

MAINE STATE LEGISLATURE

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1994

STATE OF MAINE
ONE HUNDRED AND SIXTEENTH LEGISLATURE
COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

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January 26, 1994

Judy A. Paradis, Senate Chair
Robert J. Tardy, House Chair
Joint Standing Committee on Agriculture
State House Station #115
Augusta, Maine 04333

Dear Senator Paradis and Representative Tardy:

Public Laws of 1993, chapter 413, section 5, called for six of the "commodity" agencies of State Government to "... conduct studies of their respective organizations that examine alternative models of organizing their functions in a way so as to maximize services to the populations each organization serves." That legislation went on to require each of the six agencies to report to the Joint Standing Committee on Appropriations and Financial Affairs "... no later than January 4, 1994, with their findings and recommendations, including any draft legislation." A copy of PL 1993, c. 413 is enclosed for your review.

On January 20, 1994, the Appropriations Committee met with the six commodity agencies to review their reports and discuss whatever legislation might be needed. At the conclusion of that meeting, a motion was made, and accepted, that the reports and any proposed legislation, be referred to your committee for its review and action. The Appropriations Committee members believe committee recommendations to the Second Regular Session of the 116th Legislature are more properly the responsibility of the Joint Standing Committee on Agriculture.

Enclosed for your review are the reports from the Maine Blueberry Commission, the Maine Potato Board, the Maine Dairy Promotion Board and the Maine Dairy and Nutrition Council. In the near future two bills will be printed that would implement the recommendations in those reports requesting legislative changes to their current enabling legislation. The first bill will involve minor changes requested by the Maine Potato Board. The second bill will involve the changes requested by both the Maine Dairy Promotion Board and the Maine Dairy and Nutrition Council. It is our understanding the Maine Blueberry Commission is not seeking legislative changes at this time.

We will work to ensure that these bills are referred to your Committee. In the meantime, please contact us if you have any questions concerning this request or need additional information. Thank you for your attention to this matter.

Sincerely,



Michael D. Pearson
Senate Chair



Lorraine N. Chonko
House Chair

Enclosure

cc: Members, Joint Standing Committee on Agriculture
Members, Joint Standing Committee on Appropriations and Financial Affairs
Edward J. McLaughlin, Executive Director, Maine Blueberry Commission
David R. Lavway, Executive Director, Maine Potato Board
Grace Additon, Director, Maine Dairy Promotion Board & Dairy & Nutrition Council
Deb Friedman, OPLA ✓

O.F.P.R.

**Maine Potato Board Report to the Joint Standing Committee
On Appropriations and Financial Affairs**

94 JAN -5 AM 8:33

The Maine Potato Board has conducted a study of their organization as directed by Public Law 93 Chapter 417. The study was done in conjunction with the other state commodity groups: the Maine Blueberry Commission, the Maine Sardine Council, the Maine Dairy Promotion Board, the Maine Dairy and Nutrition Council, and the Maine Lobster Promotion Council. A total of four meetings were held to discuss the needs and changes necessary to deliver services for each respective organization. We found that the functions of each organization were very different. The structures could not be modeled the same without disrupting the day to day services that members desired.

The Maine Potato Board presently operates within the Department of Agriculture, Food and Rural Resources but is not subject to the Personnel Law. The employees are confidential employees with their salaries fixed by the Maine Potato Board Directors subject to approval by the Governor. They are not part of the Administrative Services Bargaining Unit and therefore do not receive the automatic pay raises other state workers receive. As a result, the Governor has ruled that Maine Potato Board employees are exempt from shutdown and furlough days. Unlike the other commodity groups, shutdown and furlough days have not been a frustration for us.

The Maine Potato Board also operates under the Administrative Procedures Act of the State of Maine. This helps to make us accountable in all purchasing and operating procedures. We develop a Plan of Work each year outlining our planned activities which has solved many of the administrative barriers that caused frustration in conducting the goals and objectives of the Maine potato industry. This plan has helped State administrative people understand our mission and allowed the streamling of approval for purchases, travel, and other activities. We have been extremely pleased with the efforts of State agencies responsible for oversight of programs at this time and have found them willing to work with us in resolving difficulties that arise.

Our greatest concern in separating from State government is accountability to our over 130 potato tax payers. The present system of Administrative and Auditing procedures helps assure tax payers that our money is collected and handled properly. Since the Board's inception in 1986, we have had no complaints of a financial nature and consider these safeguards as being of paramount importance in conducting business.

There are two areas that give us concern and problems. The first is in the area of Worker's Compensation Insurance. Being under State control but working with a dedicated account, the State's self-insurance plan leaves the Potato Board and other commodity organizations liable for any Worker's Compensation Claim. We feel it would be prudent to be allowed to seek an insurance plan from a private insurance company rather than risk our whole budget on a worker's compensation claim.

The second area of concern is within the Potato Board structure. The Board is divided into five executive councils made up of representatives from each of the seven potato districts in the State. These councils elect representatives to sit on the Maine Potato Board as directors. The terms of both the executive councils and the Maine Potato Board are three, two-year terms. Because these terms are the same, it is impossible to serve three terms on the Maine Potato Board without exceeding the three term limit on the executive councils unless you are elected immediately to the Board from the councils. This causes difficulty in electing a President with Board experience since the council term may run out before his Board appointment expires. We have had one individual whose term ran out on the executive council before his board term expired. Presently, we have two others whose terms will expire this year on the

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executive councils before their terms end on the Maine Potato Board. The Board term should be the only term with a six year limit. Appendix A is a draft bill to address this problem.

The Maine Potato Board would like to thank you for your help in passing Public Law 93, Chapter 417. It has been helpful to us in examining our structure and looking at improvements to our present system.

In reviewing the structure and functions of the Board, we realized that the benefits of staying under the umbrella of the State far outweigh separation from State oversight. At the December 15th meeting of the Maine Potato Board, the directors voted unanimously to support remaining under State control. We also ask that we be allowed to change our executive council terms and be allowed to purchase Worker's Compensation Insurance.

APPENDIX A

Proposed Legislative Language to Amend the Terms of Executive Council Membership on the Maine Potato Board

Be it enacted by the People of the State of Maine as follows:

36 MRSA § 4603 Sub § 4 as enacted by PL 1985, c. 753 § 14 and 15 and is amended to read:

4. Terms of executive council membership. Once elected, executive council members shall serve for two (2) years, provided that the members may continue to serve until a successor is duly elected and qualified and that executive council members may not serve more than ~~three (3)~~ five (5) consecutive terms.

Statement of Fact

This bill changes the terms for executive council membership on the Maine Potato Board from three (3) terms to five (5) terms.