, Senator Alfond and Senator Hill
Absent:	Senator Cushing
Representatives:	Speaker Eves, Representative McCabe, Representative Gideon, Representative Fredette and Representative Espling
Legislative Officers:	Heather Priest, Secretary of the Senate Robert Hunt, Clerk of the House Jennifer McGowan, Assistant Clerk of the House Grant T. Pennoyer, Executive Director of the Legislative Council Jackie Little, Human Resources Director Marion Hylan Barr, Director, Office of Policy and Legal Analysis Chris Nolan, Director, Office of Fiscal and Program Review Suzanne Gresser, Revisor of Statutes John Barden, Director, Law and Legislative Reference Library Nik Rende, Acting Director, Legislative Information Technology Beth Ashcroft, Director, Office of Program Evaluation and Government Accountability

Speaker Eves convened the meeting at 12:15 p.m. with a quorum of members present.

**SUMMARY OF NOVEMBER 25, 2014 AND DECEMBER 3, 2014 MEETINGS OF  
LEGISLATIVE COUNCIL**

**Motion:** That the Meeting Summaries for November 25, 2014 and December 3, 2014 be accepted and placed on file. Motion by Senator Alfond. Second by Speaker Eves. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**

## REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

### Executive Director's Report

Grant Pennoyer, Executive Director, reported on the following:

#### 1. Heating and Plumbing Issues

Work is nearing completion on addressing a few remaining leaks in the heating system in the West Wing of the State House and in the Office of Legislative Information Technology. The areas of the West Wing that are affected include the Assistant Republican Leader's Office and one heating unit in the Legislative Conference Room. The hot water supply valves to those areas have been turned off. With these valves turned off, there has been a significant improvement in the pressure in the State House heating system, indicating that these leaks were the most significant of the current plumbing problems.

#### 2. Installation of Backup Cooling System for Computer Server Room

We are still waiting for the backup cooling system for the Computer Server Room to arrive. Electrical work and additional plumbing have been completed and made ready for the unit to arrive. Fortunately, we have not experienced an issue with existing cooling units that ironically can happen when we have extremely cold weather.

#### 3. Status of Bills Filed for the First Regular Session

Of the nearly 1700 bills filed by Legislators by the cloture deadline, approximately 150 have been voided or withdrawn, leaving approximately 1540 legislator bills. There are approximately 140 other bills in the mix, which include about 120 bills filed by departments and agencies and about 20 others that are filed pursuant to statute or law. The current total (still subject to change) is slightly below the 126<sup>th</sup> Legislature's numbers. The Office of the Revisor of Statutes (ROS) has concluded work on indexing all of these bills (in record time). Before they post the official list on the Legislative Information Office's website, Legislators have received lists of their bills to confirm that they indeed are planning to sponsor the bills. ROS will notify the Council and their Chiefs of Staff that the posting of the list is imminent. This posting is projected to be sometime early next week.

#### 4. Orientation/Training Sessions for Committee Chairs/Leads and New Members

Next Tuesday afternoon, January 13<sup>th</sup>, the National Conference of State Legislatures (NCSL) has put together two concurrent orientation/training sessions, one for new members and one for Committee Chairs and Minority Leads. Agendas for both these events were released today.

### Fiscal Report

Chris Nolan, Director, Office of Fiscal and Program Review, reported on the following:

#### General Fund Revenue Update

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

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
November	\$235.1	\$239.2	\$4.1	1.7%	\$227.2	5.3%
FYTD	\$1,176.3	\$1,208.0	\$31.7	2.7%	\$1,107.6	9.1%

General Fund revenue was over budget by \$4.1 million (1.7%) for November, increasing the positive variance of the fiscal year through November to \$31.7 million (2.7%). These positive variances do not reflect the December revenue forecast, which increased budgeted revenue for FY 2015 by \$45.5 million.

Individual income tax revenue was \$4.1 million over budget for the month of November driven largely by lower than expected refunds. The sales and use tax category came in \$3.2 million over budget. Total taxable sales for the month of October (November revenue) were 6.6% higher than October 2013. The decreased energy prices are fueling consumer confidence and helping this category. These positive variances were partially offset by a negative variance of \$4.1 million in corporate income tax receipts caused by higher than expected refunds and lower than expected final payments from audits. This negative variance is expected to even out over the coming months, as final payments from audits are difficult to forecast on a monthly basis.

Preliminary December 2014 revenue (even when compared to the December 2014 forecast) continues to be strong. Preliminary sales tax collections are on target with the new forecast. December sales tax collections are based upon November sales, so it remains to be seen how the low energy prices affected holiday sales.

### Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2015 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
November	\$28.5	\$29.1	\$0.6	2.1%	\$29.7	-2.2%
FYTD	\$117.7	\$120.9	\$3.2	2.7%	\$120.5	0.3%

Highway Fund revenue was over budget by \$0.6 million (2.1%) in November and by \$3.2 million (2.7%) for the fiscal year through November. The FY 2015 \$7.5 million increase in Highway Fund budgeted revenue in the December revenue forecast is not yet reflected.

Motor fuel excise taxes continue to exceed budget. Through the first five months of the fiscal year motor fuel excise taxes are \$1.9 million over budget. Compared to the first five months of Fiscal Year 2014, motor fuel excise tax receipts have increased by .4%. Continued decreased fuel prices compared to last fiscal year are contributing to higher revenues in this category.

Preliminary December 2014 motor fuel tax revenue collections (even when compared to the December 2014 forecast) continue their strong performance. Long-term trailer revenue continues to perform well. This category, although over budget, was not adjusted in the last forecast. Trailer renewals are due in January, so it remains to be seen whether or not companies will opt to renew all trailers or decide to scale back. This line will be reevaluated during the next revenue forecast.

### Cash Balances Update

November cash balances while down somewhat from October continue to remain strong. November's total cash balance of \$623.3 million is well above both last year's balance through November of \$440.4 million and the ten-year average through November of \$482.9 million. General Fund internal borrowing was higher in November than it was last month but was still significantly lower than the prior two Novembers. The average Highway Fund balance in November improved over the prior month and over the past two Novembers.

## MaineCare Update

Total MaineCare weekly cycle spending (state and federal dollars) had been tracking closely to spending for a comparable period last fiscal year but in recent weeks has started to trend up. Even with this step up in overall spending, General Fund MaineCare spending through five months appears to be remaining below FY 2014 levels. MaineCare caseloads continue to trend downward driven largely by individuals who lost coverage over the last year or so, now losing the transitional coverage they had maintained for up to one year after first losing eligibility. Moving forward, the negative trend in MaineCare General Funding spending through five months will need to be maintained in order to stay within budgeted resources for the MaineCare program for the current fiscal year.

## 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 finishing up their work, with reports being prepared. The Task Force to End Student Hunger just finished its report. The Ocean Acidification Commission has a draft report completed but is having copyright issues with some of the contents. The drafting work for the School Funding Commission is being done by the Department of Education and is anticipated to be done soon.

## REPORTS FROM COUNCIL COMMITTEES

### 1. Personnel Committee

Legislative Council Chair Eves reported that the Personnel Committee held a meeting on December 22, 2014 to consider the following matters:

#### 1. Recruitment of Director, LIT

The committee conducted an interview for the position of Director, Office of Legislative Information Technology. After careful consideration, the committee voted unanimously to recommend that the Legislative Council appoint Kevin Dieterich [DEE-TRICK] as the director of LIT. The committee felt that Mr. Dieterich exhibits the appropriate combination of education, skills, and experience to successfully lead LIT. The Personnel Committee believes that Kevin's appointment as director would serve us well. The challenges and needs of the legislature will continue to evolve as it confronts both new and continuing issues. The Personnel Committee is confident that Mr. Dieterich will be an effective director in leading LIT with skill and insight.

**Motion:** That upon the unanimous recommendation of the Personnel Committee, the Legislative Council appoint Kevin Dieterich of Winthrop as director of the Office of Legislative Information Technology for a 3-year term, the effective date of his appointment being Monday, January 12, 2015, pursuant to 3 MRSA §162, sub-§6, and that Mr. Dieterich's initial salary in the position be established at Salary Grade 14, step 5 of the Legislature's salary schedule; and further, that the Executive Director, in consultation with the director, establish performance standards and goals for the director's position and make such operational and organizational improvements as necessary to assure an effective and well run Office of Legislative Information

Technology. Motion by Speaker Eves. Second by Senator Hill. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**

2. Step Increases for Secretary of the Senate and Clerk of the House

The committee discussed step increases for the Secretary of the Senate and the Clerk of the House. No action was taken.

2. State House Facilities Committee

No Report

**OLD BUSINESS**

**Item #1: Legislative Council Actions Taken by Ballot Since the December 3, 2014 Meeting**

**Legislative Council Decision:**

That the Legislative Council approve the request from the Task Force to End Student Hunger to extend its reporting deadline from December 9, 2014 to December 30, 2014; and further to authorize one additional meeting of the Task Force to take place on Monday, December 22, 2014.

Motion by: President Thibodeau

Second by: Speaker Eves

Approved: January 2, 2015

Vote: 10-0 in favor

**NEW BUSINESS**

**Item #1: Request for a display of the Living Memorial from the Summit Project to be held in the Hall of Flags**

Mr. Pennoyer reviewed the request by Rep. Jared Golden to host the Summit Project's Living Memorial in the Hall of Flags for a 2 to 3 week period before it is moved to its permanent home in Portland. The Memorial is currently at Togus.

**Motion:** That the Legislative Council approve the request to host the Summit Project's Living Memorial in the Hall of Flags; and further for the Executive Director to organize this display. Motion by Senator Mason. Second by Representative McCabe. **Motion passed unanimously (9-0-0-1, with Senator Cushing absent).**

**Item #2: 2015 Youth in Government Program**

Mr. Pennoyer reviewed the request by Lonney Steeves, Program Director, State YMCA of Maine, for approval to hold the YMCA's 2015 Youth in Government Program at the State House on November 13-15, 2015.

**Motion:** That the Legislative Council approve the request to hold the 2015 Youth in Government Program on November 13-15, 2015. Motion by Speaker Eves. Second by Representative Espling. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**



**Item #3: Submission of the Final Report of the Commission to Study College Affordability and Completion**

The Commission to Study College Affordability and Completion has submitted its final report for acceptance by the Legislative Council.

**Motion:** That the Legislative Council accept the final report of the Commission to Study College Affordability and Completion and place it on file. Motion by Senator Alfond. Second by Speaker Eves. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**

**Item #4: Submission of the First Annual Report of the State Education and Employment Outcomes Task Force**

The State Education and Employment Outcomes Task Force has submitted its first annual report for acceptance by the Legislative Council.

**Motion:** That the Legislative Council accept the first annual report of the State Education and Employment Outcomes Task Force and place it on file. Motion by Senator Alfond. Second by Speaker Eves. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**

**Item #5: Submission of the Final Report of the Commission on Independent Living and Disability**

The Commission on Independent Living and Disability has submitted its final report for acceptance by the Legislative Council.

**Motion:** That the Legislative Council accept the final report of the Commission on Independent Living and Disability and place it on file. Motion by Senator Alfond. Second by Speaker Eves. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**

**Item #6: Submission of the Ninth Annual Report of the Right to Know Advisory Committee**

The Right to Know Advisory Committee has submitted its ninth annual report for acceptance by the Legislative Council.

**Motion:** That the Legislative Council accept the ninth annual report of the Right to Know Advisory Committee and place it on file. Motion by Senator Mason. Second by Senator Alfond. **Motion passed unanimous (9-0-0-1, with Senator Cushing absent).**

**ANNOUNCEMENTS AND REMARKS**

Mr. Pennoyer expressed his appreciation and thanks to Nik Rende for his exemplary service as Acting Director of the Office of Legislative Information Technology.

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 12:40 p.m.

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## **Legislative Council**

### **Executive Director's Report January 29, 2015**

#### **1. Paint Adhesion Issue on Balustrade at the base of the State House Dome**

Recently, some of the white paint of the newly painted sections at the base of the State House Dome lost adhesion and now appear as bare copper. The problem is limited to the base of some of the posts of the balustrade. As soon as it is warm enough, we will have representatives from Sherwin Williams back to research the issue in these limited locations and remedy the problem. No staging is required to access and fix the affected areas.

#### **2. Heating and Plumbing Issues**

We have completed work on all of the immediately known leaking heating pipes with exception of one heating line that serves 2 heating units, one in the Legislative Conference Room and the other immediately above in the a staff office within the Office of the Governor.

#### **3. Installation of Backup Cooling System for Computer Server Room**

The backup cooling system for the Computer Server Room is now available for installation. We had initially planned to install it tomorrow, but now weather may delay the installation. We continue to be fortunate that we have not experienced an issue with existing cooling units that can fail when we have extremely cold weather.

#### **4. Orientation Session for New Legislative Employees**

On Friday, January 16<sup>th</sup>, we held an orientation session for new legislative employees. This year's attendance was quite large with 42 attendees. Topics covered included: payroll and benefits, sexual harassment, violence in the workplace, building and computer security, basic computer and email tips, and ergonomics.

# Fiscal Briefing

Legislative Council Meeting – January 29, 2015

*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
December	\$251.8	\$265.8	\$14.0	5.6%	\$248.6	6.9%
FYTD	\$1,454.8	\$1,473.7	\$18.9	1.3%	\$1,356.3	8.7%

General Fund revenue was over budget by \$14.0 million (5.6%) for December, increasing the positive variance of the fiscal year through December to \$18.9 million (1.3%). These positive variances do now reflect the December revenue forecast, which increased budgeted revenue for FY 2015 by \$45.5 million.

Individual income tax revenue was \$13.2 million over budget for the month of December driven largely by estimated payments being over budget by \$8.1 million, and by withholding exceeding budget by \$3.6 million. The estimated payment line will be looked at closely when January revenues are posted. Historically, strong December and January estimated payments have been an indicator that April receipts may be higher than forecasted. The sales and use tax category came in on budget for the month and for the fiscal year to date. Total taxable sales for the month of November (December revenue) were 1.8% higher than November 2013. Reduced energy prices have contributed to this increase. These positive variances were partially offset by a negative variance of \$3.4 million (-4.2%) in corporate income tax receipts largely caused by estimated payments being lower than expected. This negative variance is expected to even out over the coming months, as estimated payments are difficult to forecast on a monthly basis.

There are a number of other revenue variances that reflect purely timing issues in the monthly distribution of budgeted revenue for FY 2015. An example is the Transfers for Tax Relief Programs category, which was over budget by \$7.0 million for the first half of FY 2015.

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

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

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$22.7	\$24.6	\$2.0	8.6%	\$22.4	9.8%
FYTD	\$143.0	\$145.5	\$2.5	1.7%	\$142.9	1.8%

Highway Fund revenue was over budget by \$2.0 million (8.6%) in December and by \$2.5 million (1.7%) for the fiscal year through December. These positive variances reflect the December revenue forecast, which increased budgeted Highway Fund revenue for FY 15 by \$7.5 million.

Motor fuel excise taxes through the first six months of the FY 15 are \$0.7 million (0.8%) over budget. Compared to the first six months of FY 14, motor fuel excise tax receipts have increased by 0.7%. Continued decreased fuel prices compared to last fiscal year are contributing to higher revenues in this category. In addition, motor vehicle registration and fees revenues are \$2.2 million (5.6%) over budget through December. The majority of this variance relates to long-term trailer revenue which continued to perform well in December. Trailer renewals are due in January, so it remains to be seen whether or not companies will opt to renew all trailers or decide to scale back. This line will be reevaluated during the next revenue forecast.

### **3. Cash Balances Update**

December cash balances while down from November continue to remain strong. December's total cash balance of \$585.2 million is well above both last year's balance for December of \$432.7 million and the ten-year average for December of \$474.0 million. General Fund internal borrowing decreased in December and is still significantly lower than the prior two Decembers. The average Highway Fund balance of \$28.6 million in December decreased from November's average of \$36.3 million with the drop-off reflecting the early December annual payment for the Local Road Assistance program.

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

**December 2014 Revenue Variance Report**

Revenue Category				Fiscal Year-To-Date					FY 2015 Budgeted Totals
	December '14 Budget	December '14 Actual	December '14 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	86,597,806	86,566,555	(31,251)	537,865,133	537,833,883	(31,250)	0.0%	11.3%	1,194,004,518
Service Provider Tax	4,047,698	3,859,191	(188,507)	20,407,271	20,653,374	246,103	1.2%	3.8%	50,303,776
Individual Income Tax	132,073,317	145,267,029	13,193,712	675,529,900	688,456,945	12,927,045	1.9%	4.0%	1,462,017,200
Corporate Income Tax	31,364,690	27,917,593	(3,447,097)	81,232,911	77,785,812	(3,447,099)	-4.2%	-1.5%	190,226,769
Cigarette and Tobacco Tax	9,504,169	9,878,157	373,988	70,412,062	71,171,122	759,060	1.1%	-0.3%	134,890,000
Insurance Companies Tax	28,691	40,211	11,520	13,815,426	13,378,000	(437,426)	-3.2%	3.5%	82,250,000
Estate Tax	2,014,909	746,671	(1,268,238)	20,164,951	18,896,713	(1,268,238)	-6.3%	161.4%	38,406,991
Other Taxes and Fees *	8,107,129	9,113,498	1,006,369	60,553,740	64,067,188	3,513,448	5.8%	7.9%	132,300,597
Fines, Forfeits and Penalties	1,573,205	1,890,091	316,886	11,273,474	11,158,231	(115,243)	-1.0%	0.0%	23,000,770
Income from Investments	(4,309)	38,890	43,199	61,151	178,379	117,228	191.7%	29.6%	112,451
Transfer from Lottery Commission	4,442,343	5,318,244	875,901	28,675,236	28,080,653	(594,583)	-2.1%	5.0%	57,350,462
Transfers to Tax Relief Programs *	(26,030,591)	(23,815,101)	2,215,490	(46,690,012)	(39,691,887)	6,998,125	15.0%	19.5%	(59,183,362)
Transfers for Municipal Revenue Sharing	(5,111,802)	(5,100,151)	11,651	(27,350,537)	(28,140,014)	(789,477)	-2.9%	12.7%	(62,441,975)
Other Revenue *	3,151,495	4,058,745	907,250	8,877,624	9,903,189	1,025,565	11.6%	103.0%	49,587,338
<b>Totals</b>	<b>251,758,750</b>	<b>265,779,622</b>	<b>14,020,872</b>	<b>1,454,828,330</b>	<b>1,473,731,589</b>	<b>18,903,259</b>	<b>1.3%</b>	<b>8.7%</b>	<b>3,292,825,535</b>

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

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

Revenue Category				Fiscal Year-To-Date					FY 2015 Budgeted Totals
	December '14 Budget	December '14 Actual	December '14 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
<b>Detail of Other Taxes and Fees:</b>									
- Property Tax - Unorganized Territory	0	0	0	10,571,602	11,203,639	632,037	6.0%	-6.6%	13,949,984
- Real Estate Transfer Tax	1,250,831	1,245,566	(5,265)	6,659,704	6,654,439	(5,265)	-0.1%	57.7%	13,192,973
- Liquor Taxes and Fees	1,751,304	1,443,084	(308,220)	10,507,824	11,628,271	1,120,447	10.7%	1.8%	21,015,690
- Corporation Fees and Licenses	141,750	188,186	46,436	1,307,000	1,564,195	257,195	19.7%	11.4%	8,313,649
- Telecommunication Excise Tax	0	0	0	0	52,290	52,290	N/A	104.5%	8,250,000
- Finance Industry Fees	1,987,667	2,890,000	902,333	12,926,002	13,438,590	512,588	4.0%	3.2%	25,351,990
- Milk Handling Fee	132,536	86,246	(46,290)	585,895	539,606	(46,289)	-7.9%	-3.6%	1,381,114
- Racino Revenue	597,253	700,048	102,795	4,633,883	4,466,137	(167,746)	-3.6%	0.4%	8,922,512
- Boat, ATV and Snowmobile Fees	174,137	188,070	13,933	1,737,463	1,682,142	(55,321)	-3.2%	-1.7%	4,523,561
- Hunting and Fishing License Fees	1,219,087	958,764	(260,323)	7,596,195	8,055,612	459,417	6.0%	5.1%	15,753,396
- Other Miscellaneous Taxes and Fees	852,564	1,413,533	560,969	4,028,172	4,782,268	754,096	18.7%	17.7%	11,645,728
<b>Subtotal - Other Taxes and Fees</b>	<b>8,107,129</b>	<b>9,113,498</b>	<b>1,006,369</b>	<b>60,553,740</b>	<b>64,067,188</b>	<b>3,513,448</b>	<b>5.8%</b>	<b>7.9%</b>	<b>132,300,597</b>
<b>Detail of Other Revenue:</b>									
- Liquor Sales and Operations	2,375	2,030	(345)	3,754,230	3,810,102	55,872	1.5%	17305.7%	13,483,364
- Targeted Case Management (DHHS)	70,718	231,187	160,469	1,251,095	1,411,564	160,469	12.8%	33.6%	2,353,916
- State Cost Allocation Program	1,712,349	1,999,715	287,366	11,296,427	11,153,264	(143,163)	-1.3%	17.1%	20,777,688
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	7,000,000
- Tourism Transfer	0	0	0	(11,624,127)	(11,624,127)	0	0.0%	-12.0%	(11,624,127)
- Transfer to Maine Milk Pool	0	0	0	(187,155)	0	187,155	100.0%	N/A	(563,777)
- Transfer to STAR Transportation Fund	0	0	0	(7,066,534)	(7,066,534)	0	0.0%	-16.4%	(7,066,534)
- Other Miscellaneous Revenue	1,366,053	1,825,813	459,760	11,453,688	12,218,920	765,232	6.7%	13.9%	25,226,808
<b>Subtotal - Other Revenue</b>	<b>3,151,495</b>	<b>4,058,745</b>	<b>907,250</b>	<b>8,877,624</b>	<b>9,903,189</b>	<b>1,025,565</b>	<b>11.6%</b>	<b>103.0%</b>	<b>49,587,338</b>
<b>Detail of Transfers to Tax Relief Programs:</b>									
- Me. Resident Prop. Tax Program (Circuitbreaker)	0	465	465	0	3,350	3,350	N/A	100.4%	0
- BETR - Business Equipment Tax Reimb.	(3,758,735)	(4,662,696)	(903,961)	(20,332,617)	(20,512,694)	(180,077)	-0.9%	18.3%	(32,080,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	(22,271,856)	(19,152,870)	3,118,986	(26,357,395)	(19,182,543)	7,174,852	27.2%	18.2%	(27,103,362)
<b>Subtotal - Tax Relief Transfers</b>	<b>(26,030,591)</b>	<b>(23,815,101)</b>	<b>2,215,490</b>	<b>(46,690,012)</b>	<b>(39,691,887)</b>	<b>6,998,125</b>	<b>15.0%</b>	<b>19.5%</b>	<b>(59,183,362)</b>
<b>Inland Fisheries and Wildlife Revenue - Total</b>	<b>1,494,591</b>	<b>1,264,281</b>	<b>(230,310)</b>	<b>9,796,318</b>	<b>10,280,890</b>	<b>484,572</b>	<b>4.9%</b>	<b>3.5%</b>	<b>21,346,862</b>

# Highway Fund Revenue

## Fiscal Year Ending June 30, 2015 (FY 2015)

### December 2014 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2015 Budgeted Totals
	December '14 Budget	December '14 Actual	December '14 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	15,468,063	15,427,696	(40,367)	87,160,272	87,110,760	(49,512)	-0.1%	0.3%	194,218,900
- Special Fuel and Road Use Taxes	4,393,163	5,223,015	829,852	20,256,752	21,086,690	829,938	4.1%	1.9%	45,679,700
- Transcap Transfers - Fuel Taxes	(1,460,581)	(1,519,868)	(59,287)	(9,454,952)	(9,507,512)	(52,560)	-0.6%	0.0%	(17,628,133)
- Other Fund Gasoline Tax Distributions	(386,810)	(385,800)	1,010	(2,600,987)	(2,597,645)	3,342	0.1%	-0.1%	(4,856,833)
Subtotal - Fuel Taxes	18,013,835	18,745,042	731,207	95,361,085	96,092,292	731,207	0.8%	0.7%	217,413,634
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	5,059,270	5,623,536	564,266	32,086,367	32,323,462	237,095	0.7%	1.2%	65,659,536
- License Plate Fees	240,943	294,251	53,308	1,699,926	1,880,607	180,681	10.6%	2.5%	3,351,681
- Long-term Trailer Registration Fees	413,071	957,069	543,998	2,438,351	3,987,475	1,549,124	63.5%	54.0%	9,384,523
- Title Fees	894,503	982,295	87,792	6,156,464	6,344,710	188,246	3.1%	-4.0%	13,129,254
- Motor Vehicle Operator License Fees	526,488	575,581	49,093	3,609,329	3,702,143	92,814	2.6%	-9.9%	7,425,882
- Transcap Transfers - Motor Vehicle Fees	(3,433,309)	(3,481,940)	(48,631)	(7,664,481)	(7,747,710)	(83,229)	-1.1%	0.0%	(15,483,404)
Subtotal - Motor Vehicle Reg. & Fees	3,700,966	4,950,791	1,249,825	38,325,956	40,490,687	2,164,731	5.6%	2.9%	83,467,472
Motor Vehicle Inspection Fees	287,365	273,655	(13,710)	1,742,398	1,212,069	(530,330)	-30.4%	-3.0%	2,982,500
Other Highway Fund Taxes and Fees	98,517	94,287	(4,230)	651,421	645,782	(5,639)	-0.9%	6.5%	1,270,229
Fines, Forfeits and Penalties	70,094	50,456	(19,638)	535,885	502,417	(33,468)	-6.2%	-6.7%	1,007,998
Interest Earnings	9,419	10,324	905	56,514	43,976	(12,538)	-22.2%	40.5%	105,523
Other Highway Fund Revenue	475,272	483,100	7,828	6,312,154	6,479,991	167,837	2.7%	14.5%	9,726,971
<b>Totals</b>	<b>22,655,468</b>	<b>24,607,655</b>	<b>1,952,187</b>	<b>142,985,413</b>	<b>145,467,213</b>	<b>2,481,800</b>	<b>1.7%</b>	<b>1.8%</b>	<b>315,974,327</b>

## 2014 Interim Legislative Studies and Committee Meetings

Updated January 26, 2015

(\*unless otherwise noted, reports may be accessed at: <http://legislature.maine.gov/legis/opla/reportsnew.htm>)

<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>
<b>NEW STUDIES</b>							
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 12/22/14		12/9/2014	Pres. Alfond Rep. Kornfield	Work completed; report printed (additional meeting previously authorized and report extension granted)
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; report printed (additional meetings previously authorized) (*report may be accessed at: <a href="http://legislature.maine.gov/legis/opla/collegeaffordability.htm">http://legislature.maine.gov/legis/opla/collegeaffordability.htm</a> )
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	Work completed; DOE and Ed. Rsch. Inst. staff; OPLA provided legislative drafting assistance (*report may be accessed at: <a href="http://www.maine.gov/doe/EPS-Commission-LD1850/index.html">http://www.maine.gov/doe/EPS-Commission-LD1850/index.html</a> )
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 extended to 12/3/2014	Sen. Craven Rep. Peterson	Work completed; report printed
Commission To Improve Protections for Injured Workers Whose Employers Have Wrongfully Not Secured Workers' Compensation Insurance	SP 759	4					Appointments never completed; per LCRED chairs, did not convene, as work was 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		12/5/2014	Sen. Johnson Rep. Devin	Work completed; report printed (additional meetings previously authorized)
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 January 26, 2015

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<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; report printed (extension of reporting deadline previously approved)
Legislative Youth Advisory Council	3 MRSA 168-B	may hold 2 per year			2nd Friday in February in even numbered years		Appointments not complete; did not convene
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; report printed
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; did not convene

## 2014 Interim Legislative Studies and Committee Meetings

Updated January 26, 2015

(\*unless otherwise noted, reports may be accessed at: <http://legislature.maine.gov/legis/opla/reportsnew.htm>)

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### AUTHORIZED COMMITTEE MEETINGS (other than AFA)

<b>JUD</b> 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
<b>VLA</b> 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
<b>ENR</b> meeting for DEP and Maine Water Environment briefings		1	8/28/14		N/A	Sen. Boyle Rep. Welsh	Meeting approved 7/17/14
<b>HHS</b> meeting for DHHS updates/briefings		1	10/15/14		N/A	Sen. Craven Rep. Farnsworth	Meeting approved 6/25/14
<b>LCRED</b> meeting for Workers' Comp. Board briefing		1			N/A	Sen. Patrick Rep. Herbig	Meeting approved 6/25/14; no meeting ever convened
<b>ACF</b> 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
<b>CJPS</b> meeting for presentations from DPS and DOC			9/23/14				Meeting approved

**Legislative Council  
Requests to Introduce Legislation  
127<sup>th</sup> Maine State Legislature  
First Regular Session  
As of: 1/23/2015 8:33:28 AM**

**SPONSOR:**       **Sen. Catherine Breen**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1848	Resolve, To Establish a Study Group To Determine a Method for Assessing Natural Gas Infrastructure	

**SPONSOR:**       **Sen. James F. Dill**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1850	An Act To Require Snow and Ice To Be Removed from Vehicles before Operation	

**SPONSOR:**       **Rep. Catherine M. Nadeau**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1877	An Act To Facilitate the Completion of Training by Certain Students	

**SPONSOR:**       **Sen. John L. Patrick**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1883	An Act To Amend the Charter of the Canton Water District	

**JOINT RESOLUTIONS**

**SPONSOR:**       **Rep. Henry John Bear**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
242	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS TO PROVIDE EQUITABLE INDIAN LAND CLAIM COMPENSATION TO THE MALISEET TRIBE COMPARABLE TO THAT PROVIDED TO THE PENOBSCOT NATION AND THE PASSAMAQUODDY TRIBE	

243	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS TO PROVIDE COMPENSATION TO SURVIVING DESCENDANTS OF MALISEET AND OTHER WABANAKI TRIBAL SOLDIERS AND SAILORS WHO SERVED DURING THE AMERICAN REVOLUTIONARY WAR	
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**SPONSOR:** Rep. Justin Mark Chenette

<u>LR #</u>	<u>Title</u>	<u>Action</u>
162	JOINT RESOLUTION URGING THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES TO RECONSIDER ITS LIFETIME DEFERRAL ON BLOOD DONATION BY GAY MEN	

**SPONSOR:** Sen. Roger J. Katz

<u>LR #</u>	<u>Title</u>	<u>Action</u>
236	JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO SUPPORT THE REFORM OF THE SOCIAL SECURITY OFFSETS OF THE GOVERNMENT PENSION OFFSET AND THE WINDFALL ELIMINATION PROVISION	

**SPONSOR:** Sen. Garrett P. Mason

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1495	JOINT RESOLUTION URGING CONGRESS TO TAKE ACTION TO HELP VETERANS OF THE WARS IN AFGHANISTAN AND IRAQ	

#### LATE-FILED MAJOR SUBSTANTIVE RULES

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1887	Resolve, Regarding Legislative Review of Portions of Chapter 3: Eligibility Requirements for Specialized Case Types, a Late-filed Major Substantive Rule of the Maine Commission on Indigent Legal Services	
1888	Resolve, Regarding Legislative Review of Portions of Chapter 2: Standards for Qualifications of Assigned Counsel, a Late-filed Major Substantive Rule of the Maine Commission on Indigent Legal Services	
1889	Resolve, Regarding Legislative Review of Portions of Chapter 60: New School Siting Approval, a Late-filed Major Substantive Rule of the Department of Education, State Board of Education	
1890	Resolve, Regarding Legislative Review of Portions of Chapter 61: Rules for Major Capital School Construction Projects, a Late-filed Major Substantive Rule of the Department of Education, State Board of Education	

**127th Maine State Legislature  
Addendum  
Legislative Council  
Requests to Introduce Legislation  
First Regular Session**

**Actions Taken After January 23, 2015**

**SPONSOR:**     **Rep. Jeffrey Evangelos**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1891	An Act To Provide Funding to Municipalities To Assist with the Maintenance of Veterans' Graves	



Office of Program Evaluation and  
Government Accountability

Annual Report on  
Activities and Performance

2014

a report to the  
Government Oversight Committee and the Legislature  
from the  
Office of Program Evaluation & Government Accountability  
of the Maine State Legislature

January  
**2015**

## GOVERNMENT OVERSIGHT COMMITTEE OF THE 126<sup>TH</sup> LEGISLATURE

Senator Emily Ann Cain, Chair  
 Senator Christopher K. Johnson, Chair  
 Senator Roger Katz  
 Senator David C. Burns  
 Senator Margaret M. Craven  
 Senator Edward M. Youngblood  
 Senator Troy Dale Jackson (replaced Sen. Cain)

Representative Chuck Kruger, Chair  
 Representative Paul T. Davis, Sr.  
 Representative Andrea M. Boland  
 Representative H. David Cotta  
 Representative Lance Evans Harvell  
 Representative Matthew J. Peterson

### Committee Clerk

Etta Connors  
 Phone: (207) 287-1901  
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 Email: [etta.connors@legislature.maine.gov](mailto:etta.connors@legislature.maine.gov)

### Mailing Address:

Government Oversight Committee  
 82 State House Station  
 Augusta, Maine 04333-0082

### Web:

<http://legislature.maine.gov/opeg/about-the-goc>

## OFFICE OF PROGRAM EVALUATION & GOVERNMENT ACCOUNTABILITY

Director Beth Ashcroft, CIA [beth.ashcroft@legislature.maine.gov](mailto:beth.ashcroft@legislature.maine.gov)

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Requests for OPEGA reviews are considered by the Government Oversight Committee in accordance with a standard process. Requests must be made in writing and must be initiated or sponsored by a legislator. Individual legislators or citizens should review the process and FAQ that are posted on OPEGA's website at <http://legislature.maine.gov/opeg/request-for-a-review>. There is also a form there to help facilitate the GOC's consideration of the request. Legislative committees can request reviews directly through a written communication to the Government Oversight Committee.

Copies of OPEGA's reports are free.

Reports are available in electronic format at:  
<http://legislature.maine.gov/opeg/opeg-reports>

Hard copies of reports may be obtained by contacting OPEGA at:

(207) 287-1901

Office of Program Evaluation & Government Accountability

82 State House Station • Augusta, ME • 04333-0082

RECEIVED JAN 16 2015

BETH L. ASHCROFT  
DIRECTOR



MAINE STATE LEGISLATURE  
OFFICE OF PROGRAM EVALUATION AND  
GOVERNMENT ACCOUNTABILITY

January 15, 2015

The Honorable Roger J. Katz, Senate Chair  
The Honorable Chuck Kruger, House Chair  
And Members of the Government Oversight Committee  
82 State House Station  
Augusta, Maine 04333

The Honorable Michael D. Thibodeau, President of the Senate  
and Members of the 127<sup>th</sup> Maine Senate  
3 State House Station  
Augusta, Maine 04333

The Honorable Mark W. Eves, Speaker of the House  
and Members of the 127<sup>th</sup> Maine House of Representatives  
2 State House Station  
Augusta, Maine 04333

Dear Government Oversight Committee Members, Senators and Representatives:

In accordance with 3 MRSA §995.4, I respectfully submit OPEGA's Annual Report on Activities and Performance for 2014. OPEGA's service to the Legislature as a non-partisan resource is meant to provide support in overseeing and improving the performance of State government. As OPEGA begins its 11<sup>th</sup> year of service to the Legislature, I hope that you and Maine's citizens will continue to view our efforts and results as a worthwhile use of taxpayer dollars.

Sincerely,

A handwritten signature in cursive script that reads "Beth L. Ashcroft".

Beth L. Ashcroft  
Director

Cc: Heather J.R. Priest, Secretary of the Senate  
Robert B. Hunt, Clerk of the House



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# About OPEGA

## History:

The Office of Program Evaluation and Government Accountability (OPEGA) is a non-partisan, independent legislative office created by Public Law 2001, Chapter 702. The Office first became operational in January 2005. Its authorizing statute is 3 M.R.S.A. §§ 991- 997.

## Organization:

OPEGA is part of a unique organizational arrangement within the Legislature that ensures both independence and accountability. This structure is critical to ensuring that OPEGA can perform its function in an environment as free of political influence and bias as possible.

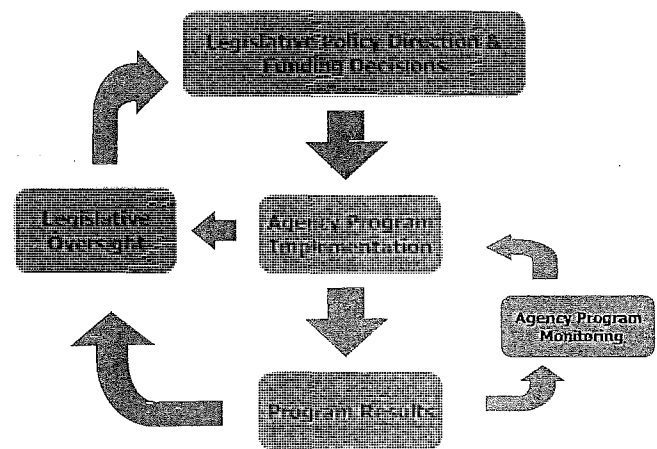
The Legislative Council appoints the Director of OPEGA for five year terms and also sets the Director's salary. OPEGA's activities are overseen by the legislative Government Oversight Committee (GOC), a 12-member bi-partisan and bi-cameral committee appointed by legislative leaders according to Joint Rule. The GOC's oversight includes approving OPEGA's budget and annual work plan as well as monitoring OPEGA's use of resources and performance.

## Staffing:

OPEGA has an authorized permanent staff of seven full-time positions including the Director and the Administrative Secretary, who also serves as the Committee Clerk for the GOC. In 2014, OPEGA also had one temporary part-time analyst position for nearly ten months.

## Function:

OPEGA primarily supports legislative oversight by conducting independent reviews of State government as directed by the GOC<sup>1</sup>. As legislators perform their oversight function, they often have questions about how policies are being implemented, how programs are being managed, how money is being spent and what results are being achieved.



The GOC and OPEGA address those questions from an unbiased perspective through performance audits, evaluations and studies. The independence and authorities granted by our governing statute provide the Legislature with a valuable supplement to policy committee oversight. In addition, the GOC and OPEGA are in an excellent position to examine activities that cut across State government and span the jurisdictions of multiple policy committees.

The results of OPEGA's reviews are provided to legislators and the public through formal written reports and public presentations.

<sup>1</sup> When directed to do so, OPEGA also has authority to perform audits of non-State entities that receive State funds or have been established to perform governmental functions.

## Mission

The Office of Program Evaluation and Government Accountability exists to support the Legislature in monitoring and improving the performance of State government by conducting independent, objective reviews of State programs and activities<sup>2</sup> with a focus on effectiveness, efficiency and economical use of resources.

## Vision

OPEGA is valued as a credible source of objective information that contributes to good government and benefits Maine's citizens.

## Values

OPEGA seeks to be a model for best practices in government and is committed to:

- ◆ Independence and objectivity
- ◆ Professionalism, ethics and integrity
- ◆ Participatory, collaborative approach
- ◆ Timely, effective communications
- ◆ Valuable recommendations
- ◆ Continuous improvement
- ◆ Using skilled and knowledgeable staff
- ◆ Minimizing disruption of operations
- ◆ Identifying root causes
- ◆ Measuring its own performance
- ◆ Smart use of its own resources

## Overall Goals

- A. Provide timely, relevant and useful information and recommendations.
- B. Conduct all work with objectivity and accuracy.<sup>3</sup>
- C. Communicate regularly on our activities, results and impacts.
- D. Utilize OPEGA's resources effectively, efficiently and economically.

## Indicators of Overall Outcomes

OPEGA tracks and reports on the following measures as broad indicators of the outcomes of our work:

- number of visits to OPEGA's website;
- percentage of recommendations that have been implemented or addressed affirmatively by the agencies or the Legislature; and
- estimated fiscal impact, actual or potential, associated with OPEGA recommendations.

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<sup>2</sup> When directed to do so by the Government Oversight Committee, OPEGA is also authorized to perform audits of non-State entities that receive State funds or have been established to perform governmental functions.

<sup>3</sup> OPEGA adheres as fully as possible to the performance auditing standards issued by the United States Government Accountability Office (GAO), known as the *Generally Accepted Government Auditing Standards (GAGAS)* or Yellow Book standards. Adherence to professional standards assures OPEGA's work is objective and accurate and reported results are appropriately supported.

# Key Activities in 2014

## OPEGA Completed Three Projects and Conducted Substantial Work on Six Others

OPEGA's GOC-approved Work Plan for 2013-2014 included 15 projects – five of which were added by the GOC in 2014. The 15 projects included ten full performance reviews, two follow-up reviews and three special projects. OPEGA's Work Plan and project status are shown in Table 1 and posted on OPEGA's web site.

**Table 1. OPEGA Work Plan for 2013-2014 by Status and Date Initiated**

Project Name	Date Initiated	Scope Approved	Status	Date Completed
Special Project: Technical Assistance for Education Committee Contracted Study of Education Funding	May 2012	NA	Completed	Dec 2013
Maine State Housing Authority: Energy Assistance Programs	June 2012	Sept 2012	Completed	July 2013
Public Utilities Commission	Aug 2012	Nov 2012	Completed	Sept 2013
Healthy Maine Partnerships' FY13 Contracts and Funding	May 2013	May 2013	Completed	Dec 2013
Special Project: Tax Expenditure Programs Phase I	July 2013	NA	Completed	Mar 2014
Maine Economic Improvement Fund	Aug 2013	Sept 2013	Completed	June 2014
Follow-Up Review: Health Care in State Correctional System	June 2014	NA	Completed	Nov 2014
Follow-Up Review: Office of Information Technology	Nov 2012	Nov 2012	In Progress	NA
State Lottery	Aug 2013	Dec 2013	In Progress	NA
Special Project: Tax Expenditure Programs Phase II	April 2014	NA	In Progress	NA
Riverview Psychiatric Center	Sept 2014	Sept 2014	In Progress	NA
DHHS Licensing and Regulation of Child Care Providers	April 2014	NA	Suspended	NA
DHHS Workplace Culture and Environment	July 2014	NA	Suspended	NA
DHHS Audit Functions	NA	NA	Planned	NA
Public Utilities Commission: Independent Assessments	NA	NA	Planned	NA

In 2014, the Office finished its work on one full performance review and one follow-up review. The Maine Economic Improvement Fund (MEIF) review, carried over from 2013, was completed in June 2014 and OPEGA issued a full report with five recommendations. The Follow-Up Review of Health Care in the State Correctional System was added by the GOC in 2014 and given priority following the completion of the MEIF project. OPEGA produced an Information Brief on this follow-up review. The Summary of Projects and Results section beginning on page 13 contains additional detail on the results of these reviews and actions that have been taken.

OPEGA also completed the Special Project: Tax Expenditure Programs Phase I, culminating in the Office's involvement in the development of legislation sponsored by the Taxation Committee. That effort ultimately led to the passage of Resolves 2013, Chapter 115 and OPEGA being assigned additional work, noted below as Special Project: Tax Expenditure Programs Phase II, which began in April 2014 and is currently in progress. Additional detail on the completed Phase I can be found on page 15.

In addition, over the course of 2014, OPEGA conducted substantial work on five other reviews currently in progress or in suspended status.

- DHHS Licensing and Regulation of Child Care Providers. This review was initiated in April 2014. Following preliminary research work on that project, OPEGA recommended delaying further detailed review for one year as the agency already had major improvement efforts underway. Consequently, the GOC suspended work on this review in June 2014. We expect to resume the review in mid-2015 with a focus on whether agency efforts have been successful at resolving known issues.
- DHHS Workplace Culture and Environment. This review was initiated in July 2014. The GOC suspended work on it in late September 2014 in order for OPEGA to prioritize a review of Riverview Psychiatric Center. Since then, OPEGA has finalized its preliminary research work and will soon make a recommendation to the GOC on whether to continue this project.
- Follow-Up Review of the Office of Information Technology. This review has, by design, been a two-year project during which OPEGA has been monitoring OIT progress on strategic improvement plans for three key information technology (IT) functions: project management, disaster recovery and business continuity, and supporting State agency data needs. The project began in November 2012 and the culmination will be an independent assessment of OIT's effectiveness in implementing its plans and the degree of improvement achieved. OPEGA has contracted with a consultant with IT expertise to perform this independent assessment. A report on that assessment is expected in April 2015.
- Riverview Psychiatric Center. The GOC added this review to OPEGA's Work Plan in late September 2014 and gave it priority status following considerable work by OPEGA to understand, delineate and triage myriad concerns raised by multiple complainants. This review is in its fieldwork phase and continues to receive priority among OPEGA's projects.
- State Lottery. This review was carried over from 2013 and has been in the fieldwork phase since the beginning of 2014. While OPEGA conducted some work on this review in the early part of the year, it has since been delayed due to GOC-assigned priorities for other projects. OPEGA continues to work on this project as resources become available from those other projects.

Lastly, OPEGA has not had sufficient resources in 2014 to begin work on two projects that are still in Planned status. The review of DHHS Audit Functions has been on OPEGA's Work Plan since May 2013 and the review of Public Utilities Commission: Independent Assessments was added to the Work Plan in April 2014.

## OPEGA Monitored Actions Taken on Seven Issued Reports

OPEGA actively follows up with agencies on actions taken, and monitors legislative efforts when applicable, related to report recommendations. The GOC periodically reviews the implementation status of specific reports and often receives formal report backs from responsible agencies.

In 2013, the GOC adopted a procedure to govern OPEGA's follow-up on issued reports. Under that procedure, OPEGA ceases active follow-up of any outstanding recommendations for reports issued more than two years ago, unless the GOC directs that active follow-up should continue. The procedure also calls for OPEGA to report to the GOC semi-annually on its follow-up activities and the status of actions on related recommendations so the GOC can determine whether additional action by the Committee is warranted.

In accordance with the follow-up procedure, in 2014, OPEGA monitored the status of actions on outstanding recommendations in seven reports as listed in Table 2, including three reports issued more than two years ago. All recommendations in the 2011 report on Health Care Services in State Correctional Facilities have now been implemented or affirmatively addressed. Consequently, active follow-up on that report will cease as of 2015.<sup>4</sup> OPEGA also expects to cease active follow-up of the 2012 Child Development Services report after some final follow-up work in early 2015. The GOC and OPEGA will continue to monitor actions by the Department of Economic and Community Development and the Legislature on OPEGA's 2006 report on Economic Development Programs in anticipation of potential GOC-initiated legislation to implement unaddressed recommendations from that report.

**Table 2. OPEGA Reports with Follow-up Conducted in 2014**

Maine Economic Improvement Fund (2014)
Healthy Maine Partnerships' FY13 Contracts and Funding (2013)
Public Utilities Commission (2013)
Maine State Housing Authority: Energy Assistance Programs LIHEAP and WAP (2013)
Child Development Services (2012)
Health Care Services in State Correctional Facilities (2011)
Economic Development Programs in Maine (2006)

Appendix B gives the current follow-up and implementation status of all OPEGA reports. OPEGA tracks the percent of recommendations implemented over time, and the estimated potential fiscal impact associated with recommendations, as overall outcome indicators. See page 12 for more detail on these results.

## OPEGA Supported GOC and Other Legislative Efforts Including Conducting Public Inquiries and Introducing New Legislation

OPEGA serves as staff for the Government Oversight Committee. Staff support includes coordinating and giving notice of meetings and agendas, developing and distributing written meeting materials, and preparing written summaries of the meetings. The GOC held 12 meetings in 2014. An archive of the Meeting Summaries from all GOC meetings is maintained on OPEGA's website.

OPEGA also performs research and gathers information to support the Committee's consideration of potential review topics. In 2014, the Office processed and/or conducted research related to 13 formal requests for OPEGA reviews. Six of these were requests from legislators, including four from GOC members. The other seven formal requests were submitted by citizens, but only three had a legislative sponsor as required by GOC policy.

<sup>4</sup> The GOC continues to consider the results of OPEGA's recent formal Follow-up Review of that topic covered by an Information Brief in November 2014.

Ultimately, the GOC actively considered six of the 13 formal requests, including the four submitted by GOC members, placing three of them on OPEGA's Work Plan and another on the On Deck list for future consideration.<sup>5</sup> The GOC determined the remaining requests did not require any further action by the Committee or OPEGA.<sup>6</sup>

The GOC occasionally conducts its own investigatory inquiries through public meetings and OPEGA supports the Committee in those efforts. In 2014, the GOC conducted a public inquiry of former and current officials of the Maine Center for Disease Control and Prevention to explore unanswered questions still remaining following release of OPEGA's report on Healthy Maine Partnerships' FY13 Contracts and Funding (HMP report). On March 14, 2014, the Committee took testimony under oath from six individuals in an attempt to more fully understand what actually occurred in the awarding of those contracts and why, as well as to identify who was accountable for the actions taken and decisions made. For this inquiry, OPEGA assisted the GOC in issuing subpoenas, understanding and adhering to the statutes that govern such legislative proceedings, preparing protocols to be followed, and coordinating logistics for the public meeting. Following the inquiry, OPEGA prepared a verbatim transcript of the proceedings as well as a comprehensive summary of the information gathered during testimony and how it compared and contrasted with what had been learned during OPEGA's review.

As a result of its work on the HMP report, the GOC voted to submit legislation focused on strengthening the ethics framework for Executive Branch employees. This action also addressed a recommendation made in OPEGA's 2013 report on the Public Utilities Commission. The GOC, with support from OPEGA, drafted legislation in late 2014 for submission to the 127<sup>th</sup> Legislature. LD 6, "Resolve, To Implement Recommendations of the Government Oversight Committee To Strengthen the Ethics Practices and Procedures for Executive Branch Employees" has been printed and referred for consideration by the State and Local Government Committee in the first session of the 127<sup>th</sup> Legislature.

In the second regular session of the 126<sup>th</sup> Legislature, the GOC introduced legislation to implement a recommendation from OPEGA's report on the Public Utilities Commission by establishing a Consumer Advisor position in the Office of the Public Advocate. OPEGA assisted the GOC in developing LD 1816 in conjunction with the Joint Standing Committee on Energy, Utilities and Technology (EUT) which also supported the recommendation.

Lastly, OPEGA played a significant role in the legislation that was ultimately passed in the second regular session of the 126<sup>th</sup> Legislature as Resolves 2013, chapter 115, "Resolve, To Develop a Process of Tax Expenditure Review". This legislation tasked OPEGA with its current on-going work known as Special Project: Tax Expenditure Programs Phase II. The legislation was an outcome of OPEGA's Special Project: Tax Expenditures Programs Phase I and concurrent work with the Tax Expenditure Task Force during the legislative interim in 2013. OPEGA coordinated with the GOC, and staff and Chairs of the Taxation Committee, throughout the development, drafting and working of the legislation through the Taxation Committee.

The Summary of Projects and Results section of this report, beginning on page 13, has additional description of these and other legislative actions during 2014 related to current and prior OPEGA projects.

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<sup>5</sup> The GOC maintains a formal On Deck List of topics the Committee voted as having merit for potential future OPEGA review. The GOC reviews the topics on this list during the development of OPEGA's Work Plan and throughout the year as warranted. Periodically, the GOC also votes on whether to add or remove topics from this list.

<sup>6</sup> Seven formal requests processed by OPEGA were not considered by the GOC. Four of them were submitted by citizens that did not obtain a legislative sponsor as required by GOC policy for the request to move forward. After some research, OPEGA determined the subject matter of another two requests was not within the purview of OPEGA and the GOC. The seventh formal request was not considered as the legislator who submitted it asked that consideration be postponed.

## OPEGA Kept Legislators and Public Informed of Activities and Impact

OPEGA strives to keep those we serve regularly apprised of the projects and other activities we are working on, our results, and the work products available on the projects we complete. We also seek to provide information about the actual impacts of our work and the recommendations we have made. Our target audience includes all legislators, not just GOC members, and the general public. OPEGA's communication efforts in 2014 included:

- posting our Work Plan (with current status) and reports, as well as GOC Meeting Agendas and Summaries, to OPEGA's website;
- distributing GOC meeting agendas in advance to an interested parties email list the Office maintains that includes media representatives, legislators and members of the public that have asked to receive such notifications;
- sending written advance notification of the scheduled public presentations of OPEGA reports, and related GOC public comment periods, to the members of legislative leadership and all joint standing committees that may have jurisdiction over, or a special interest in, the subject matter of the reports;
- distributing, immediately following release of the report, full copies of the final reports to each member of legislative leadership and each member of all joint standing committees that may have jurisdiction over, or a special interest in, the subject matter of the reports;
- notifying all legislators, within a day of the report release, that a final report is available - typically done via email with a report summary attached;
- briefing legislative joint standing committees, when requested, on our reports and results as well as actions taken on our recommendations;
- submitting the statutorily required annual report on OPEGA's activities and performance for 2013 to the Government Oversight Committee and the Legislature; and
- responding to numerous inquiries on our work from interested legislators, citizens and the media.

In 2014, as in the previous three years, there was media interest in some OPEGA reports, as well as certain topics under consideration by the GOC. OPEGA makes it a priority to respond to media inquiries, as well as those from legislators and citizens, in a timely manner – typically the same day an inquiry is made – to facilitate informing the public of GOC and OPEGA activities.

The Annual Report, presented here, is another avenue through which OPEGA provides information about its activities and impact, including recommendations implemented or affirmative addressed (page 12) and actions on past reports (page 16).



## OPEGA Stayed Within Budget and Continued to Face Staffing Challenges in 2014

OPEGA's actual expenditures have been under budget each year since beginning operations in 2005 and that trend continued in 2014. Table 3 shows OPEGA's adjusted General Fund budget and actual expenses for the past three fiscal years.

Table 3. OPEGA's Adjusted Budget and Expenditures by Year			
	FY 2012	FY 2013	FY 2014
Total General Fund budget (adjusted)	\$791,442	\$817,894	\$875,003
Total General Fund dollars expended	\$672,613	\$721,858	\$691,611
Dollar variance of expenditures to budget	(\$118,829)	(\$96,036)	(\$183,392)
% variance of expenditures to budget	(15%)	(11.7%)	(21%)

In FY13, OPEGA's adjusted budget included a transfer of \$20,000 from prior year balances to cover costs associated with a temporary part-time position. In some years, OPEGA's baseline budget is adjusted to meet State or legislative cost savings initiatives. OPEGA's adjusted budgets for FY12 and FY13 included reductions associated with eliminating merit salary increases for employees and changes to employee benefit plans. The increase in OPEGA's adjusted budget from FY13 to FY14 was almost entirely due to increases in the rates for OPEGA's contributions to Retiree Health and Retirement Unfunded Liability accounts that are not within OPEGA's control.

OPEGA's actual expenditures for FY14 were \$183,392 about 21% under the adjusted budget. The variance was primarily due to:

- vacancy in one full-time analyst position;
- actual costs for OPEGA's contributions to Retiree Health and Retirement Unfunded Liability being less than budgeted;
- minimal use of consultant services; and
- actual costs for employee training, printing, advertising and per diem payments for GOC members being lower than budgeted.

OPEGA continued to face staffing challenges in 2014 with one full time analyst position vacant for the entire year, due to unexpected turnover and a delayed recruitment that was ultimately unsuccessful in securing a well-qualified candidate. The impact of the vacancy was somewhat lessened by having a temporary part-time employee for nearly ten months. This employee has been dedicated fully to the Special Project on Tax Expenditure Programs and unavailable to assist with other OPEGA projects.

# Outcome Indicators

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OPEGA tracks three measures that are broad indicators of the outcomes of our work: potential fiscal impacts, recommendations implemented and visits to OPEGA's website. Outcomes associated with OPEGA's work are affected by many factors beyond OPEGA's control. For example, the nature of review topics assigned to OPEGA by the Government Oversight Committee can vary considerably from year to year and not all are primarily focused on cost savings. The ability to calculate estimated savings also varies based on the exact nature of the recommendations made and data available. Nonetheless, OPEGA is committed to identifying and documenting opportunities to improve the State's fiscal situation, where applicable, within the study areas determined by the GOC.

Similarly, while OPEGA is committed to offering recommendations that are actionable and make sense for the State, many factors outside our control affect whether those recommendations are implemented. Such factors include agency priorities, the nature and availability of resources needed for implementation, and political considerations. Some of our recommendations also call for actions that lay the ground work, or nurture support, for longer term improvements that may take time to implement and may not show their full benefits for years to come.

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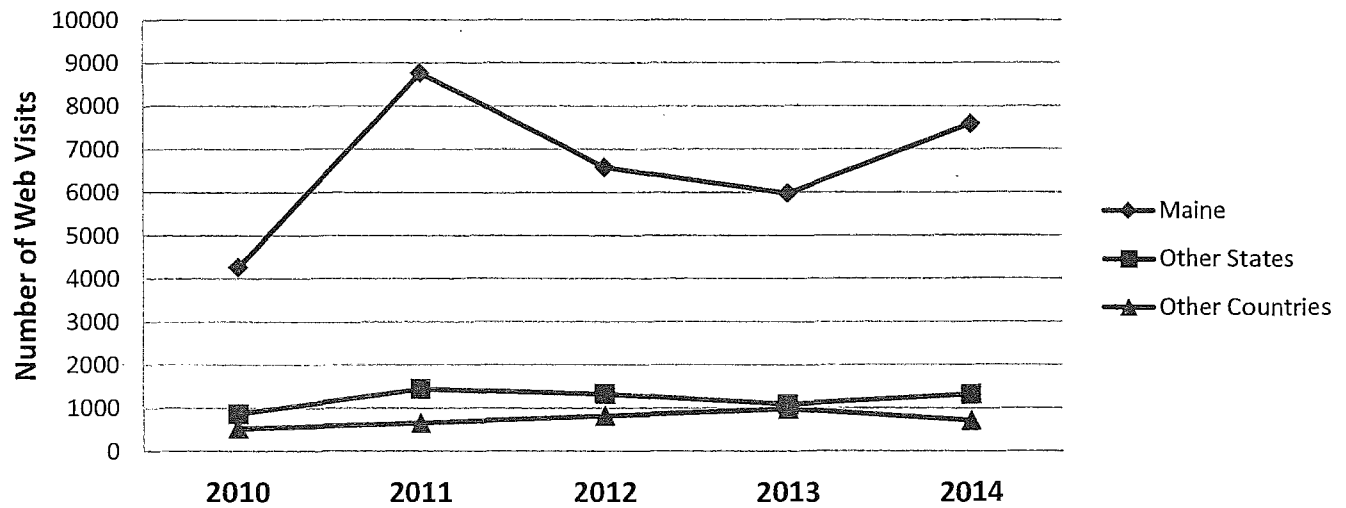
## Number of Visits to OPEGA's Website

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We track the number of visits to OPEGA's website as an indicator of overall interest in our function and work products. Figure 1 shows the trends in number of visits by point of origin. Table 4 gives the total number of website visits in each year and the details on the number of different locales from which those visits originated. OPEGA began tracking website visits in 2008 and since that time there have been a total of 58,179 visits to the website including:

- 45,633 from 268 Maine towns;
- 7,864 from 49 other states plus the District of Columbia; and
- 4,682 from 146 countries other than the USA.

As shown in Figure 1, OPEGA's website traffic declined from 2011 to 2013 and rose again in 2014. We believe the trend in website visits over the years, particularly with regard to web visits from within Maine, primarily reflects the degree of media interest in released OPEGA reports and related GOC activities in any particular year. Several of OPEGA's projects in 2011, and the GOC actions related to them, were of significant general interest to Maine's citizens and were well covered throughout the year by Maine's media. This included the report on the Maine Turnpike Authority and the GOC investigation that followed, which also garnered national and international attention. There was also media coverage of two reports released in 2012. In 2013, the report on the Maine Center for Disease Control and Prevention's handling of Healthy Maine Partnership Contracts for FY13 also drew media attention but it was not released until December 2013. The significant uptick in website visits in 2014 likely reflects the significant media attention on the GOC activity surrounding that report, including public questioning of Maine CDC officials, which continued well into 2014.

**Figure 1. OPEGA Web Visits by Point of Origin****Table 4. Details of OPEGA Website Visits 2010 - 2014**

	2010		2011		2012		2013		2014	
Point of Origin	# of visits	# of locales	# of visits	# of locales	# of visits	# of locales	# of visits	# of locales	# of visits	# of locales
Maine towns	4,256	109	8,761	133	6,577	108	5,976	131	7,586	108
Other states*	861	48	1,439	48	1,318	47	1,086	47	1,315	49
Other Countries	517	75	645	82	810	89	974	92	706	80
Total	5,634		10,845		8,705		8,036		9,607	

\*Counts include visits from the District of Columbia

## Percent of Recommendations Implemented or Affirmatively Addressed

OPEGA tracks how often action is taken by agencies, or the Legislature, to address the specific issues identified in our reviews, either through implementation of our recommended action or through alternative actions reasonably expected to improve the situation we identified. Tracking this data gives us insight into the significance and usefulness of our recommendations, as well as the overall effectiveness of our ability to stimulate warranted changes in State government.

Table 5 shows the cumulative number of recommendations, with a breakdown by implementation status, for each of the last five years. For the period January 2005 through December 2014 (based on OPEGA's follow-up to date), 65% of all recommendations made (129 of 198) have been implemented or affirmatively addressed including:

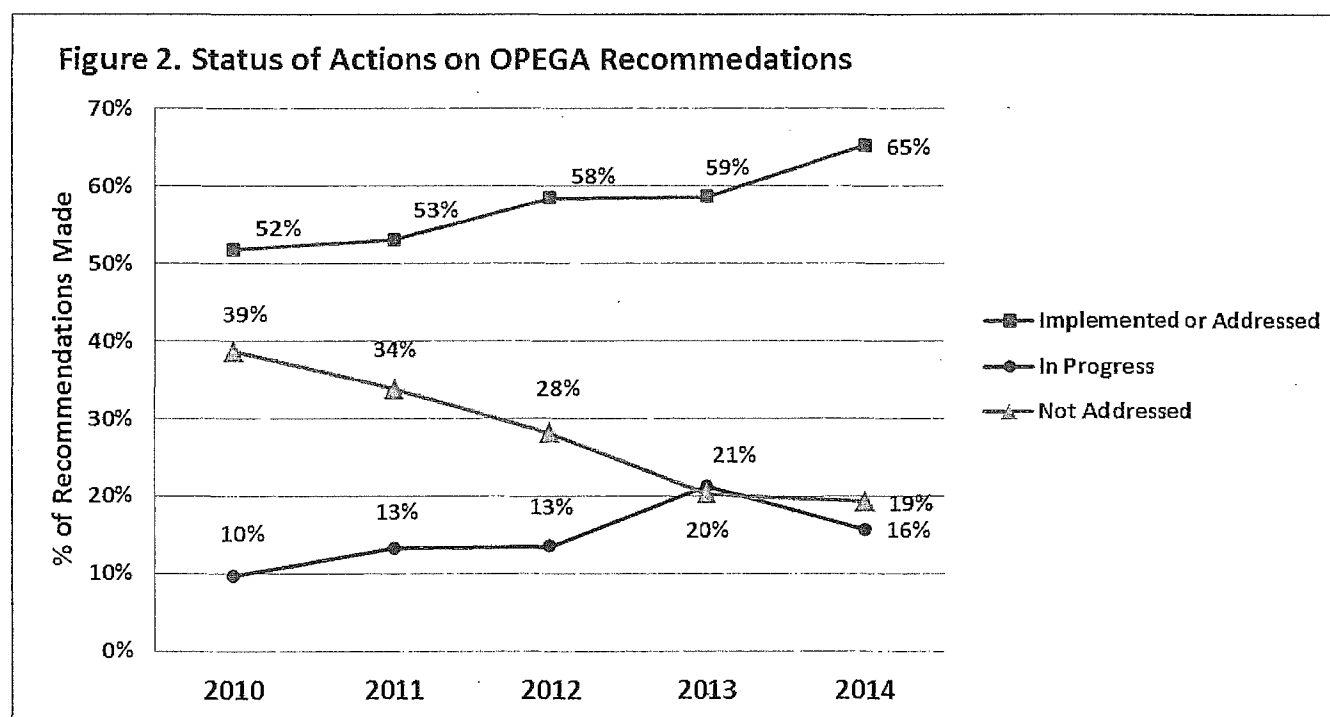
- 71% of the recommendations directed to management (96 of 136); and
- 53% of recommendations directed to the Legislature (33 of 62).

OPEGA is aware of activities in progress that, if successfully completed, could result in implementation of another 31 recommendations, of which 23 were directed to management and 8 to the Legislature. Seven of the 23 directed to management are in progress due to actions of the GOC or the passage of legislation that directed improvements be made.

Table 5. Number of Recommendations by Status and Year					
Status	2010	2011	2012	2013	2014
Implemented or Affirmatively Addressed	75	88	104	113	129
In Progress	14	22	24	41	31
Not Addressed as of Last Follow-Up	56	56	50	39	38
<b>Cumulative Total of Recommendations Made</b>	<b>145</b>	<b>166</b>	<b>178</b>	<b>193</b>	<b>198</b>

Of the 38 recommendations that had not been addressed as of OPEGA's last follow up, 37 are from ten OPEGA reports that the Office and GOC are no longer conducting active follow-up on. The other one is from a report released in December 2013.

Nearly half of the recommendations unaddressed are from the reports OPEGA issued in 2006 on State-wide Information Technology Planning and Management and Guardians ad litem for Children in Child Protection Cases. In both instances, the responsible agencies have noted resource constraints or the need for additional resources as barriers to implementing OPEGA's recommendations or otherwise addressing the issues reported. In 2012 and 2013, the GOC, other legislators and/or citizens initiated action that resulted in the priority recommendations from these two reports being addressed to a great degree, with others in the process of being addressed. However, it currently appears that the majority of these remaining 16 recommendations will not be addressed through these efforts.



In each of the past five years, as shown in Figure 2, the percentage of total OPEGA recommendations implemented or affirmatively addressed increased. We believe this trend reflects increased willingness of agencies to act on issues identified by OPEGA, even while reviews are in progress, and the initiative of the GOC and individual legislators in the past few years to introduce legislation as a means to implement recommendations when appropriate. The increase in recommendations implemented or affirmatively addressed in 2014 and the corresponding drop in recommendations in progress reflect the completion of a number of actions underway in 2013.

## Estimated Potential Fiscal Impact Associated with OPEGA Recommendations

The fiscal impacts associated with issues and recommendations reported by OPEGA for the period January 2005 through December 2014 are summarized below. In 2014, OPEGA's recommendations focused primarily on increasing transparency, accountability and management of the Maine Economic Improvement Fund and there was no reasonable basis for estimating the dollar amounts associated with fiscal impacts that might ultimately result from those improvements. Supporting information about the fiscal impacts estimated for older reports can be found in OPEGA's prior annual reports.

Based on weaknesses identified and documented through review projects conducted by OPEGA since 2005, OPEGA estimates at least:

- \$30.5 million in unplanned costs that could have been avoided;
- \$4.18 million in overpayments and other unnecessary expenditures; and
- \$597,806 in confirmed misuse of funds and fraud (\$430,000 have been recovered by affected agencies).

OPEGA also identified other inefficiencies, reduced productivity and opportunities for increased revenue that could not be readily quantified. Correcting these deficiencies, as recommended by OPEGA, should help ensure that such negative fiscal impacts are not incurred in the future.

OPEGA's recommendations for longer term, or more structural, changes have also offered the potential for avoiding or reducing costs on a significant level. For most of these recommended changes, there was no reasonable basis for readily developing realistic, quantifiable estimates of the magnitude of the fiscal impact. In the few instances where sufficient information was available, we conservatively estimated **at least**:

- \$1,089,834 in actual reduced costs on an annual basis;
- \$190,700 in potential reduced costs on an annual basis;
- \$4,132,907 in potential reduced costs on a one-time basis; and
- 5,612 hours of State employee time (the equivalent of nearly 3 full-time positions) that could be saved or redirected.

Some recommendations OPEGA makes require additional resources to implement, including those meant to improve quality of services. OPEGA estimates additional resources needed to implement those recommendations represent at least:

- \$1,218,744 in one time expenditures; and
- \$628,196 in annual expenditures.

In some cases, the expenditure of additional resources is expected to be offset by future savings or greater efficiency and productivity, but those offsets cannot be readily estimated.

# Summary of Projects and Results

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During 2014, OPEGA completed its work on two reviews and one special project: the Maine Economic Improvement Fund review, the Follow-Up Review of Health Care in the State's Correctional System, and the Special Project: Tax Expenditure Programs Phase I. A listing of all 39 projects OPEGA has produced public work products on since 2005 can be found in Appendix A.

## Maine Economic Improvement Fund

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OPEGA reviewed how the University of Maine System (UMS) allocates Maine Economic Improvement Fund (MEIF) resources, expenses supported by MEIF and metrics used to measure accomplishments attributable to the Fund. MEIF was established by the Legislature in 1997 "to administer investments in targeted research and development and product innovation and to provide the basic investment necessary to obtain matching funds and competitive grants from private and federal sources."<sup>7</sup> UMS is responsible for MEIF and uses it to invest in applied research and development in targeted areas and support the development of private enterprise based on that research and development. The Legislature appropriates General Funds for MEIF to UMS in the State's biennial budget.

OPEGA found that UMS and its campuses have established procedures and processes to allocate MEIF for uses consistent with the governing statute. UMS uses MEIF to support research and development infrastructure and capacity, such as particular departments, facilities and equipment, as well as for funding specific research and development projects. Overall, the types of MEIF expenses also appear consistent with statutory intent by virtue of being associated with one of the seven target sectors and activities consistent with the general MEIF purposes described in statute. MEIF expenses over the five-year period (FY09-13) spanned all seven target sectors and were contained in five general categories: Compensation, Supplies and Services, Transfers & Construction, Student Aid, and Business Travel. Compensation and Supplies and Services were the two largest expense categories and together accounted for 96% of MEIF expenses over the period, with Compensation accounting for 76.3%.

OPEGA also found that UMS had not established, nor reported on, measurable goals and objectives for MEIF as required by statute. Nonetheless, MEIF Annual Reports in the last five years regularly reported three metrics related to MEIF at the University of Maine and University of Southern Maine. These are: the total value of new applied research and development (R&D) grants and contracts in the seven target sectors obtained each year; the ratio of those new R&D grants and contracts to the MEIF appropriation for each year (leverage ratio); and, the number of positions supported by MEIF. OPEGA noted that some of these metrics were inaccurate and/or inconsistently calculated and reported.

Other specific issues noted in the report are:

- UMS had not provided the Legislature with the MEIF Task Force Report required by Public Law 2011 chapter 698 that was due January 2013.
- Carry forward balances at UMaine and USM reflect practices that may need adjustment to fully utilize MEIF resources and minimize financial risks associated with over-commitments.
- UMS does not consistently utilize accounting data fields to facilitate monitoring and reporting MEIF expenses. Campuses use separate databases to track and manage their MEIF-related grants and cost-share commitments.

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<sup>7</sup> 10 M.R.S.A. § 946

UMS completed the MEIF Task Force Report and submitted it to the Legislature in September 2014. UMS also established Board-approved goals and objectives for MEIF and took steps to ensure accuracy and consistency in reported metrics. The MEIF 2014 Annual Report recently submitted to the Legislature includes these enhancements. UMS is currently in the process of addressing the remaining OPEGA recommendations.

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## Follow- Up Review of Health Care Services in the State's Correctional System

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OPEGA conducted a limited scope, follow-up review of health care services in State correctional facilities. OPEGA had first reported on this topic in November 2011 and Maine Department of Corrections (MDOC) took actions to make recommended improvements. MDOC contracted with a new health services vendor beginning in July 2012 and in conjunction with that vendor has since implemented an Electronic Medical Record (EMR) system. EMR mitigates risks of inaccurate or unavailable medical information, especially for prisoners transferred between MDOC facilities. The vendor also implemented an Electronic Medication Administration Record (EMAR) that helps prevent and avoid medication administration errors and monitors any missed doses. These systems have given MDOC better direct access to prisoner health care files and facilitated MDOC's monitoring of the quality of care being provided. MDOC also restructured and strengthened some of the roles and responsibilities within its central administration for monitoring care provided by the vendor.

Despite these actions, however, prisoner advocacy groups were still receiving numerous health care complaints. The purpose of OPEGA's review was to determine the root cause(s) of the continuing complaints and assess whether those causes represented systemic deficiencies in the provision of service by the health care services vendor.

OPEGA's case study and root cause analysis did not identify any systemic deficiencies in the vendor's provision of health care to the thirteen prisoners in our sample. OPEGA reviewed the medical files relevant to 48 specific complaints for these prisoners and found the majority of them stemmed from inaccurate information on the part of the advocacy group or prisoner (17 complaints), and disagreements over MDOC's philosophy and approach regarding pain management and the provision of only medically necessary services and accommodations (16 complaints).

Eleven complaints stemmed from accurately described issues that initially appeared to be indicative of some aspect of inadequate health care provision. However, OPEGA ultimately deemed only one of them to be solely due to a shortcoming of the medical department as file review and discussions with the health care vendor revealed reasonable explanations for the other ten. Of the four remaining complaints, three stemmed from issues that were not the responsibility of the medical department. OPEGA could not make a determination on the final complaint of a provider's unprofessional behavior as the validity and root cause could not be determined from the contents of the medical files.

Overall, OPEGA observed that the current health care vendor generally provided the prisoners in our sample with appropriate and timely access to care, responses appropriate to the acuity of the condition, and treatment supported by a professional medical judgment that gave due consideration to the prisoners' issues. In the prison setting, however, there are restrictions, limitations and considerations that may contribute to prisoners feeling a lack of control and dissatisfaction with their medical treatment. Additionally, in recent years, MDOC's philosophy regarding what services will be provided shifted. In June 2011, MDOC adopted a new philosophy of providing only necessary medical care. Starting in 2012 with the prior health care vendor, and continuing with the current vendor, there was also a changing philosophy in the medical community to move away from the continued use of opiates for long-term pain management. These and other factors may continue to result in some prisoners reaching out to external advocacy groups to voice their complaints and ask for assistance.

OPEGA also observed that many complaints advocates were communicating with MDOC and CCS about were based on inaccurate, incomplete, or misunderstood information about prisoners. However, due to confidentiality laws, MDOC is not allowed to discuss the details of a prisoner's medical treatment without a signed authorization from the prisoner. OPEGA suggested that MDOC seek authorization from prisoners to share their medical information with advocates in those situations where particular issues continue to be a cause of concern or

discussion for an ongoing period of time and the complaint is based in part on faulty information. This would provide the Department with the ability to address inaccurate information and better explain the level of care the prisoner is receiving and, thus, alleviate some of the advocates' frustration and the inordinate amount of time and resources CCS and MDOC spend addressing repeated complaints.

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## **Special Project: Tax Expenditure Programs Phase I**

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Following a request for assistance from several legislators, the GOC tasked OPEGA with a special project to develop a framework for on-going legislative review and evaluation of tax expenditure programs. The scope of the project involved OPEGA categorizing and analyzing the existing tax expenditure programs and outlining a possible framework for on-going review that would specify the review objectives, what entity would perform them and how results would be conveyed and considered by legislators. OPEGA drew on the expertise of the Pew Center for the States in completing these tasks.

Concurrent with OPEGA's work on this special project, the Legislature established a special Tax Expenditure Task Force to convene during the 2013 legislative Interim (PL 2013 Chapter 368, Part S). The Task Force was directed to address several items including those that were in the scope of OPEGA's Special Project, and the legislation specified OPEGA would assist in staffing and providing information to the Task Force.

OPEGA shared the results of its categorization and analysis of tax expenditures with the Task Force and sought the Task Force's input on key elements in designing a reasonable, efficient and effective process for on-going legislative review and evaluation. The Task Force served as a forum for discussion and guidance on which entities should most appropriately be tasked with particular roles and responsibilities under the proposed legislative review process. OPEGA shared the Task Force's input with the Government Oversight Committee in the course of also seeking that Committee's input on the process design.

Incorporating the input received, OPEGA designed a proposed process that involved responsibilities for OPEGA and the GOC in conducting the proposed review and evaluation of tax expenditure programs. OPEGA also developed an outline of the proposed process to serve as a foundation for draft legislation to implement the process and shared this outline with the Task Force. The Task Force included the outline of the proposed process in its final report, which was submitted to the Appropriations and Financial Affairs (AFA) Committee in December 2013.

In the second regular session of the 126<sup>th</sup> Legislature, the Taxation Committee, several of whose members had been instrumental in the Task Force, considered draft legislation incorporating the proposed tax expenditure review process as a possible committee amendment to a carryover bill. Stakeholder and Committee member concerns over certain elements in the proposed legislative review process resulted in revisions to the draft legislation. The revised legislation, LD 1463, was passed by the Legislature. A gubernatorial veto of the bill was overturned and it was enacted as Resolves 2013 Chapter 115.

The legislation directed OPEGA to develop a more detailed proposal on how an on-going legislative review process for tax expenditure programs could be implemented, including specifics on which expenditures would receive full evaluations, what the evaluation parameters would be, and what resources would be required. The proposal will be submitted to the Taxation Committee for consideration by March 1, 2015. OPEGA has been working on this effort as Special Project: Tax Expenditure Programs Phase II. Resources to support this special project have come from unencumbered balances in OPEGA's accounts from prior years.



## Actions on Past Reports

OPEGA and the GOC continue to monitor actions taken on previously issued reports, and determine whether additional Committee action is needed to implement recommendations not yet satisfactorily addressed. Some notable actions taken on past OPEGA reports in 2014 were:

- The Judicial Branch, in complying with PL 2013 Chapter 406, addressed several recommendations in OPEGA's 2006 report on *Guardians ad Litem* (GAL), as well as other issues associated with GAL services. The Supreme Judicial Court currently has before it a complete rewrite of the GAL Rules, as well as a new proposed disciplinary process. The Court has issued new forms for the appointment of GALs that clarifies the role of the GAL and the judge, or magistrate, sets a fee cap at the beginning of any Title 19-A case in which a GAL is engaged. The Family Division Annual Report, which is due to the Legislature on February 15<sup>th</sup>, is expected to more fully set forth the work of the Court in the last year.
- In compliance with 5 M.R.S.A. § 12023, 24 quasi-independent State entities submitted required annual reports to the Legislature on non-competitive procurements and contributions made in the prior year. Legislation initiating these statutory reporting requirements was introduced by the GOC in 2012 as a by-product of OPEGA's 2011 report on the Maine Turnpike Authority. The Executive Director of the Legislative Council forwarded each report to the appropriate joint standing committees and to OPEGA.
- In February 2014, Child Development Services submitted its first annual report since PL 2013 Chapter 338 was enacted revising Title 20-A Part 4, Chapter 303, section 7209. The Public Law was a result of legislation introduced by the GOC and significantly enhanced Child Development Services' annual reporting requirements to the Legislature by requiring more detailed fiscal and programmatic data. The 2014 CDS Annual Report can be found on the Department of Education's Child Development Services website.
- The Department of Economic and Community Development (DECD) completed the second Comprehensive Evaluation of Economic Development Programs required by statute as a result of recommendations in OPEGA's 2006 report on Economic Development Programs in Maine. As statute requires, the evaluation was conducted by an independent consultant contracted by DECD. The results were submitted to the Legislature in two reports in 2014. The consultant made a number of recommendations, several of which relate to issues that remain unaddressed from OPEGA's 2006 report and which hamper the State's ability to adequately coordinate, oversee and evaluate these programs. The GOC and OPEGA were awaiting the results of the second Comprehensive Evaluation before proceeding with introducing legislation to implement OPEGA recommendations that remain unaddressed from 2006. OPEGA expects the GOC to take up this discussion again in early 2015 and the recommendations from DECD's evaluation will be considered as part of that effort.
- The GOC took several actions in response to OPEGA's Healthy Maine Partnerships FY13 Contracts and Funding report and the subsequent inquiry of Maine CDC officials.
  - Requested the Attorney General review information gathered from the public inquiry and OPEGA's analysis that suggested a possible violation of the Freedom of Access Act and investigate as deemed appropriate.
  - Requested the Attorney General and Secretary of State convene a working group to make recommendations for improving the State's records retention framework. The working group has been convened and a report back to the GOC with recommendations in several areas is expected by March 1, 2015.
  - Directed OPEGA to explore options for establishing State-wide expectations for agencies making selection and funding decisions among competing entities without a formal competitive procurement process. OPEGA expects to report back to the GOC on options in February 2015.

- Introduced legislation to strengthen the ethics framework for Executive Branch employees. LD 6 has been referred to the State and Local Government Committee for consideration during the first session of the 127<sup>th</sup> Legislature. This action also addressed a recommendation in OPEGA's 2013 report on the Public Utilities Commission.
- The Legislature, Public Utilities Commission (PUC), and Office of Public Advocate (OPA) took steps to address recommendations in OPEGA's 2013 report on the Public Utilities Commission. That report focused on avenues available to consumers for raising concerns with utilities and measures for ensuring the PUC acts in an impartial and unbiased manner in regulating utilities.
  - The Legislature enacted LD 1860 as PL 2013 Chapter 554 thus establishing a process for the appointment of alternate Commissioners in situations where the permanent Commission cannot maintain a quorum due to recusals.
  - Working with the Joint Standing Committee on Energy, Utilities and Technology (EUT), the GOC introduced legislation to establish a temporary Consumer Advisor position in the Office of the Public Advocate. The position was intended to assist consumers who wanted to participate in PUC proceedings "pro se" to understand and navigate the PUC rules and processes. LD 1816 was passed by the Legislature in April 2014 but was vetoed by the Governor. The veto was sustained by the House. OPA, nonetheless, established the temporary position using existing resources, and filled it as of October 2014. The Governor's biennial budget for FY 2016 – 17 includes a request for the funding to make the position permanent.
  - The PUC made, and continues to make, improvements to its website and the usability of the on-line case system available to the public. The Commission also improved the information and guidance available on its website that describes how consumers can participate at the Commission and how the Commission conducts cases. Lastly, the PUC adopted a policy on recusals and completed two half-day ethics seminars for employees and Commissioners presented by the Institute for Global Ethics from Camden.

Appendix B summarizes the current implementation and follow-up status of OPEGA's reports.

## Acknowledgements

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OPEGA would like to acknowledge and express appreciation to others in State government for the knowledge, service and other assistance they willingly contribute to OPEGA's reviews and general operations. In particular, special thanks to the:

- Office of the Executive Director of the Legislative Council;
- Office of Legislative Information Technology;
- Office of Policy and Legal Analysis;
- Office of Fiscal and Program Review;
- Law and Legislative Reference Library;
- Office of the State Controller;
- Office of the State Auditor; and
- Office of the Attorney General.

## Appendix A: Listing of Available OPEGA Work Products by Date Issued

Report Title	Date Issued	Overall Conclusion	JSCs that Received Report*
Follow Up Review of Health Care in the State Correctional System	November 2014	No systemic deficiencies identified in the vendor's provision of health care services. Inaccurate information and disagreements over MDOC policy are the primary causes of the prisoner complaints reviewed.	AFA CJPS HHS
Maine Economic Improvement Fund	June 2014	Allocations of the Fund and expenses supported by the Fund are consistent with statutory intent. Improvements are needed in performance reporting and fiscal monitoring associated with the Fund.	AFA LCRED
Special Project: Tax Expenditure Programs Phase I	March 2014	Proposed process for on-going legislative review of tax expenditures involved OPEGA conducting full evaluations of certain categories of expenditures, with GOC oversight, as well as supporting Taxation Committee in expedited reviews of other categories of expenditures. Taxation would consider OPEGA evaluation results and determine whether action should be taken to implement recommendations.	TAX
Healthy Maine Partnerships' FY13 Contracts and Funding	December 2013	Approach to selecting HMP lead agencies appropriate but the process was poorly implemented and allowed for manipulation of outcomes. Funding was consistent across HMPs based on role. Documentation maintained was insufficient to support key decisions in the selection process.	AFA HHS
Public Utilities Commission	September 2013	Improvements can be made in accessibility and responsiveness of avenues available for consumers to raise utility-related concerns. Risk of actual and perceived bias on the part of the PUC persists.	EUT
Maine State Housing Authority: Energy Assistance Programs LIHEAP and WAP	July 2013	Both programs administered well overall but LIHEAP controls should be improved and ongoing efforts to strengthen WAP program operations should be continued.	LCRED
Communications Regarding a Computer System Weakness Resulting in MaineCare Claims Payments for Ineligible Individuals	November 2012	DHHS MIHMS project staff knew of the issue in 2010, but executive management knowledge of the issue and its impact was limited until early 2012. Several factors contributed to the system weakness not being highly prioritized or reported to the DHHS Commissioner earlier.	AFA HHS
Child Development Services	July 2012	Implementing comprehensive program management, encouraging responsible stewardship of resources, and developing data to support management decisions could improve efficiency and cost effectiveness.	AFA EDUC
Cost Per Prisoner in the State Correctional System	June 2012	MDOC's methodology for calculating the cost per prisoner is reasonable but the statistic is of limited use in comparing states to one another due to a number of variables.	AFA CJPS

Report Title	Date Issued	Overall Conclusion	JSCs that Received Report*
Maine State Housing Authority: Review of Certain Expenditures	May 2012	Most expenses reviewed were connected to MaineHousing's mission. Some expense types or amounts may be unnecessary and should be reconsidered.	AFA LCRED
Health Care Services in State Correctional Facilities	November 2011	Weaknesses exist in MDOC's monitoring of contractor compliance and performance. Contractor not compliant with some MDOC policies and professional standards. New administration is undertaking systemic changes.	AFA CJPS
Sales of State Real Estate	October 2011	Process is inconsistent across departments. Public notice on real estate sales is limited.	
GOC Special Project: Investigation into Sale of Real Estate to Maine State Prison Warden	August 2011	GOC questioned judgment of State officials in allowing sale to proceed but found no intentional misdealings.	
Maine Green Energy Alliance	August 2011	Weak controls and informal practices created high risk for misuse of funds and non-compliance. No inappropriate funding uses identified, but compliance issues were noted.	EUT
Certificate of Need	May 2011	Process appears clear, consistent and transparent. Opportunity for better documentation exists.	HHS
Health Care Services in State Correctional Facilities: Opportunities to Contain Costs and Achieve Efficiencies	April 2011	Opportunities exist to better manage costs of health care in State correctional facilities by restructuring contracts with providers and implementing electronic medical records.	AFA CJPS HHS
GOC Special Project: Investigation into MTA's Purchase of Gift Cards	April 2011	GOC determined there was sufficient evidence of potential misuse of funds to request an investigation by the Attorney General's Office.	
Maine Turnpike Authority	January 2011	Strong planning process drives bond and toll decisions. Some contracting practices and expenditure controls should be improved. Additional clarity needed around surplus transfer and operating expenses.	TRANS
Emergency Communications in Kennebec County	February 2010	Fragmented PSAP and dispatch network presents challenges. Quality and rate issues need to be addressed to optimize public safety.	EUT CJPS
OPEGA's Special Project on Professional and Administrative Contracts	February 2010	Opportunities exist to reduce FY11 General Fund costs for professional and administrative contracts by temporarily suspending some contracts. Potential also exists to reduce costs of on-going agreements.	AFA
Fund for a Healthy Maine Programs	October 2009	Adequate frameworks exist to ensure cost-effectiveness of specific activities. Allocations should be reassessed and changes should be made to improve financial transparency.	AFA HHS
MaineCare Durable Medical Equipment and Medical Supplies	July 2009	Prevention and detection of unnecessary or inappropriate claims should be strengthened to better contain costs.	AFA HHS

Report Title	Date Issued	Overall Conclusion	JSCs that Received Report*
Maine State Prison Management Issues	June 2009	The workplace culture of Maine State Prison may be exposing employees and the State to unacceptable risks and needs continued attention.	CJPS
MaineCare Children's Outpatient Mental Health Services	February 2009	8% of funds spent support DHHS's administrative costs. Primary drivers are a contract with the ASO and costs incurred in processing provider claims. Another 19% of expenses can be attributed to providers' administrative costs.	AFA HHS
Fund For A Healthy Maine Programs: A Comparison of Maine's Allocations to Other States and a Summary of Programs	February 2009	Maine consistently prioritized preventive health services more than other states.	AFA HHS
State Contracting for Professional Services: Procurement Process	September 2008	Practices generally adequate to minimize cost-related risks; controls should be strengthened to promote accountability.	AFA
DHHS Contracting for Cost-Shared Non-MaineCare Human Services	July 2008	Cash management needs improvement to assure best use of resources.	AFA HHS
State Administration Staffing	May 2008	Better information needed to objectively assess possible savings opportunities.	AFA
State Boards, Committees, Commissions and Councils	February 2008	Opportunities may exist to improve State's fiscal position and increase efficiency.	AFA SLG ENR
Bureau of Rehabilitation Services: Procurements for Consumers	December 2007	Weak controls allow misuse of funds, affecting resources available to serve all consumers.	AFA LCRED
Riverview Psychiatric Center: An Analysis of Requests for Admission	August 2007	Majority seeking admission not admitted for lack of capacity but appear to have received care through other avenues; a smaller group seemed harder to place in community hospitals.	CJPS HHS
Urban-Rural Initiative Program	July 2007	Program well managed; data on use of funds should be collected.	TRANS
Highway Fund Eligibility at the Department of Public Safety	January 2007	The absence of a clear definition of HF eligibility and reliable activity data prevent a full and exact determination of which DPS activities are eligible to receive HF.	AFA CJPS TRANS
Economic Development Programs in Maine	December 2006	EDPs still lack elements critical for performance evaluation and public accountability.	AFA ACF LCRED TAX
Guardians <i>ad Litem</i> for Children in Child Protection Cases	July 2006	Program management controls needed to improve quality of guardian ad litem services and assure effective advocacy of children's best interests.	HHS JUD
Bed Capacity at Riverview Psychiatric Center	April 2006	RPC referral data is unreliable; other factors should be considered before deciding whether to expand.	CJPS HHS

Report Title	Date Issued	Overall Conclusion	JSCs that Received Report*
State-wide Information Technology Planning and Management	January 2006	State is at risk from fragmented practices; enterprise transformation underway and needs steadfast support.	AFA SLG
Review of MECMS Stabilization Reporting	December 2005	Reporting to Legislature provides realistic picture of situation; effective oversight requires focus on challenges and risks.	AFA HHS
Title IV-E Adoption Assistance Compliance Efforts	November 2005	Maine DHHS has made progress in addressing compliance issues; additional efforts warranted.	HHS

\*Acronyms for Legislative Joint Standing Committees (JSC) that OPEGA's reports were distributed to:

AFA – Appropriations and Financial Affairs

ACF – Agriculture, Conservation and Forestry

CJPS – Criminal Justice and Public Safety

EDUC – Education

ENR – Environment and Natural Resources

EUT – Energy, Utilities and Technology

HHS – Health and Human Services

JUD – Judiciary

LCRED – Labor, Commerce, Research and Economic Development

SLG – State and Local Government

TAX – Taxation

TRANS – Transportation

**Appendix B: Summary of Implementation and Follow-Up Status on Issued Reports**  
 (Implementation status based on information gathered by OPEGA as of 12-31-14)

Report Title	Date Issued	Implementation Status
<b>Reports Still in Active Follow-Up Status (by date of issuance)</b>		
Maine Economic Improvement Fund	June 2014	Partially Implemented (Activity in Progress)
Healthy Maine Partnerships' FY13 Contracts and Funding	December 2013	Limited Implementation (Activity in Progress)
Public Utilities Commission	September 2013	Partially Implemented (Activity in Progress)
Maine State Housing Authority: Energy Assistance Programs LIHEAP and WAP	July 2013	Partially Implemented (Activity in Progress)
Child Development Services	July 2012	Mostly Implemented (Activity in Progress)
Economic Development Programs in Maine)	December 2006	Partially Implemented (Activity in Progress)
<b>Reports No Longer in Active Follow-Up Status (by date of issuance)</b>		
Maine State Housing Authority: Review of Certain Expenditures	May 2012	Fully Implemented
Health Care Services in State Correctional Facilities	November 2011	Fully Implemented
Maine Green Energy Alliance	August 2011	Partially Implemented
Maine Turnpike Authority	January 2011	Fully Implemented
Emergency Communications in Kennebec County	February 2010	Mostly Implemented
OPEGA's Special Project on Professional and Administrative Contracts	February 2010	Partially Implemented
Fund for a Healthy Maine Programs	October 2009	Mostly Implemented
MaineCare Durable Medical Equipment and Medical Supplies	July 2009	Mostly Implemented
Maine State Prison Management Issues	June 2009	Fully Implemented
MaineCare Children's Outpatient Mental Health Services	February 2009	Limited Implementation
State Contracting for Professional Services: Procurement Process	September 2008	Fully Implemented
DHHS Contracting for Cost-Shared Non-MaineCare Human Services	July 2008	Fully Implemented



Report Title	Date Issued	Implementation Status
State Administration Staffing	May 2008	Partially Implemented
State Boards, Committees, Commissions and Councils	February 2008	Limited Implementation
Bureau of Rehabilitation Services: Procurements for Consumers	December 2007	Fully Implemented
Urban-Rural Initiative Program	July 2007	Fully Implemented
Guardians <i>ad Litem</i> for Children in Child Protection Cases	July 2006	Partially Implemented
Bed Capacity at Riverview Psychiatric Center	April 2006	Fully Implemented
State-wide Information Technology Planning and Management	January 2006	Partially Implemented
Review of MECMS Stabilization Reporting	December 2005	Mostly Implemented
Title IV-E Adoption Assistance Compliance Efforts	November 2005	Fully Implemented

Note: Implementation and follow-up are not applicable for the following OPEGA study reports as they did not contain recommendations: Follow Up Review of Health Care in State Correctional System; Communications Regarding Computer System Weakness, Cost Per Prisoner in the State Correctional System, Sales of State Real Estate; Certificate of Need; Health Care Services in State Correctional Facilities: Opportunities to Contain Costs and Achieve Efficiencies; Riverview Psychiatric Center: An Analysis of Requests for Admissions; Highway Fund Eligibility for the Department of Public Safety; and, Fund For A Healthy Maine Programs: A Comparison of Maine's Allocations to Other States and a Summary of Programs.



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

**Task Force to End Student Hunger in Maine**

**January 2015**

**Members:**

**Sen. Justin Alford, Chair**

**Sen. Brian D. Langley**

**Sen. Rebecca J. Millett**

**Rep. Victoria Kornfield, Chair**

**Rep. Russell J. Black**

**Rep. Helen Rankin**

**Rep. Roger E. Reed**

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## Executive Summary

The 126<sup>th</sup> Maine Legislature established the Task Force to End Student Hunger in Maine (task force) with the passage of Resolve 2013, chapter 107. The resolve established the 17-member task force, which includes seven members of the Legislature, eight appointed representatives of the public, the Commissioner of Education or the designee of the commissioner and the Commissioner of Health and Human Services or the designee of the commissioner.

The resolve directed the task force to examine issues associated with the creation of a public-private partnership to provide schools with expertise in adopting best practices and maximizing available federal funds for the following United States Department of Agriculture, Food and Nutrition Service child nutrition programs:

- National School Lunch Program;
- The Summer Food Service Program; and
- Child and Adult Care Food Program, At-Risk Afterschool Meals.

In addition, the resolve specified that the task force should study using four privately funded hunger coordinator positions in the Healthy Maine Partnership districts to encourage the use of school food programs.

Over the course of six meetings, the task force also included in its evaluation the federally administered School Breakfast Program and the Community Eligibility Provision.

Through a series of panel discussions the task force heard about the barriers and successes in providing nutritious meals to Maine students. Data provided by the Department of Education and the Department of Health and Human Services shed light on the gaps in participation in child nutrition programs, and how much in federal reimbursements are being lost both daily and annually in Maine.

With this information the task force developed an action plan for the State, which includes three broad goals and five program-provision specific goals and 39 recommendations to end student hunger in Maine. The task force identified the following broad goals to address student hunger:

- Raise awareness of student hunger and the impact of food insecurity on students and provide information on the connection between good nutrition and the success of students in school;
- Increase participation in and support for child nutrition programs within state government; and
- Increase participation in and support for child nutrition programs through partnering with farms, food distributors, nonprofits, and state, federal and private programs.

The task force identified the following program-provision specific goals to end student hunger:

- **School Breakfast Program:** Within five years Maine will achieve registration of 100% of students who are eligible for free or reduced-cost school breakfast and achieve daily participation as close as possible to 100% of eligible students who are in attendance each day.
- **School Lunch Program:** Within five years Maine will achieve registration of 100% of students who are eligible for free or reduced-cost school lunch and achieve daily participation as close as possible to 100% of eligible students who are in attendance each day.
- **Child and Adult Care Food Program; At-Risk Afterschool Meals:** Over the next five years Maine will achieve an increase of 20% per year in the availability of at-risk after school meals in programs dispersed broadly across the state.
- **Summer Meals:** Within five years Maine will provide at least one summer meal site in every school district that is eligible for a summer meals program.
- **Community Eligibility Provision:** Within five years Maine will achieve use of the community eligibility provision by at least one school in each school district that is eligible for the community eligibility provision through direct certification.

As part of its recommendations to raise awareness about student hunger and the connection between good nutrition and better performance in school, the task force proposed creating an ongoing commission to address student hunger and assist with implementing the action plan.

In making its recommendations the task force recognizes that if Maine does not do more to ensure that our food-insecure children are provided with regular nutritious meals then the state is maintaining a pattern of poverty because hunger severely impacts a child's success in school.

### **Food Insecurity in Maine**

Did you know...Maine ranks 1<sup>st</sup> in New England in terms of food insecurity and very low food security, or hunger? Food insecurity is defined as inadequate access to food due to lack of money or other resources.

Very low food security, or hunger, is defined as prolonged, involuntary lack of food, resulting in discomfort, illness, weakness or pain.

(Source: US Department of Agriculture Economic Research Service and *Map the Meal Gap: Child Food Insecurity, Feeding America*, April 2014.)



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

**COMMISSION TO STUDY THE EFFECTS OF COASTAL AND OCEAN  
ACIDIFICATION AND ITS EXISTING AND POTENTIAL EFFECTS ON SPECIES  
THAT ARE COMMERCIALY HARVESTED AND  
GROWN ALONG THE MAINE COAST**

**January 2015**

**Members:**

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Sen. Brian D. Langley  
Rep. Michael G. Devin, Chair  
Rep. Wayne R. Parry  
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## Executive Summary

In 2014, the 126<sup>th</sup> Maine Legislature established 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 (the “commission”) with the passage of Resolve 2013, chapter 110. The resolve provided for a 16-member commission, specified its duties and directed the commission to submit its report by December 5, 2014 to the joint standing committee of the Legislature having jurisdiction over marine resources matters. Resolve 2013, chapter 110 is included as Appendix A.

The commission’s membership includes two state senators, three state representatives, two representatives of an environmental or community group, one person who fishes commercially, two aquaculturists, three scientists who have studied coastal or ocean acidification, the Commissioner of Marine Resources, the Commissioner of Environmental Protection and the Commissioner of Agriculture, Conservation and Forestry or those commissioners’ designees. The membership of the commission is included as Appendix B.

The commission’s duties included, but were not limited to, a review of the scientific literature to identify what is known about ocean acidification and steps that are needed to enhance scientific research and monitoring, develop mitigation and remediation strategies, and steps that could be taken to increase public awareness of coastal and ocean acidification. Resolve 2013, chapter, 110, directed the commission to submit any proposed legislation needed to implement its recommendations to the joint standing committee of the Legislature having jurisdiction over marine resources matters.

The commission met on August 1, September 4, September 18, October 10, October 21, November 10 and December 1, 2014. The August 1, 2014 meeting was held at the Darling Marine Center, University of Maine’s Marine Laboratory in Walpole, Maine. The inaugural meeting of the commission included presentations by scientists and other experts on ocean acidification and the economic and policy implications for Maine. The remaining meetings were held in the Cross State Office Building in Augusta. Meeting summaries can be found at <http://legislature.maine.gov/legis/opla/oceanacidificationmtgmatrls.htm>.

To facilitate the commission’s work, two subcommittees were established: the State of the Science, Research and Monitoring Priorities Subcommittee, charged with delving into the scientific literature and data pertaining to ocean acidification; and a subcommittee to review the Washington State Blue Ribbon Panel of Ocean Acidification report to determine the applicability of that panel’s recommendations to the conditions in Maine. The State of the Science, Research and Monitoring Priorities Subcommittee report (State of the Science report) is a comprehensive review of the scientific literature related to ocean acidification; a summary of the report can be found in section III of this report, and the full report can be found in Appendix C.

On a global scale, ocean acidification is caused by the release of carbon dioxide (CO<sub>2</sub>) to the atmosphere from burning fossil fuels, which until the Industrial Revolution had been buried in the earth’s crust in the form of fossilized plant and animal remains for millions of years. Worldwide, approximately 25% of the CO<sub>2</sub> released from the combustion of fossil fuels

dissolves in the world's oceans where it forms carbonic acid. This increased concentration of CO<sub>2</sub> in the earth's atmosphere can explain the 30% increase in the average acidity of ocean surface waters, most of which has occurred in the last 70 years. Globally, ocean acidification is accelerating as CO<sub>2</sub> emissions increase and the increased atmospheric input of CO<sub>2</sub> can explain the observed multidecadal change in acidity of the seawater. While the global scale process of ocean acidification is fairly straightforward and well understood, other sources of acidification also affect Maine's marine environment and in some cases can exacerbate the increases of acidity from atmospheric CO<sub>2</sub>. Elucidating these processes and their importance relative to the flux of CO<sub>2</sub> from the atmosphere is difficult because of the complexity of Maine's ecosystems and considerable gaps in our knowledge about these other sources of acidification.

In addition to atmospheric CO<sub>2</sub>, there are two other drivers of inshore acidification potentially very important to Maine's marine resources: freshwater runoff and nutrient loading from onshore sources.

1. Freshwater runoff is typically more acidic than seawater. Two of the most concerning impacts of climate change affecting ocean acidification in the Northeastern United States are greater annual precipitation and more frequent extreme precipitation events. Adding to the difficult task of understanding how Maine's marine environment is acidifying, the dominant source of freshwater to the larger Gulf of Maine comes from watersheds and melting ice to the north entering from the Scotian Shelf.
2. Organic matter entering Maine's coastal waters can also increase acidity. For example, large phytoplankton blooms resulting from the addition of excess nutrients eventually decompose and release CO<sub>2</sub>.

One of the most important and urgent challenges facing Maine as we try to understand and prepare for the impacts of ocean acidification is to determine how and where these inshore causes of acidification contribute to Maine's "acidification budget."

The increasing rate of acidification will most heavily impact those marine organisms that produce calcium carbonate hard parts, such as clams, lobster, mussels, shrimp, scallops, sea urchins and cold water coral (see State of the Science report, Appendix C). Research and monitoring efforts have shown that there are mud flats in Casco Bay where juvenile softshell clams struggle to survive in acidified sediments. Perhaps the most alarming of the commission's findings is how much we do not know about ocean acidification and how it will affect Maine's commercially important species, including the iconic lobster. It is these gaps in our understanding that form the focal point for actions that can and must be taken to understand, prevent, reduce and mitigate the negative impacts of ocean acidification.

Maine is working with regional, state and local entities to address ocean acidification through existing programs related to climate change, air quality and water quality. Both the State and municipalities can enhance and increase this ongoing work to reduce possible sources of acidification through the adoption of land use practices that maximize recharge of precipitation to groundwater and reduce point and nonpoint nutrient discharges that can lead to acidification.

The commission arrived at its goals and recommendations based on the state of ocean acidification science, which is a nascent area of scientific inquiry. These goals and recommendations are made in light of practical, economic and political realities and after consideration of various viewpoints on the causes, levels, trends and significant gaps in our understanding of ocean acidification. The commission strongly believes its unanimous recommendations reflect a balance of those considerations.

The commission identified and unanimously adopted six overarching goals and twenty-five recommendations to achieve those goals. A synopsis of the recommendations can be found in Appendix E. The commission identified and adopted the following six goals:

1. Invest in Maine's capacity to monitor and investigate the effects of ocean acidification and determine impacts of ocean acidification on commercially important species and the mechanisms behind the impacts;
2. Reduce emissions of carbon dioxide;
3. Identify and reduce local land-based nutrients and organic carbon that contribute to ocean acidification by strengthening and augmenting existing pollution reduction efforts;
4. Increase Maine's capacity to mitigate, remediate and adapt to the impacts of ocean acidification;
5. Inform stakeholders, the public and decision-makers about ocean acidification in Maine and empower them to take action; and
6. Maintain a sustained and coordinated focus on ocean acidification.

The commission is proposing legislation to create an ongoing ocean acidification council to continue the commission's efforts to identify, study, mitigate and prevent the effects of coastal and ocean acidification on species commercially harvested and grown in Maine's marine environments. The proposed council would have the authority to advise on matters of ocean acidification and to respond to advances in ocean acidification science and to shifts in the economic and political landscapes. It would also have the authority to submit legislation regarding ocean acidification matters directly to the Legislature. This proposed legislation can be found in Appendix D.



Image courtesy of the artist Olivia Dwyer