

MEETING SUMMARY
November 19, 2008
APPROVED DECEMBER 2, 2008

CALL TO ORDER

Legislative Council Chair, President Edmonds called the Legislative Council meeting to order at 1:28 P.M. in the Legislative Council Chambers.

ROLL CALL

Senators: President Beth Edmonds, Sen. Elizabeth Mitchell, Sen. Richard Rosen, Sen. John Martin, Sen. Carol Weston

Representatives: Speaker Glenn Cummings, Rep. Hannah Pingree, Rep. Robert Crosthwaite Rep. Sean Faircloth, Rep. Joshua Tardy (arrived after the start of the meeting)

Legislative Officers: Millicent MacFarland, Clerk of the House
Michael Cote, Assistant Clerk of the House
David E. Boulter, Executive Director of the Legislative Council
Rose Breton, Legislative Finance Director
Debra Olken, Human Resources Director
Patrick Norton, Director, Office of Policy & Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Margaret Matheson, Revisor of Statutes
Paul Mayotte, Director, Legislative Information Services
John Barden, Director, Law and Legislative Reference Library
Beth Ashcroft, Director, Office of Program Evaluation and
Government Accountability

Legislative Council Chair, President Edmonds convened the meeting at 1:28P.M. with a quorum of members present.

SUMMARY OF OCTOBER 22, 2008 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary of October 22, 2008 be accepted and placed on file. Motion by Representative Pingree. Second by Senator Rosen. **Motion passed unanimous (9-0).** [Representative Tardy absent]

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

David Boulter, Executive Director of the Legislative Council, reported on the following:

1. Emergency Preparedness
Emergency preparedness information relating to the Legislature including evacuation plans is now available on the Legislature's website. In addition, Legislative employees and Legislators may register to receive emergency notification such as office closures due to winter storms through their cell phones or email addresses.
2. Kronos Time Accounting System
Progress continues to be made in developing an automated uniform time accounting system for legislative employees. Human Resources Director provided a brief progress report at the Legislative Council meeting.

Human Resources Director Olken informed the Legislative Council that she has been working with the software developer Kronos International on a timekeeping system that is being developed to include standardized work rules and various time accounting protocols in the program. It is anticipated that by mid-November there will be a trial period where the offices can test the program, with the plan to have the new time system fully operational by January, 2009.

3. Pre-Legislative Conference for 124th Legislature
Members are reminded that the Pre-Legislative Conference will be held on December 1 - 4, 2008. Outgoing and incoming Legislative Council members are welcome and encouraged to attend the opening night dinner with new Members and the Tuesday banquet for the incoming Legislature.
4. Acknowledgement of Final Meeting of the Legislative Council of the 123rd Legislature.

Mr. Boulter acknowledged the important work of the Legislative Council during the past two years. He noted that the Legislative Council has made significant policy decisions that have been to the betterment of the Legislature including: new procedures for handling study requests and drafting study bill legislation; an updated emergency evacuation plan with new emergency preparedness measures and new emergency call stations to enhance personnel security; under the direction of the budget subcommittee chair, contributed very significant budget savings each session to help with the State budget shortfall but in a way that did not undermine the legislative operations or effectiveness; under the direction of the facilities committee chair, made substantial improvements to the State House grounds with

improved parking, lighting and green space for public sitting, being some of the most significant improvements to the grounds since cultural building was built in 1971; updated personnel policy handbooks for legislative employees; and some technology improvements that should help the legislature do its work more effectively.

Mr. Boulter wryly noted that the Legislative Council's record on after deadline bill requests was "generous" with the Legislative Council having denied about 16% of the requests. Of the 189 or so requests, the Legislative Council accepted about 118 and rejected 30. Some were withdrawn by the sponsors.

Mr. Boulter concluded by expressing his appreciation to the Legislative Council members for having the opportunity to work with them, saying it had been a pleasure working with them. He expressed appreciation for the support the Legislative Council gave to nonpartisan staff and him. He specifically acknowledged Senate President Edmonds for her counsel and support, and wished all the Legislative Council members well.

Legislative Council President Beth Edmonds expressed her appreciation of Mr. Boulter and his staff for a job well done.

Fiscal Report

Grant Pennoyer, Director, Office of Fiscal and Program Review, reported the following:

1 Revenue Update

Total General Fund Revenue - FY 2009 (\$'s in Millions)

	Budget	Actual	Variance	% Var.	Prior Year	% Growth
October	\$251.6	\$243.7	(\$7.9)	-3.1%	\$239.9	1.6%
FYTD	\$863.7	\$845.9	(\$17.8)	-2.1%	\$836.0	1.2%

- General Fund revenue was under budget by \$7.9 million in October, resulting in a negative variance of \$17.8 million or 2.1% for the first 4 months of FY 2009. Fiscal Year-to-date (FYTD) growth remained modest at only 1.2%
- Most of the major tax lines are beginning to show signs of weakness. Sales tax, corporate income tax, estate tax and cigarette tax are all under budget and will be adjusted downward by the Revenue Forecasting Committee.
- Individual income tax was under budget in October and for the FYTD due to BETR and Circuitbreaker tax reimbursements, which were \$6.7 million and \$12.1 million greater than budgeted for October and the FYTD, respectively. Income tax withholding has fallen below last year and final payments for tax year 2008 due in April 2009 are expected to fall significantly below budget as a result of a decline in capital gains well below assumptions in the current forecast.

Total Highway Fund Revenue - FY 2009 (\$'s in Millions)

	Budget	Actual	Variance	% Var.	Prior Year	% Growth
October	\$29.5	\$28.2	(\$1.3)	-4.5%	\$28.5	-1.1%
FYTD	\$97.2	\$91.2	(\$5.9)	-6.1%	\$92.2	-1.1%

- Highway Fund revenue was under budget by \$1.3 million in October, falling \$5.9 million or 6.1% under budget for the first 4 months of FY 2009. Highway Fund revenue has declined for the first 4 months of FY 2009 by 1.1% compared to the same period in FY 2008 despite the indexing of fuel tax rates for inflation.
- Despite the recent declines in fuel prices, fuel tax revenues continued to fall below projections. October's \$0.7 million negative variance in fuel tax collections was worse than reported for the Highway Fund as some end of month transfers out of Highway Fund were not recorded in October and will show up in the November report.

2 Revenue Forecasting Update

- The Consensus Economic Forecasting Commission concluded its forecast by the November 1st deadline, making some downward adjustments in 2009.
- The Revenue Forecasting Committee held 2 subcommittee meetings on October 28th and 29th to review all of the revenue categories not forecast using the tax models. The subcommittee recommendations include net downward adjustments approaching \$25 million for the 2010-2011 biennium. The full committee will review the recommendations of the subcommittee and the recommendations of Maine Revenue Services and conclude the forecast at a meeting on Friday, November 21st.

3 Cash Balances

Summary of Treasurer's Cash Pool		
October Average Daily Balances		
Millions of \$'s		
	2007	2008
General Fund (GF) Total	\$10.7	\$10.8
General Fund (GF) Detail:		
Budget Stabilization Fund	\$116.6	\$130.7
Reserve for Operating Capital	\$40.6	\$40.6
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$50.2	\$75.5
Other General Fund Cash	(\$196.6)	(\$236.0)
Other Spec. Rev. - Interest to GF	\$118.4	\$91.3
Other State Funds - Interest to GF	\$6.2	(\$14.1)
Highway Fund	\$37.1	\$25.1
Other Spec. Rev. - Retaining Interest	\$79.1	\$63.5
Other State Funds	\$254.1	\$188.4
Independent Agency Funds	\$124.4	\$83.2
Total Cash Pool	\$630.0	\$448.2

- The average total cash pool balance last month was \$448.2 million, which was \$181.8 million less than the October 2007 average. The average balance for the last 7 Octobers, 2001 to 2007, was \$608.3 million.
- As the General Fund revenue picture deteriorates, it is now uncertain whether the State Treasurer and the State Controller can still avoid external or tax anticipation note borrowing. The key will be the extent of the pending FY 2009 curtailment and the timing of its implementation by the Governor.
- The Dirigo Health Fund's average balance in October remained negative at \$16.9 million.

Information Technology Report

1. Bill Tracking Application

Mr. Mayotte reported that the final implementation of the bill tracking application requires the completion of several issues that were identified during the implementation readiness assessment and final user sign-off. Those issues will be resolved during the week of 11/17/2008. He noted that: three needed software changes have been made and are being tested; final development of the interface for the Law Library is in testing; and he is working to correct an issue with data format for the 112th and 113th legislatures.

He is working with the users to ensure the accuracy of the reports that will be used in the application. He predicted that it will probably be early December before all these items will be fully resolved.

2. WANG Phase-out

Once the remaining bill tracking application issues are resolved during the week of 11/17/2008 and with final user signoff, the application will be ready for implementation.

Status of Legislative Studies

OPLA Director Norton drew the Legislative Council Members' attention to the Summary of the Status of Studies found in the packet. Mr. Norton explained that most of the studies are completed and those that are not are on track and are expected to be completed within budget and reports issued on time.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

Speaker Cummings presented the Personnel Committee report for the meeting which met earlier in the day. The committee first discussed the outstanding Personnel Policies Handbook revisions for Clerk and Secretary employees. At Senator Martin's suggestion, the committee will reconvene on December 2nd to review final suggested changes.

President Edmonds said that she would like to schedule a special meeting of the Legislative Council for lunch time on December 2nd to take up the personnel policies

issues.

Speaker Cummings reported that Personnel Committee also met to consider the reappointments of Margaret Matheson, Revisor of Statues and Patrick Norton, Director of the Office of Policy and Legal Analysis. The Personnel Committee unanimously recommended that the Legislative Council reappoint Ms. Matheson and Mr. Norton to new terms.

Motion: That upon the unanimous recommendation of the Personnel Committee, the Legislative Council reappoint Margaret Matheson to a 3-year term as Revisor of Statutes, the date of her re-appointment being retroactive to November 8, 2008. Motion by Speaker Cummings. Second by Senator Mitchell. **Motion passed, unanimous. (9-0)** [Representative Tardy absent for vote.]

Motion: That upon the unanimous recommendation of the Personnel Committee, the Legislative Council reappoint Patrick T. Norton to a 3-year term as Director of the Office of Policy and Legal Analysis, the date of his reappointment being retroactive to September 26, 2008. Motion by Speaker Cummings. Second by Senator Mitchell. **Motion passed, unanimous. (9-0)** [Representative Tardy absent for vote.]

2. State House Facilities Committee

(No Report)

3. Budget Subcommittee

(No Report)

4. Subcommittee to Administer Technology

(No Report)

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

ITEM #1: Chamber Automation and Pilot Project for Paperless Chamber (Speaker Cummings)

Speaker Cummings stated that the House is looking to complete the House chamber automation project that was started as a pilot project. He said that this would be possible due to savings from automation and from elimination of a chamber staff position. In addition, he felt printing costs would be reduced as well. With permission from the Legislative Council, the House could use these existing resources to pay the costs for the remainder of the automation project [estimated at approximately \$75,000].

Motion: That the Legislative Council authorize payment of the remaining costs for completion of the paperless chamber project for the House provided that the funds are taken from existing resources within the Clerk's office. Motion by Senator Martin.

Second by Representative Faircloth. **Motion passed, (8-2)** [Opposed: Senator Weston, Senator Rosen]

ITEM #2: Annual Report of the Washington County Development Authority July 1, 2007 - June 30, 2008

Motion: To accept the Annual Report of the Washington County Development Authority July 1, 2007 - June 30, 2008 and place it on file. Motion by Senator Martin. Second by Representative Pingree. **Motion passed, unanimous. (9-0)** [Representative Faircloth absent for vote.]

ITEM #3: Annual Report of the Loring Development Authority of Maine

Motion: To accept the Annual Report of the Loring Development Authority of Maine and place it on file. Motion by Senator Mitchell. Second by Senator Martin. **Motion passed, unanimous. (9-0)** [Representative Faircloth absent for vote.]

ITEM #4: Study Report by OPLA: A Study of Laws in Other States That Permit the Dissemination of Confidential Information Pertaining to Teacher Certification

Motion: To accept the Study of Laws in Other States That Permit the Dissemination of Confidential Information Pertaining to Teacher Certification prepared by the Office of Policy and Legal Analysis and place it on file. Motion by Senator Martin. Second by Senator Mitchell. **Motion passed, unanimous. (9-0)** [Representative Faircloth absent for vote.]

ITEM #5: Final Report of the Blue Ribbon Commission to Study the Future of Home-based and Community-based Care

Motion: To accept Final Report of the Blue Ribbon Commission to Study the Future of Home-based and Community-based Care and place it on file. Motion by Senator Martin. Second by Senator Mitchell. Motion passed, unanimous. (9-0) [Representative Faircloth absent for vote.]

Representative Pingree noted that the report is quite large and suggested exploring the possibility of distributing final reports electronically rather than by printed copy.

ITEM #6: Request for Extension of Reporting Deadline: Resolve 207, c.189, Resolve to Temporarily Suspend the Rate-setting Procedures for the Forest Products Industry

Senator Martin summarized the need for the request for an extension. Legislation directed the Attorney General's office to conduct a study of the forest products industry and temporarily suspended the rate making authority. According to the Attorney General,

the data has been collected but needs to be compiled. The Attorney General seeks a limited extension of the interim and final report dates so the information can be analyzed and the reports prepared using the analyzed data. The legislation authorized the Legislative Council to grant a limited extension.

Motion: That the Legislative Council extend the interim reporting deadline for the noted study from December 1, 2008 to January 1, 2009 and extend the final reporting date from January 15, 2009 to February 16, 2009. Motion by Senator Martin. Second by Senator Mitchell. **Motion passed unanimous (8-0).** [Representative Faircloth and Representative Tardy absent]

ANNOUNCEMENTS AND REMARKS

Executive Director David Boulter presented each member of the Legislative Council with a group photograph taken of the Legislative Council of the 123rd Legislature in February, 2008.

ADJOURNMENT

Motion to adjourn by Senator Rosen. Second by Senator Mitchell. **Motion passed unanimous (8-0).** [Representative Faircloth and Representative Tardy absent]

The Legislative Council meeting was adjourned at 2:02 P.M.