

MAINE STATE LEGISLATURE

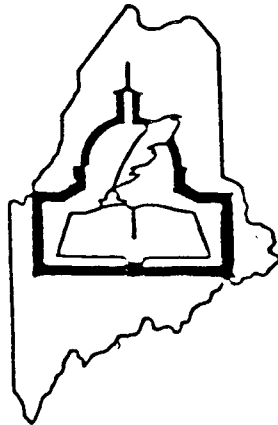
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STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



JULY, 1985

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ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JULY 1985

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the First Regular Session of the 112th Legislature. The summaries are arranged by LD number and indexed separately by committee.

LD:

565

AN ACT TO PROVIDE FOR TERMINATION OR
NONRENEWAL OF STATE CONTRACT FUNDS TO
PRIVATE NONPROFIT ORGANIZATIONS FOR CAUSE

RYDELL
KANY
GILL
ROLDE

LV-WD

HOUSE Accepted Committee Report
SENATE Accepted Committee Report
GOV

SUMMARY:

LD 565 proposed that every agency and department that issues contracts and grants for services funded, in whole or in part, with state monies provide written notice and explanation to the contract and grant holders in the event that:

A. the contract or grant will be terminated prior to the agreed upon expiration date of the contract or grant; and

B. the contract or grant will not be renewed following expiration of the contract or grant.

Prior to the termination of the contract or grant, the contract or grant holder is provided the opportunity to respond to the agency's/department's written reasons for terminating or not renewing the contract.

LD 565 is the result, in part, of the Department of Human Services, (DHS) refusal to renew the contract of Riverview Day Care Center in Brunswick for alleged sexual abuse of children. The Department of Human Services investigated the day care center following which the Department refused to fund the facility or renew the contract. The DHS indicated that the contract would be renewed in the event that Riverview fired the staff. DHS, however, would not provide Riverview with any evidence or information that Riverview could use to protect itself from liability or law suits incurred as a result of firing the employees. DHS did not provide Riverview with written reasons for the DHS decision or allow Riverview to respond to the DHS decision.

Prior to 1983, state agencies with service contracts and grants did not have to solicit bids or follow written standards or rules with respect to the award of grants or contracts.

Specifically, the "plaintiffs", in this case, represented human service organizations, some of which had been denied contracts or grants by the Department of Human Services (DHS). According to the spokespersons at the hearing, DHS as well as many other state agencies, often times awarded contracts or grants to "pet" organizations or organizations which had been providing services for many years for the agencies.

As a result, the State Government Committee in 1983, completely redrafted the proposed bill to require state agencies to adopt rules with respect to the Selection of service organizations and award of service contracts and grants. The rules are required to include provisions relating to bid notification, review of applications, awards of contracts, appeals from agency decisions, and criteria for the review of agency decisions.

The redrafted legislation did not include rules defining the procedure by which contracts or grants could be terminated prior to their expiration date or not renewed following their expiration.

The proposed provisions of LD 565, however, gave contracts and grants the status of a license that could not be terminated except by the courts. Furthermore, contracts and grants may be terminated or not renewed for many reasons that are unrelated to performance such as the impoundment or rescinding of federal monies, the investment of state dollars in other programs, or insufficient funds to fund particular programs.

In order to provide contract and grant holders with some degree of protection from arbitrary decisions of state agencies, the State Government Committee requested the Commissioner of Finance and Administration to develop a procedure that could apply to service contracts and be incorporated into the Manual of Financial Procedures.

LD: 573 AN ACT TO ADJUST THE COMPENSATION OF
COMMITTEE CHAIRMAN

TWITCHELL
ERWIN E
VOSE
JACQUES

LU-WD HOUSE Accepted Committee Report
SENATE Accepted Committee Report
GOV

SUMMARY:

LD 573 proposed to provide Committee chairpersons with a 10% salary increase above that of legislators who are not chairpersons and who are not in "leadership roles." The purpose of the proposal is to compensate committee chairpersons for the additional duties and responsibilities required of those positions. The additional cost would be \$41,400 for the biennium.

Approximately 11 states provide additional compensation to 1 or more committee chairs for the additional duties requires of those positions.