

# MAINE STATE LEGISLATURE

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Office of Program Evaluation and  
Government Accountability

Annual Report on  
Activities and Performance

2012

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

February  
2013

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

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Senator David C. Burns  
Senator Margaret M. Craven  
Senator Christopher K. Johnson  
Senator Edward M. Youngblood

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Representative Paul T. Davis, Sr.  
Representative Andrea M. Boland  
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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://www.maine.gov/legis/opega/ProcessProducts.html>. 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://www.maine.gov/legis/opega/Reports.html>

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

(207) 287-1901

Office of Program Evaluation & Government Accountability

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BETH L. ASHCROFT  
DIRECTOR

MAINE STATE LEGISLATURE  
OFFICE OF PROGRAM EVALUATION AND  
GOVERNMENT ACCOUNTABILITY

February 20, 2013

The Honorable Emily Cain, Senate Chair  
The Honorable Chuck Kruger, House Chair  
And Members of the Government Oversight Committee  
82 State House Station  
Augusta, Maine 04333

The Honorable Justin Alford, President of the Senate  
and Members of the 126<sup>th</sup> Maine Senate  
3 State House Station  
Augusta, Maine 04333

The Honorable Mark Eves, Speaker of the House  
and Members of the 126<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 2012. 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. I hope that you and Maine's citizens continue to view our efforts and results as a worthwhile use of taxpayer dollars as we continue working to increase our value to you.

Sincerely,

A handwritten signature in black ink that reads "Beth L. Ashcroft".

Beth L. Ashcroft  
Director

Cc: Darek Grant, Secretary of the Senate  
Millicent MacFarland, 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 MRSA §§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 2012, OPEGA also had one temporary part-time analyst position.

## 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 their 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.

# Key OPEGA Activities

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During 2012, OPEGA:

- Developed an annual work plan for 2012 as assigned and approved by the Government Oversight Committee.
- Completed four performance reviews and issued three full reports and an Information Brief with the results of those projects. Gave oral presentations to the Government Oversight Committee (GOC) in conjunction with the release of those documents. Appendix A is a listing of all reports issued by the Office since 2005.
- Initiated and conducted substantial work on three other reviews assigned by the GOC. These reviews are currently in progress and final reports on two of them are expected to be released during the first session of the 126<sup>th</sup> Legislature. The third review, a formal follow-up on issues reported by OPEGA in 2005, is expected to continue through 2014.
- Provided technical assistance to the Joint Standing Committee on Education on a contracted independent study of Maine's school funding formula. OPEGA's support of this effort was approved by the GOC and is described in legislative Resolve 2011, Chapter 166. To date, OPEGA has provided assistance with: developing and issuing a Request for Proposal; evaluating proposals and selecting a consultant; finalizing the contract, and reviewing the consultant's work plan for adherence to the Resolve objectives and the consultant's proposal. OPEGA will continue providing technical support through 2013.
- At the direction of the GOC, drafted legislation to implement recommendations from two of OPEGA's reports. LD 1843, relating to quasi-independent State entities, was ultimately enacted as Public Law 2011, Chapter 616 in April 2012. The second piece of legislation relating to Child Development Services has been introduced in the first session of the 126<sup>th</sup> Legislature as LD 34.
- Processed and conducted research related to seven requests for OPEGA reviews or assistance received in 2012. Presented five of the requested topics to the GOC for consideration. The GOC placed two of the topics on OPEGA's 2012 Work Plan and forwarded two others to the relevant legislative policy committees for consideration and action. OPEGA supported the GOC in gathering substantial additional information and explanation from State agencies on the last request and the GOC determined that an OPEGA review of the matter would yield limited additional information or value.
- Provided input, as requested, to the Joint Standing Committee on State and Local Government, and its non-partisan staff, during that Committee's consideration of potential changes to 3 MRSA Chapter 35 – the Government Evaluation Act.
- Staffed 13 GOC meetings including preparing written meeting materials and meeting summaries.
- Monitored the status of management and legislative actions taken to address findings and recommendations from previously issued reports.
- Maintained the OPEGA/GOC website, including regularly posting OPEGA reports and related documents as well as GOC meeting agendas and summaries.
- Prepared and submitted the statutorily required annual report on OPEGA's activities and performance for 2011 to the Government Oversight Committee and the Legislature.



# Performance in 2012

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Since 2009 OPEGA has been measuring and reporting its performance against the goals and objectives established in a GOC-approved Strategic Plan. In 2012 we began, but have not completed, an effort to update the goals, objectives and performance measures in our Strategic Plan to ensure they are relevant and appropriate to current legislative expectations for the Office, as well as the increasing variety of projects assigned and work products developed. We plan to continue that effort over the coming year and anticipate that revised goals, objectives and performance measures will be incorporated into the 2013 OPEGA Annual Report. For this Annual Report, however, we are discussing our activities and performance in the context of the overall goals and outcome indicators that have been the foundation of our past Strategic Plan.

## 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.
- 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.



## Goal A: Provide timely, relevant and useful information and recommendations.

In working toward this goal, OPEGA strives to meet multiple, and sometimes competing, objectives like:

- Ensure assigned projects are focused on topics and questions of most interest and value to the Legislature.
- Complete as many assigned projects as possible.
- Complete projects within timeframes where results will be most useful and relevant to other legislative work, or that otherwise meet legislative needs and expectations.
- Produce quality work products that sufficiently address the questions OPEGA was directed to explore and contain useful, understandable information.
- Make recommendations that are implementable and can be expected to make a difference in resolving issues identified, or addressing the underlying causes of those issues.

OPEGA's ability to meet these objectives is dependent on the scope of the projects assigned, OPEGA's non-project workload, and the emergence of current issues and requests for OPEGA reviews that may affect priorities. OPEGA's non-project workload includes:

- staffing the GOC;
- processing requests for OPEGA reviews and performing research to prepare them for GOC consideration;
- conducting follow-up work to monitor the status of actions taken to implement recommendations on past reports; and
- drafting legislation related to our reports at the direction of the GOC.

Each of these non-project efforts requires varying levels of OPEGA resources over the course of a year and can impact resources available for projects on the official Work Plan depending on the priority given them. OPEGA provides regular project status reports to the GOC and works closely with the Committee to ensure we are meeting expectations for timeliness and prioritization.

### Projects Worked on and Completed

In 2012 as in 2011, OPEGA was flexible in responding to the needs of the GOC and the 125<sup>th</sup> Legislature. We continually juggled competing priorities in order to be responsive to time-sensitive legislative needs and emerging concerns. As shown in Table 1, OPEGA worked on eight projects in 2012, the same number as 2011, although the scopes of those projects varied between the two years. The size of the projects and the specific priorities set by the GOC impacted the number of projects OPEGA completed in each of those years and the timeliness with which they were done. OPEGA completed four projects in 2012 compared to six projects in 2011. Table 2 shows the typical resources and timeframes for the various size projects OPEGA worked on and completed in the 2011 – 2012 biennium.

Project Size	2011					2012				
	Projects		Work Products			Projects		Work Products		
	Worked On	Completed	Full Reports	Information Briefs	Summary for GOC	Worked On	Completed	Full Reports	Information Briefs	Summary for GOC
Small	4	4	0	2	2	1	0	0	0	0
Medium	2	2	2	0	0	3	2	2	0	0
Large	3	1	1	0	0	4	2	1	1	0
<b>Total</b>	<b>9</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>

Note: Two projects completed in 2011 were carried over from 2010. Several projects were worked on in both 2011 and 2012 and four projects initiated in 2012 carried forward to 2013.

OPEGA worked on one small project in 2012. It is a Special Project where OPEGA is providing technical assistance to the Education Committee on its independently contracted review of Maine’s school funding formula. That project will continue through 2013. In contrast, OPEGA worked on and completed four small projects in 2011, all of which had been given priority in OPEGA’s Work Plan. The GOC requested OPEGA give priority to two of these projects in order to get results more quickly. The two others were Special Projects where OPEGA provided support for public inquiries led by the GOC.

Of the three medium reviews OPEGA worked on in 2012, two were assigned as Rapid Response reviews and were completed in 2012. Rapid Response projects are usually performed as a result of an allegation, event or information that creates a suspicion of intentional wrong-doing or unintentional mismanagement and neglect. The remaining 2012 medium review got a delayed start due to other priority projects. It is a formal follow-up review and is planned to continue through 2014.

The two large projects completed in 2012 were carry overs of projects in progress in 2011. The other two large projects worked on in 2012 have carried over to 2013. All four large projects worked on in 2012 experienced delays in getting started, or while in progress, due to the small and medium projects in 2011 and 2012 that were given priority.

**Work Products Developed**

Another factor in the length of time to complete a project is the type of work product being developed. OPEGA issues full reports on OPEGA reviews when conclusions are drawn, and/or there are reported issues and recommendations, that impact the agency under review. Information Briefs are produced when questions assigned by the GOC are more informational, rather than evaluative, in nature. Information Briefs typically do not contain significant issues or recommendations for corrective action, but may contain general observations or suggestions for improvement that do not require an agency’s formal response. Full reports consume more OPEGA resources and take longer to develop than Information Briefs as OPEGA works with the agency to obtain corrective action plans that can be included in the report. OPEGA’s statute also requires that the affected agencies be given a minimum of 15 days to review and respond to the final draft of these full reports before they can be publicly issued.

As shown in Table 1, OPEGA published five formal work products on completed OPEGA reviews in 2011 and four in 2012. In both years, the formal work products were a combination of full reports and Information Briefs. OPEGA’s work products on the two Special Projects for the GOC’s public inquiries in 2011 were less formal summaries of information OPEGA had gathered to provide to the GOC.

The three full reports issued in 2012 contained 12 recommendations and the three full reports issued in 2011 contained 20 recommendations. Of the 32 recommendations made in 2011 – 2012, 15 have been implemented or otherwise affirmatively addressed and 14 are in progress as of OPEGA’s last follow up. OPEGA tracks the percent of recommendations implemented over time as an overall outcome indicator discussed on page 11 of this report.

**Table 2. Typical Resources and Timeframes for OPEGA Projects Completed in 2011 -2012**

Project Size	Typical Hours on Project **	Typical Staffing Level**	Typical Months to Complete
Small	< 500 hours	1-2 staff	2 to 4
Medium	500 - 1200 hours	2-3 staff	4 to 6
Large	over 1200 hours	3-4 staff	10 to 12

\*\* Does not include the OPEGA Director

## Current Challenges

A perennial challenge in meeting this goal has been how to most efficiently and equitably select the projects assigned to OPEGA – particularly when the GOC receives requests for OPEGA reviews of current concerns that seem urgent and/or are receiving significant public attention. As the Office has become more established, more and different types of requests have been received, resulting in a need to prioritize those projects considered most timely and with the most potential for significant impact. The selection of certain projects over others is not intended to be a judgment upon the merit of different topics, but rather a decision based on available resources, project feasibility and potential benefit. However, the varied nature of the topics considered by the GOC, and the public attention given some of them, make it difficult to consistently apply standard criteria or rationales in assigning projects to OPEGA. In 2012, the GOC and OPEGA needed multiple GOC meetings to gather and consider information for determining whether certain requested reviews would potentially be of value.

A related challenge is that prioritizing and addressing emerging concerns in a timely manner, whether through an OPEGA review or support of a GOC public inquiry, inevitably means other Work Plan projects, planned or in progress, experience delays. Over the course of 2011 and 2012, six projects on OPEGA’s Work Plan were impacted in this manner by Rapid Response reviews and other GOC-prioritized projects. OPEGA responds to whatever priorities the GOC sets and appraises the GOC of how new projects being considered would impact those already on OPEGA’s Work Plan. While OPEGA is able to adapt to changing priorities, delays in planned projects can be frustrating to legislators and members of the public who are anxious for OPEGA to be working on the Work Plan projects of most interest to them. Delays can also impact the agencies that are under review.

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## Goal B: Conduct all work with objectivity and accuracy.

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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.

Since 2009, OPEGA has been tracking completion of eight key quality assurance (QA) points incorporated into our internal processes that we believe are most critical to ensuring adherence to the professional standards. Our performance target was to complete all the QA points applicable to each project - only counting a quality assurance point as met if we have documentary evidence the required action was performed within the specified timeframe. We met our 100% target on QA points in both 2009 and 2010, but in 2011 we did not meet, or did not have adequate documentary support for claiming we met, our QA performance target.

In 2012, OPEGA undertook an internal effort to get our performance on this measure back on track by developing and implementing a standardized QA process and tools to use on each project. We re-assessed the designated QA points to ensure they were still the best and most appropriate indicators, and developed a checklist to track adherence to the QA points and maintain adequate supporting documentation. At the beginning of each review, a “QA point-person” is designated who is responsible for ensuring and documenting that the points are met. OPEGA has completed one project since the new QA process and checklist were implemented and all QA points on the new checklist were met.

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## Goal C: Communicate regularly on our activities, results and impacts.

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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. Our target audience includes all legislators, not just GOC members, and the general public.

### Communication Efforts

In 2012, our efforts to keep legislators and the public informed on our activities and results 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 presentation 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 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 report release, that a final report is available - typically done via email with a report summary attached;
- issuing press releases on completed projects within a day of report release, typically done via email with report summaries attached; and
- submitting OPEGA's Annual Report on 2011 Activities and Performance to the Legislature with presentations of that report to both the GOC and the Legislative Council.

In 2012, as in 2011, there continued to be increased media interest in current and past OPEGA reports, as well as certain topics under consideration by the GOC. The media coverage has generally been thoughtful and accurate and, therefore, quite helpful in keeping the public and legislators informed of OPEGA and GOC activities. OPEGA tracks the number of visits to our website as a general overall indicator of interest. That metric is discussed on page 11 of this report.

OPEGA also desires to provide legislators and the public with information about the actual impacts of our work and the recommendations made as a result. We actively follow up on the recommendations in issued reports and periodically review the implementation status on specific reports with the GOC. The Committee also receives formal report backs from responsible agencies. Our Annual Reports include mention of significant actions taken on past reports in the past year (see page 17) as well as discussion of two overall indicators of impact that we track. Those indicators, discussed on pages 11-13, are percent of recommendations implemented or affirmatively addressed and estimated potential fiscal impact associated with OPEGA's recommendations.

### Current Challenges and Initiatives

A continuing challenge in determining and communicating the impacts of our work is the timeliness and thoroughness of the follow-up we are able to conduct. Currently, OPEGA strives to at least determine and confirm whether agencies have taken meaningful action on each recommendation made. Even this degree of follow-up can consume significant resources depending on the number and complexity of the issues and recommendations involved. OPEGA has struggled to prioritize follow-up work, particularly in the last two years, as more of the



projects assigned by the GOC have been high priority. Consequently, our follow-up has been limited and not very timely. It has also been difficult to fit agency report backs and meaningful consideration of implementation on past reports into the GOC's meetings. The GOC generally meets about 15 times a year and more current agenda items necessarily receive priority at those meetings.

We would like to be able to report on whether actions taken, by agencies or the Legislature, have been effectively implemented and resulted in the actual improvements or financial impacts envisioned. Occasionally agencies are able to provide us with actual impact information they have gathered but, for the most part, gathering that level of impact detail would require the GOC to assign specific follow-up projects to OPEGA's Work Plan.

An OPEGA initiative for 2013 is to address the challenge of staying current and effective in our follow-up efforts by designing and implementing a more structured and formalized follow-up process and procedure. We have developed a proposed approach that we will be seeking the GOC's input on in the near future.

A second 2013 initiative related to this goal is to assess the feasibility of communicating the results of our reviews in an on-line audio/visual form in addition to the written products we already produce. Some of OPEGA's peer offices in other states have started producing brief Podcasts of their reports that can be accessed on their websites. We also believe this could be a useful communication vehicle and intend to explore what resources would be required for OPEGA to produce Podcasts or similar audio/visual products.

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## **Goal D: Utilize OPEGA's resources effectively, efficiently and economically.**

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OPEGA is committed to using skilled and knowledgeable staff, smart use of our own resources and continuous improvement – all of which are important to achieving this goal.

### **Fiscal Resources**

One measure that reflects the choices we have made regarding use of our resources is a comparison of our actual to budgeted expenses. Table 3 shows OPEGA's adjusted General Fund budget and actual expenses for the past three fiscal years.

	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Total General Fund budget (adjusted)	\$836,385	\$962,048	\$791,442
Total General Fund dollars expended	\$708,850	\$780,173	\$672,613
<b>Dollar variance of expenditures to budget</b>	<b>(\$127,535)</b>	<b>(\$181,875)</b>	<b>(\$118,829)</b>
<b>% variance of expenditures to budget</b>	<b>(15%)</b>	<b>(19%)</b>	<b>(15%)</b>

OPEGA's actual expenditures have been under budget each year since beginning operations in 2005 and that trend continued in 2012. The Office's baseline appropriation was reduced to reflect this historical experience and address the State's ongoing fiscal challenges beginning with the biennial budget for FY 2010 – 2011. A transfer of \$147,268 from prior year unencumbered balances to cover anticipated consulting costs increased OPEGA's adjusted budget for FY11 from \$814,780 to \$962,048.<sup>3</sup>

In some years, the Legislature also reduces OPEGA's budget to meet State or legislative cost savings initiatives. In 2012, OPEGA's adjusted budget included a reduction of \$17,440 associated with eliminating merit salary increases

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<sup>3</sup> Unencumbered balances that had accumulated from OPEGA's expenditure variances over the years have gradually been reduced to cover unbudgeted cost-of-living adjustments to salaries and, as approved by the Legislative Council, to help address the State's continuing budget deficits. In total, about \$1.7 million of unadjusted appropriations made to OPEGA in fiscal years 2012 and prior were lapsed back to the General Fund.

for employees and changes to employee benefit plans. It also reflected \$6,960 transferred from OPEGA to the Legislative Study Account to cover expenses of the Commission to Study Allocations of the Fund for a Healthy Maine. Legislation forming the Commission implemented a recommendation in OPEGA's 2009 report on programs supported by the Fund.

OPEGA's actual expenditures for FY12 were \$672,613, about 15% under budget. The variance was primarily due to:

- a position vacancy for part of the year;
- no projects requiring consultant services; and
- actual costs for employee training, printing, advertising and per diem payments for GOC members lower than budgeted.

### **Staff Development**

As previously mentioned, OPEGA's work is guided primarily by the *Generally Accepted Government Auditing Standards (GAGAS)*. GAGAS Standard 3.46 requires performance auditors to meet continuing professional education (CPE) requirements. Every two years each OPEGA analyst and the Director must complete a total of 80 CPE hours, with at least 20 CPE being completed in each year and at least 24 of the total 80 hours of CPE being directly related to government auditing or the government environment.

The intent of these standards is to ensure staff stays abreast of new developments in the government auditing arena and the profession, and obtains a broad skill set that enhances the Office's effectiveness and efficiency. The OPEGA professionals to whom these CPE requirements applied in 2012 all met the training requirements for the two-year period.

### **Current Challenges and Initiatives**

For at least the past five years, budgetary constraints have made it challenging to obtain the necessary CPE hours through quality, effective training with real value for improving OPEGA staff skills and knowledge. We have limited out-of-state travel and used free or inexpensive training opportunities that are at least relevant to our work whenever possible. Those opportunities include participating in on-line training webinars and audio conferences and attending live training seminars offered through professional organizations in Maine. While we have held down costs and managed to complete our CPE requirements through this approach, we have reached a point where individual staff members, and the Office as a whole, are gaining little in expanded skills and knowledge. In 2013, we will focus on determining what individual staff members and the Office could most benefit from, and seek the most cost-effective resources and approach for meeting those training needs.

Another on-going challenge has been to strike the appropriate balance in allocating OPEGA staff time, including that of the Director, between review projects and other Office activities and responsibilities. Some non-project activities have consistently received less priority than progressing on projects and responding to the GOC's current need for information, even though they are also important to maintaining and increasing the value of our function.

For example, in the past several years, the GOC has more frequently chosen to introduce legislation, stemming from OPEGA's current and past reports, as a means to effect change. Working with the Committee on proposed legislation is one of OPEGA's non-project responsibilities, but it can be time-consuming. This was especially true with the legislation the GOC introduced on quasi-independent State entities in 2012 that became Public Law 2011, Chapter 616. In that case, significant research was required, a whole new section of statute had to be crafted and OPEGA worked closely with the GOC, the Office of Policy and Legal Analysis, the Office of the Revisor and up to 40 agencies potentially affected by the bill.

The challenge in balancing project and non-project priorities has affected OPEGA's timeliness in completing some of the non-project work. Our follow-up on past reports has been limited and not timely, and we are still working on two pieces of legislation the GOC voted to introduce last year, both of which have required some research to determine what needs to go into the bill. For the last two years, we have also failed to meet the statutory due date for submission of our annual reports.

In 2012, OPEGA began several initiatives attempting to gain efficiencies on project work and allocate more resources and attention to non-project work. These initiatives, which will continue into 2013, included:

- Re-assessing and re-assigning some roles and responsibilities among staff within the Office, which also has the goal of giving staff more on the job opportunities for professional development. Effectively implementing these changes will require renewed commitment to supporting staff with sufficient, meaningful training and guidance.
- Obtaining approval from the Legislative Council to establish an additional temporary part-time position for FY13 (which began in July 2012) funded with unspent OPEGA balances from prior years. An existing OPEGA staff member who desired to only work part-time moved into the temporary position allowing us to retain this capable employee for another year. However, a delay in backfilling the full time position left vacant and other staffing developments, means this initiative will primarily allow OPEGA to maintain the historical number of staff hours available throughout FY13, rather than provide a temporary increase in resources as originally planned.
- Updating our strategic plan to establish more current and relevant performance objectives and measures. In revising the Plan, we will consider objectives and measures that reflect the need to give more priority to some of the critical non-project work.

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## Overall Indicators of Outcomes

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OPEGA tracks data on three measures that are broad indicators of the outcomes of our work. These are:

- number of visits to OPEGA's website;
- percentage of recommendations implemented or affirmatively addressed; and
- estimated potential fiscal impacts associated with OPEGA recommendations.

Outcomes associated with OPEGA's work are affected by many factors beyond OPEGA's control. For example, the nature of the 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, there are many factors outside our control that affect whether those recommendations are implemented. Such factors include agency priorities, the nature and availability of resources needed to accomplish the 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.

## Number of Visits to OPEGA's Website

We track this measure as an indicator of the overall interest in our function and our work products. Our website traffic in 2011 substantially increased from 2010. We believe this reflected the fact that several of OPEGA's projects in 2011 were of significant general interest to Maine's citizens and were well covered by Maine's media, including the report on the Maine Turnpike Authority which also garnered national and international attention. Media coverage of a report on Maine State Housing Authority was likely a factor in 2012. Even though website visits declined from 2011, the numbers were still significantly higher than those in 2010.

	2010	2011	2012
Total visits to OPEGA's website	5,634	10,845	8,605
Visits from Maine towns	4,256 from 110 towns	8,761 from 133 towns	6,517 from 108 towns
Visits from other states*	861 from 48 states	1,439 from 50 states	1,301 from 49 states
Visits from countries other than USA	517 from 70 countries	645 from 83 countries	787 from 89 countries
*Counts includes visits from the District of Columbia			

For the period 2008 – 2012, there were a total of 40,503 visits to the website including:  
 32,044 visits from 220 Maine towns;  
 5,461 visits from the 50 other states and the District of Columbia; and  
 2,998 visits from 142 countries other than the USA.

## Percent of Recommendations Implemented or Affirmatively Addressed

This is a measure of 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 results and recommendations, as well as the overall effectiveness of our function in facilitating warranted changes in State government.

For the period January 2005 through December 2012 (based on OPEGA's follow-up to date) 58% of all recommendations made (104 of 178) have now been implemented or affirmatively addressed including:

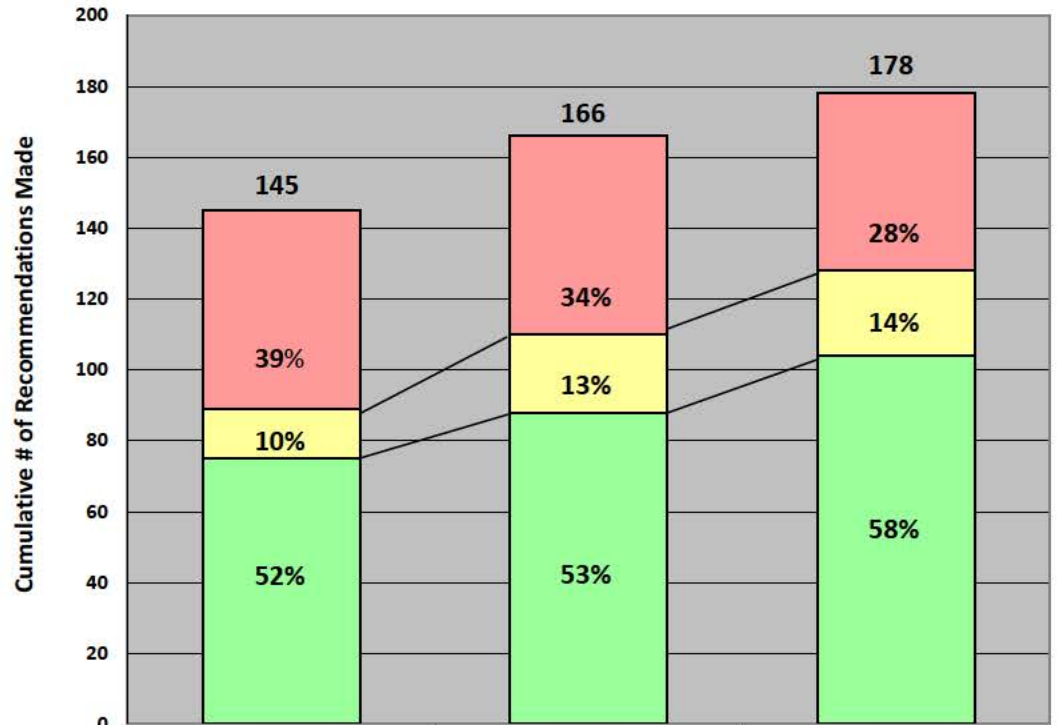
- 62% of the recommendations directed to management (73 of 117); and
- 51% of recommendations directed to the Legislature (31 of 61).

OPEGA is aware of activity in progress that, if successfully completed, could result in implementation of another 24 recommendations, 16 of which had been directed to management and eight to the Legislature.

As shown in Figure 1, the percentage of total OPEGA recommendations that have been implemented or affirmatively addressed has continued to increase each of the last three years, as has the percentage of recommendations where there is some activity in progress. We believe this trend reflects improvements in defining more actionable recommendations, increased responsiveness of agencies in acting on issues identified by OPEGA, even while reviews are in progress, and the GOC's initiatives in the past few years to introduce legislation as a means to implement recommendations when appropriate.



**Figure 1. Status of Actions on OPEGA Recommendations**



	2010	2011	2012
Not Yet Addressed as of Last Follow Up	56	56	50
In Progress	14	22	24
Implemented or Affirmatively Addressed	75	88	104

Of the 50 recommendations that had not yet been addressed at the end of 2012 (as of OPEGA's last follow-up), 33 are from six OPEGA reports that the Office and GOC are no longer conducting active follow-up on. Twenty-six of those 33 recommendations 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 a need for additional resources, as barriers to implementing OPEGA's recommendations or otherwise addressing the issues reported. In 2012, the GOC considered two separate requests for new OPEGA reviews of the Office of Information Technology and Guardians ad litem for Children. The requests were based on concerns and issues that mirrored those OPEGA had reported on in 2006, indicating that improvements in these programs and activities since 2006 have indeed been limited. See Action on Past Reports on page 18 for actions taken by the GOC on these 2012 review requests.

Most of the remaining 17 unaddressed recommendations are from three reports released in 2008 and 2009. OPEGA will be bringing these to the attention of the GOC for its determination on whether to initiate Committee action on any of relevant recommendations before active follow-up on those reports ceases.

## 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 2012 are summarized below. Fiscal impacts associated with OPEGA's 2012 reports include unplanned past costs that could have been avoided, potential future costs that could be avoided, unnecessary expenditures incurred, potential fraud and misuse of funds, potential for increased revenues, and potential for reduced expenses on an on-going basis. These impacts are described in more detail in the Summary of Reports and Results section on page 14 of this report. There was no reasonable basis for estimating dollar amounts associated with most of them, but dollar amounts that were available are included in the figures below. Supporting information about the fiscal impacts estimated for older reports can be found in OPEGA's prior annual reports.

As a result of identified weaknesses documented through OPEGA's work since 2005, there have been at least:

- \$30.5 million in unplanned costs that could have been avoided;
- \$4.18 million in overpayments and other unnecessary expenditures;
- \$597,806 in confirmed misuse of funds and fraud; and
- other inefficiencies, reduced productivity and opportunities for increase 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. Additionally, affected agencies have recovered at least \$430,000 of the total in confirmed misuse of funds and fraud from those responsible.

OPEGA 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, there was no reasonable basis for readily developing realistic, quantifiable estimates of what those positive fiscal impacts might be. In the few instances where sufficient information was available, we conservatively estimated **at least**:

- \$766,834 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.

Additional resources needed to implement recommendations made (including those meant to improve quality of services) are estimated to be at least:

- \$1,218,744 in one time expenditures; and
- \$539,665 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 could not be readily estimated.

# Summary of Projects and Results

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During 2012, OPEGA reported on four projects bringing the total reports published by OPEGA since 2005 to 33. A listing of those reports can be found in Appendix A.

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## Maine State Housing Authority: Review of Certain Expenditures

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OPEGA was tasked with reviewing MaineHousing's expenditures for sponsorships, donations, and memberships, as well as any travel and meal expenses, or other expenses, where the nature of the vendor and the amount of the expense may raise questions as to reasonableness or necessity in relation to MaineHousing's mission and programs. This was not intended to be a comprehensive review of all MaineHousing expenditures, but rather a focused review of the specific expense areas identified as of concern to the GOC. The GOC assigned this project and gave it priority as a Rapid Response review amid legislative and public concerns raised when MaineHousing released a listing of its vendors in response to a Freedom of Access Act request.

OPEGA judged substantially all of the sampled MaineHousing expenses to be generally consistent with its mission and primary activities. All the expenses appeared business-related and no indications of fraud were found. However, we did identify \$50,959 in expenditures made over the last five years that might be unnecessary either because they were not related, or only indirectly related, to MaineHousing's mission or because they were expenses not typical for a State agency. We also noted several expense categories where the level of activity seemed considerably more frequent than is typical for State agencies. These expense categories were: sponsorships and organizational memberships; out of state conferences; food and refreshments for employees; and other employee benefits. OPEGA recommended that the MaineHousing Board reconsider the Authority's level of expenses and activity in these areas and the areas where unnecessary expenses were noted. Other specific issues addressed in the report were:

- Supporting documentation for expense reimbursements and corporate credit card charges were not always submitted timely and often lacked itemized receipts or specific explanations of the business purpose.
- Business purchases made on employees' personal credit cards created opportunity for personal gain and circumventing purchasing controls.
- Some expenses were coded to accounts that did not accurately reflect the nature of the expense.

Mid-way through the review, two events transpired that affected MaineHousing and its response to the issues noted above. First, the Director resigned in March 2012 for reasons unrelated to the OPEGA review. With her resignation, the Board began setting a new course for the Authority that supported the actions necessary to address the reported findings. Second, two pieces of legislation were passed that affected MaineHousing operations. LD 1778 pertained to the governance of MaineHousing. It increased the number of Commissioners on MaineHousing's Board from eight to ten, established that certain powers and duties are vested with the Board of Commissioners rather than the Director, and made the Director more accountable to the Board. LD 1843<sup>4</sup> set expectations for governance and certain financial and business practices for quasi-independent State entities.

Actions taken by MaineHousing's Board and management in September 2012 to comply with the new requirements in LD 1843 (enacted as Public Law 2011, Chapter 616) also addressed most of the issues OPEGA reported from this review. As of this report, MaineHousing has fully implemented all four of OPEGA's recommendations primarily through establishing or updating policies and procedures. Consequently, OPEGA and the GOC will continue to monitor MaineHousing's implementation of those policies through the reports to the Legislature required by the new law.

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<sup>4</sup> LD 1843 is described in more detail under the Action of Past Reports section on page 17 of this report.

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## Cost Per Prisoner in the State Correctional System

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OPEGA was tasked with analyzing Maine's costs associated with housing and managing prisoners and residents under the jurisdiction of the Maine Department of Corrections (MDOC). A national report showing Maine as having the seventh highest cost per prisoner (CPP) in the nation prompted questions among members of the Joint Standing Committee on Criminal Justice and Public Safety and the GOC as to why Maine's costs were so much higher than other states.

OPEGA found MDOC calculates its CPP in a manner generally consistent with that of other states and research organizations. This method involves dividing certain corrections' expenditures by the average daily prisoner population each year. OPEGA did not suggest any changes in MDOC's methodological approach to calculating CPP. MDOC does, however, exclude certain costs from the calculation that we judged to be indirectly related to the cost of housing prisoners. Although the proportion of these indirect costs in relation to MDOC's total expenditures is small, we suggested MDOC consider incorporating them into future CPP calculations. We also noted opportunities for MDOC to improve its methods for determining the average prisoner counts used in the CPP calculation.

Our review also found that comparing state correctional systems using the CPP statistic is inherently problematic. Understanding the differences between correctional systems in underlying factors that drive costs, i.e. staffing ratios, would be more valuable than the CPP statistic in understanding how Maine compares to other states. We did not undertake that task as part of this review, but MDOC has begun participating with other states in a continuous effort called the Performance-Based Measures System that will produce data on the underlying factors and allow such comparisons in the future. MDOC expected to have useful data from this effort that could be shared with legislators by the end of 2012.

The MDOC administration changed in early 2011 and has undertaken several initiatives that are expected to impact cost per prisoner statistics. These include an adjusted staffing model, continuing efforts to reduce overtime, re-missioning Mountain View Youth Development Center, and changing location and staffing for the Women's Reentry Center.

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## Child Development Services

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OPEGA was tasked with a review of Child Development Services (CDS), a program that is the responsibility of Maine's Department of Education (MDOE), but which is administered through the statutorily-created Child Development Services System. The CDS program provides early childhood intervention services and Free and Appropriate Public Education to children with disabilities from birth through age five in accordance with the federal Individuals with Disabilities Education Act. Recent legislator interest in a review of CDS stemmed primarily from recurring supplemental budget requests for the program over the past several years. Additionally, legislators had heard a number of concerns from private service providers who contract with the CDS. These concerns included, but were not limited to, timely payment of invoices, central and regional management of CDS offices, and a perceived shift toward CDS using its own employees to deliver services rather than private providers. OPEGA's review focused on costs and fiscal management of the program.

MDOE and CDS are responsible for ensuring children receive appropriate, quality services and complying with pertinent laws and regulations, but they are also responsible for being good stewards of State and federal resources while doing so. We observed a culture throughout the CDS System that was appropriately focused on compliance and providing quality services for children, but which did not place sufficient emphasis on fiscal considerations and impacts. The culture was one of several overarching issues OPEGA identified that, taken together, significantly



hindered the comprehensive, system-wide management of this entitlement program, particularly from a fiscal perspective. These overarching issues also contributed to recurring appropriation overruns. OPEGA identified the following specific issues during the course of this review:

- Organizational structure and limited capabilities in key management functions hinder comprehensive management, transparency and oversight of the program.
- MDOE and CDS do not place sufficient emphasis on ensuring efficient and cost-effective use of resources in the implementation of the CDS program.
- MDOE is not adequately monitoring CDS' finances nor ensuring CDS' biennial budgets reflect projected actual resource needs.
- CDS does not track actual service units provided by its direct service staff against children's Plans and does not consistently monitor staff productivity.
- Electronic data needed, or useful, for managing the program is not always reliable or captured in a consistent manner.
- Contract management is decentralized and professional administrative services are not always competitively procured.
- Program revenue sources are not maximized.
- Lack of coordination between MDOE, CDS and DHHS creates risk of potential fraud and abuse in the MaineCare program associated with billing for CDS program services.

MDOE began addressing some of the structural and accountability issues through proposed statutory changes that the Legislature passed in April 2012 as Part OO of the Governor's Supplemental Budget for fiscal years 2012 and 2013. As a result, the independent governing boards of the CDS regional sites have been eliminated and the regional sites now report directly to the State Director of Early Childhood Education. There is, however, much more to be done to bring about the systemic changes required for meaningful improvements to the fiscal management of this program. MDOE and the CDS State Director continue to implement a comprehensive action plan laid out to address the issues OPEGA reported and will be reporting back to the GOC on the status of that action plan in early 2013.

Successful implementation of OPEGA's recommendations could minimize or reduce future costs, increase revenue received from MaineCare and private health insurers, and identify fraud and misuse of funds. Specific dollar amounts associated with these potential fiscal impacts could not be reasonably estimated at the time of review, but may become evident as recommendations are implemented.

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## **Communications Regarding a Computer System Weakness Resulting in MaineCare Claims Payments for Ineligible Individuals**

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OPEGA was tasked with a Rapid Response review of communications in the Executive Branch regarding a computer system weakness resulting in MaineCare claims payments for ineligible individuals. MaineCare, Maine's Medicaid program, provides health insurance to certain low income residents. It is administered by the Office of MaineCare Services within the Department of Health and Human Services. A weakness in the design of business rules for the Maine Integrated Health Management System (MIHMS) resulted in \$10.6 million in improper claims payments for 7,730 members, and artificially inflated the MaineCare caseload by 19,000 members.

The issue and its implications were not reported to the Legislature until early March 2012, after the Joint Standing Committee on Appropriations and Financial Affairs had spent considerable time weighing controversial cuts to MaineCare eligibility. This prompted legislator questions and concerns about the information DHHS chose to share with the Legislature. OPEGA's review focused on human communications within the Executive Branch, between

the Executive Branch and the contractors on the computer system project, and between the Executive and Legislative branches related to the computer issue.

OPEGA found that an ineligible segments issue was identified by DHHS staff working on the project to implement the new claims payment system in August 2010. The issue was properly documented and placed on a list for corrective action by the contractor designing and operating the system at that time. It remained unaddressed due to a multitude of other system issues that arose and received priority. Project management was aware of the issue and the fact that it was resulting in improper claims payments from at least March 2011 on and the issue was given higher priority. Although, the contractor and the State still struggled to implement a timely and successful fix for the issue, the DHHS Project Manager did not bring this specific issue to the attention of the MIHMS Steering Committee or DHHS executive management.

Consequently, while knowledge of the specific issue was known for quite some time by individuals actively working on the project, executive management was not aware of the issue or its resulting implications until late December 2011. The DHHS Commissioner was not confident in the accuracy of financial impact estimates she was receiving from staff and continued to seek better information. As a result, she did not report on the issue and its impacts to the Governor or the Legislature until late February/early March 2012.

In conducting this review, OPEGA identified issues we believe contributed to this system flaw not being prioritized more highly or reported to the Commissioner earlier. We did not gather sufficient information for making recommendations related to these issues as they were beyond the scope of this review. Nonetheless, we believe they warrant DHHS' consideration regarding MIHMS and future system projects. At the time of our review DHHS was already taking steps to address issues in the following areas:

- MIHMS Project Management
- Steering Committee Effectiveness
- Issue Prioritization
- Communication within the MIHMS Project Team, and between the MIHMS Project Team and Executive Management

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## **Actions on Past Reports**

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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 2012 were:

- The GOC introduced LD 1843, An Act To Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-independent State Entities. LD 1843 was considered and amended by the Joint Standing Committee on State and Local Government. It was passed by the Legislature, signed into law by the Governor as Public Law 2011, Chapter 616 and is now codified in statute 5 MRSA §§12021-12024. The legislation was a by-product of OPEGA's review of the Maine Turnpike Authority as the GOC felt it appropriate to clarify legislative expectations and strengthen oversight for all significant quasi-independent entities created by the Legislature. A major aspect of this law establishes responsibilities and requirements for quasi-independent State entities on certain financial policies and procedures. In particular, It charges the governing body of the entity with:
  - ensuring activities and expenditures are consistent with the entity's authorizing law;
  - ensuring the entity complies with the financial policies and procedures established by the governing body;
  - establishing policies and procedures relating to the selection of vendors and procurement of services;

- establishing policies and procedures governing expenditures for contributions;
  - establishing policies and procedures governing expenditures for travel, meals and entertainment;
  - ensuring the agency does not retain any person, other than entity staff, that would be required to register as a lobbyist; and
  - reporting annually to the Legislature on certain types of expenditures.
- The GOC considered a legislator-sponsored request for a new OPEGA review of concerns related to the Office of Information Technology that mirrored issues in a report issued by OPEGA in 2006. The request was an indication that effective action had not been taken to address previously reported issues. The GOC voted to add a formal follow-up review of Office of Information Technology (OIT) to OPEGA's Work Plan given the criticality of information technology to all of State government. This follow-up review, now in progress, is designed to hold OIT accountable for establishing and implementing specific improvement goals and action plans in the critical areas of: project management, business continuity and disaster recovery planning, and supporting the State's data and information needs. The follow-up review is not expected to be fully complete until 2015 depending on OIT's action plans in each area.
  - The GOC considered a legislator-sponsored request for a new OPEGA review of concerns related to Guardians ad Litem for Children (GALs) that mirrored issues in a report issued by OPEGA in 2006. The request was an indication that effective action had not been taken to address previously reported issues. The GOC sought the assistance of the Legislature's Joint Standing Committee on Judiciary in getting the Judicial Branch to take action on some of the key issues left unaddressed. The Maine Supreme Court Chief Justice committed to convening a task force to design an improved complaint process for citizens with complaints about GALs. The Task Force met and issued a report with recommendations that is currently under review by the Judiciary Committee of the 126th Legislature.
  - Two pieces of legislation recommended by the 2011 Commission to Study Allocations of the Fund for a Healthy Maine were introduced and passed by the Legislature. The resulting laws addressed several recommendations in OPEGA's 2009 report on Fund for a Healthy Maine Programs<sup>5</sup> by:
    - specifying prevention, education and treatment activities concerning unhealthy weight and obesity as acceptable uses of the fund;
    - requiring the DAFS Commissioner to create a new budget program specific to Unhealthy Weight and Obesity efforts;
    - establishing the Fund for a Healthy Maine (FHM) as a separate Fund for accounting purposes;
    - requiring State agencies and contractors receiving FHM funding to separately account for those dollars and report on the use of those dollars toward targeted FHM purposes to the DAFS Commissioner;
    - requiring the DAFS Commissioner to compile a report on the uses of the Fund and submit it to the Legislature by October 1st each year; and
    - establishing that the Joint Standing Committee on Health and Human Services shall review all proposals that come before the Legislature that involve use of the Fund to ensure proposals are consistent with the goals and purpose of Fund.

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<sup>5</sup> The Commission to Study Allocations for the Fund for a Healthy Maine was established through legislation introduced by the GOC in 2011 to address one recommendation in OPEGA's 2009 report on Fund for a Healthy Maine Programs. The enacted laws resulting from the Commission's work are Public Law 2011, Chapter 617 and Public Law 2011, Chapter 701.

- The Public Utilities Commission’s Emergency Services Communications Bureau (ESCB) and the Enhanced 9-1-1 Advisory Council took actions that addressed the final two recommendations in OPEGA’s 2010 report on Emergency Communications in Kennebec County. In February, the Council adopted a standardized call transfer protocol for use by all E9-1-1 Public Safety Answering Points (PSAPs) and dispatch centers. The purpose of the standard protocol is to prevent “blind transfers” of calls between emergency communications centers (ECCs) and ensure critical information is passed between ECCs in an efficient manner. All PSAPs are expected to implement the policy and work with dispatch-only sites in their regions. Additionally, in March, the legislative Joint Standing Committee on Energy, Utilities and Technology encouraged the ESCB to move as quickly as possible in redirecting wireless calls from Department of Public Safety (DPS) PSAPs to the PSAP most likely to dispatch the needed emergency service. In 2012, approximately 50,000 9-1-1 calls were redirected from DPS PSAPs to the county or municipal PSAPs. Twenty-five of 26 PSAPs now receive some wireless calls directly. The ESCB’s goal is to complete the re-route of all cell towers to the appropriate PSAP (to the extent that a PSAP is willing to accept the additional call volume) by January of 2014. Redirecting these calls reduces the number of transfers between PSAPs and spreads the costs associated with receiving wireless calls among PSAPs.

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 Legislature;
- 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;
- State Audit Department; and
- Office of the Attorney General.



## Appendix A: Listing of Available OPEGA Reports by Date Issued

Report Title	Date Issued	Overall Conclusion	JSC's that Received Report
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 CJ&PS
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 CJ&PS
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.	EU&T
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 CJ&PS 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.	Transportation

Report Title	Date Issued	Overall Conclusion	JSC's that Received Report
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.	EU&T CJ&PS
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
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.	CJ&PS
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 State & Local Nat. Resources
Bureau of Rehabilitation Services: Procurements for Consumers	December 2007	Weak controls allow misuse of funds, affecting resources available to serve all consumers.	AFA Labor
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.	CJ&PS HHS
Urban-Rural Initiative Program	July 2007	Program well managed; data on use of funds should be collected.	Transportation

Report Title	Date Issued	Overall Conclusion	JSC's that Received Report
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 CJ&PS Transportation
Economic Development Programs in Maine	December 2006	EDPs still lack elements critical for performance evaluation and public accountability.	AFA Agriculture LCRED Taxation
Guardians ad litem 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 Judiciary
Bed Capacity at Riverview Psychiatric Center	April 2006	RPC referral data is unreliable; other factors should be considered before deciding whether to expand.	CJ&PS HHS
State-wide Information Technology Planning and Management	January 2006	State is at risk from fragmented practices; enterprise transformation underway and needs steadfast support.	AFA State & Local
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

## Appendix B: Summary of Implementation and Follow-Up Status on Issued Reports (Implementation status based on information gathered by OPEGA as of 1-31-13)

Report Title (Date)	Implementation Status	Follow-up Status
<b>Reports Still in Active Follow-Up Status (by date of issuance)</b>		
Child Development Services (July 2012)	Partially Implemented (Activity in Progress)	Follow-up continuing
Health Care Services in State Correctional Facilities (November 2011)	Partially Implemented (Activity in Progress)	Follow-up continuing
Maine Green Energy Alliance (August 2011)	Partially Implemented (Activity in Progress)	Follow-up continuing
Fund for a Healthy Maine Programs (October 2009)	Mostly Implemented (Activity in Progress)	Follow-up continuing
MaineCare Durable Medical Equipment and Medical Supplies (July 2009)	Mostly Implemented (Activity in Progress)	Follow-up continuing
MaineCare Children's Outpatient Mental Health Services (February 2009)	Limited Implementation	Follow-up continuing
State Administration Staffing (May 2008)	Partially Implemented	Follow-up continuing (No FU conducted in 2012)
State Boards, Committees, Commissions and Councils (February 2008)	Limited Implementation	Follow-up continuing (No FU conducted in 2012)
Economic Development Programs in Maine (December 2006)	Partially Implemented	Follow-up continuing (FU in 2012 was limited)
<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	Active follow-up ceased
Maine Turnpike Authority (January 2011)	Fully Implemented	Active follow-up ceased
Emergency Communications in Kennebec County (February 2010)	Mostly Implemented	Active follow-up ceased
OPEGA's Special Project on Professional and Administrative Contracts (February 2010)	Partially Implemented	Active follow-up ceased
Maine State Prison Management Issues (June 2009)	Fully Implemented	Active follow-up ceased
State Contracting for Professional Services: Procurement Process (September 2008)	Fully Implemented	Active follow-up ceased
DHHS Contracting for Cost-Shared Non-MaineCare Human Services (July 2008)	Fully Implemented	Active follow-up ceased
Bureau of Rehabilitation Services: Procurements for Consumers (December 2007)	Fully Implemented	Active follow-up ceased

Report Title (Date)	Implementation Status	Follow up Status
Urban-Rural Initiative Program (July 2007)	Fully Implemented	Active follow-up ceased
Guardians ad litem for Children in Child Protection Cases (July 2006)	Partially Implemented	Active follow-up ceased
Bed Capacity at Riverview Psychiatric Center (April 2006)	Fully Implemented	Active follow-up ceased
State-wide Information Technology Planning and Management (January 2006)	Partially Implemented	Active follow-up ceased
Review of MECMS Stabilization Reporting (December 2005)	Mostly Implemented	Active follow-up ceased
Title IV-E Adoption Assistance Compliance Efforts (November 2005)	Fully Implemented	Active follow-up ceased

Note: Implementation and follow-up are not applicable for the following OPEGA study reports as they did not contain recommendations: 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.