

Sec. A-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Accident - Sickness - Health Insurance 0455

Initiative: BASELINE BUDGET

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$760,000	\$810,393	\$810,393	\$810,393
GENERAL FUND TOTAL	\$760,000	\$810,393	\$810,393	\$810,393

RETIREE HEALTH INSURANCE FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235
RETIREE HEALTH INSURANCE FUND TOTAL	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235

ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	14.000	13.000	14.000	14.000
Personal Services	\$878,832	\$906,723	\$970,990	\$996,153
All Other	\$922,483	\$953,473	\$953,473	\$953,473
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	\$1,801,315	\$1,860,196	\$1,924,463	\$1,949,626

FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$52,209	\$64,685	\$55,944	\$57,685
All Other	\$57,183	\$47,209	\$5,044,592	\$5,044,592
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL	\$109,392	\$111,894	\$5,100,536	\$5,102,277

Justification:

The Division of Employee Health & Benefits is responsible for (1) the management and administration of the State employee health plan, dental plan, direct reimbursement accounts, deferred compensation, vision care, long term care insurance and retired teacher health premium reimbursement; (2) the central management and administration of the Workers' Compensation claims for State employees; (3) management of contracted services for the Employee Assistance Programs (EAP); and (4) the development of health & safety policies and programs to reduce the incidence of illnesses and injuries to employees. The Division is comprised of two primary units with the following responsibilities: The Employee Health unit (1) administers the State employee health plan providing a point-of-service plan and Medicare Advantage plan to approximately 40,000 covered lives. This unit administers subscriber enrollment, premium billing, claim resolution, and contract management for the health, dental, and voluntary benefits (flex spending accounts, deferred compensation, vision care and long term care insurance). This unit supports the State Employee Health Commission which serves as trustees to the State employee health plan. The unit facilitates agreements with Commission members in order to develop policies and practices designed to contain plan costs while ensuring access to high quality, affordable health care services. This unit partners with a variety of vendors to analyze claims experience, identify trends and develop

**ACCIDENT - SICKNESS - HEALTH INSURANCE 0455
PROGRAM SUMMARY**

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$760,000	\$810,393	\$859,017	\$927,738
GENERAL FUND TOTAL	\$760,000	\$810,393	\$859,017	\$927,738
RETIREE HEALTH INSURANCE FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235
RETIREE HEALTH INSURANCE FUND TOTAL	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	14.000	13.000	13.000	13.000
Personal Services	\$878,832	\$906,723	\$917,406	\$939,365
All Other	\$922,483	\$953,473	\$953,473	\$953,473
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	\$1,801,315	\$1,860,196	\$1,870,879	\$1,892,838
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$52,209	\$64,685	\$55,944	\$57,685
All Other	\$57,183	\$47,209	\$5,044,592	\$5,044,592
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL	\$109,392	\$111,894	\$5,100,536	\$5,102,277

Trade Adjustment Assistance Health Insurance Z001

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FEDERAL EXPENDITURES FUND				
All Other	\$20,962	\$20,962	\$20,962	\$20,962
FEDERAL EXPENDITURES FUND TOTAL	<hr/> \$20,962	<hr/> \$20,962	<hr/> \$20,962	<hr/> \$20,962
	History 2007-08	History 2008-09	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS				
All Other	\$200,000	\$200,000	\$200,000	\$200,000
OTHER SPECIAL REVENUE FUNDS TOTAL	<hr/> \$200,000	<hr/> \$200,000	<hr/> \$200,000	<hr/> \$200,000

Justification:

The purpose of this program is to provide a group health insurance product for individuals certified to receive federal assistance for health coverage under the terms of the tax credit program within the federal Trade Adjustment Assistance Reform Act of 2002. Individuals certified under the Trade Adjustment Assistance Reform Act are workers who have been displaced as a result of foreign competition

Trade Adjustment Assistance Health Insurance Z001

Initiative: Reduces funding to stay within projected available resources.

Ref. #: 232

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS		2009-10	2010-11
All Other		(\$125,000)	(\$125,000)
OTHER SPECIAL REVENUE FUNDS TOTAL		<hr/> (\$125,000)	<hr/> (\$125,000)

Justification:

Adjusts allocation for the Trade Adjustment Insurance program account based on fiscal year 2007-08 funding levels.

**TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE Z001
PROGRAM SUMMARY**

	History 2007-08	History 2008-09	2009-10	2010-11
FEDERAL EXPENDITURES FUND				
All Other	\$20,962	\$20,962	\$20,962	\$20,962
FEDERAL EXPENDITURES FUND TOTAL	<hr/> \$20,962	<hr/> \$20,962	<hr/> \$20,962	<hr/> \$20,962
	History 2007-08	History 2008-09	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS				
All Other	\$200,000	\$200,000	\$75,000	\$75,000
OTHER SPECIAL REVENUE FUNDS TOTAL	<hr/> \$200,000	<hr/> \$200,000	<hr/> \$75,000	<hr/> \$75,000

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2009-10	2010-11
GENERAL FUND	\$859,017	\$927,738
FEDERAL EXPENDITURES FUND	\$20,962	\$20,962
OTHER SPECIAL REVENUE FUNDS	\$75,000	\$75,000
RETIREE HEALTH INSURANCE FUND	\$48,400,235	\$48,400,235
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	\$1,870,879	\$1,892,838
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	\$5,100,536	\$5,102,277
DEPARTMENT TOTAL - ALL FUNDS	\$56,326,629	\$56,419,050

Sec. A-17. Appropriations and allocations.

The following appropriations and allocations are made.

DIRIGO HEALTH

Dirigo Health Fund 0988

Initiative: BASELINE BUDGET

DIRIGO HEALTH FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	14.000	13.000	14.000	14.000
Personal Services	\$1,363,374	\$1,405,580	\$1,418,453	\$1,457,391
All Other	\$98,783,955	\$109,628,112	\$126,428,049	\$126,428,049
DIRIGO HEALTH FUND TOTAL	\$100,147,329	\$111,033,692	\$127,846,502	\$127,885,440

Justification:

A key part of the Dirigo Health Reform Legislation was the creation of the Dirigo Health Agency. The Reform created the Agency as an independent executive agency "to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers, including the self-employed, their employees and dependents, and individuals on a voluntary basis and is also responsible for monitoring and improving the quality of health care in this State." (24-A M.R.S.A. §6902). When enacted in 2003, Governor Baldacci's Dirigo Health Reform Initiative was the first major health reform to be enacted in any state in over a decade. In the years since passage of Dirigo Health, other states have followed suit. The Agency operates under the supervision of a Board of Trustees. The composition of the Board was enhanced as a result of PL 2007 Chapter 447, from 5 voting members to 9 voting members and 3 ex officio, nonvoting members to 4. Since its inception the Dirigo Health Agency continues to pursue its mission of expanding access to and improving the quality of health care in the state. At the end of SFY2008 the Agency has: 1. Expanded the total number of Maine citizens statewide who had obtained access to care through its programs to 28,745 since the inception. 2. Continued to work against national trends by reducing the rate of uninsured in the State, consistent with its operations every year since 2003. 3. Saw continued reduction in hospital costs due to the hospitals' compliance with the voluntary targets set in the Dirigo Reform Act, consistent with its operations every year since 2003. 4. Completed collection and analysis of key hospital performance indicators for health care associated infection (HAI) prevention. This collection and analysis allows citizens and health care professionals to compare hospital performance in the prevention of HAI and provides a baseline for future comparisons. 5. Facilitated the creation of the Maine Infection Control Collaborative, a quality improvement consortium aimed at the spread of best practices in hospitals for infection prevention and control. Nearly all of Maine's acute care hospitals are now members of the Collaborative. 6. Led a successful application to Medicare to designate Maine as a demonstration site for the use of electronic medical record in small and medium size primary care medical practices. Up to 45% of Maine's primary care practices will participate in this program, meaning new federal dollars approaching \$29 million for successful performance. While reaching these goals, the Agency continues to face challenges with on-going financing. To meet these challenges, the Agency has increased the amount of the office visit and prescription drug copayments in the DirigoChoice program; increased the amount of Coinsurance members are responsible for from 20% to 30%; capped enrollment in the DirigoChoice program effective September, 2007 (there are over 2,000 citizens currently on a waiting list to enroll) and transitioned the DirigoChoice program from Anthem Blue Cross Blue Shield to Harvard Pilgrim Health Care because of a better financial arrangement. The Agency continues to exert tight control over its financial operations. In fiscal year 2008 the Agency reduced the operating expense ratio to 3.4% from 5.9% in SFY 2007 for the DirigoChoice product; completed fiscal year 2007 financial audit with no findings and managed total Agency expenses to 95% of Agency forecast. The primary source of funding for the Agency is the Savings Offset Payment (SOP). The SOP is an assessment the State levies on health insurance companies (and self-insured companies) in Maine based on a determination of Aggregate Measurable Cost Savings (AMCS) due to the operations of Dirigo Health (24-A M.R.S.A. §6913). To date the SOP process has proven contentious and logistically challenging for the Agency. Consider that: * The Chamber of Commerce, the Maine Automobile Dealer's Insurance Trust, and the Maine Association of Health Plans have intervened each year the AMCS process has occurred to dispute

the AMCS amount. In 2005 these parties pursued their objections to the Maine Supreme Court. The Supreme Court upheld the State's determination. At the time of this report these parties along with Anthem Blue Cross and Blue Shield of Maine are appealing the most recent AMCS decision to Kennebec Superior Court. * The AMCS process costs the Agency a million dollars a year in consulting services. * Because the AMCS is variable from year to year, the SOP assessment is variable from year to year, making forecasting and planning difficult for both the Agency and the payers. * Because the SOP is levied as each insured account renews and then applied for a full twelve months, it takes two years for the Agency to collect a full SOP. Collecting one year's worth of revenue over two years creates a cash flow problem, where the timing of the payout of expenses does not match the timing of the receipt of revenue. The Legislature recognized these challenges in passing Public Law 2007 Chapter 629. This new law repealed the Savings Offset Payment and replaced it with new funding, including a tax on beer, wine and soda, eliminating the challenges of the SOP. This effort was repealed through a People's Veto and so the current funding mechanism remains in place. In order for the Agency to meet its monthly obligations it borrows from the State's cash pool. As the Agency receives SOP revenue it returns the borrowed funds to the cash pool. The Agency looks forward to working with the Governor and the 124th Legislature to find a solution to the challenges of the SOP.

Dirigo Health Fund 0988

Initiative: Reduces funding that was to be generated from the increased excise tax on malt beverages and wine.

Ref. #: 1327

Committee Vote: _____

AFA Vote: _____

DIRIGO HEALTH FUND

All Other

2009-10	2010-11
(\$7,499,937)	(\$7,499,937)

DIRIGO HEALTH FUND TOTAL

(\$7,499,937)	(\$7,499,937)
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Justification:

The referendum generated by the people's veto to oppose this tax was passed in November. This initiative reverses the funding allocated by Public Law 2007, chapter 629. This initiative is a continuation of a fiscal year 2008-09 supplemental budget request.

Dirigo Health Fund 0988

Initiative: Reduces funding that was to be generated from the new tax on soft drinks.

Ref. #: 1328

Committee Vote: _____

AFA Vote: _____

DIRIGO HEALTH FUND

All Other

2009-10	2010-11
(\$9,200,000)	(\$9,200,000)

DIRIGO HEALTH FUND TOTAL

(\$9,200,000)	(\$9,200,000)
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Justification:

The referendum generated by the people's veto to oppose this tax was passed in November. This initiative reverses the funding allocated by Public Law 2007, chapter 629. This initiative is a continuation of a fiscal year 2008-09 supplemental budget request.

Dirigo Health Fund 0988

Initiative: Provides funding for the Dirigo Health costs that are funded by the savings offset payment.

Ref. #: 1329

Committee Vote: _____

AFA Vote: _____

DIRIGO HEALTH FUND

	2009-10	2010-11
All Other	\$32,900,000	\$32,900,000
DIRIGO HEALTH FUND TOTAL	\$32,900,000	\$32,900,000

Justification:

The 123rd Legislature passed a law that addressed Dirigo financing and corrected the cash flow challenges of the current funding mechanism; a referendum generated by the people's veto to oppose the tax on malt beverages, wine and soft drinks was passed in November 2008 and overturned the Legislature's resolution. This initiative restores funding to Dirigo Health to its original funding source; the savings offset payment. This initiative is a continuation of a fiscal year 2008-09 supplemental budget request.

Dirigo Health Fund 0988

Initiative: Reduces funding that was to be generated from a health access surcharge of 1.8% on all paid claims.

Ref. #: 1331

Committee Vote: _____

AFA Vote: _____

DIRIGO HEALTH FUND

	2009-10	2010-11
All Other	(\$33,000,000)	(\$33,000,000)
DIRIGO HEALTH FUND TOTAL	(\$33,000,000)	(\$33,000,000)

Justification:

The referendum generated by the people's veto to oppose the tax on malt beverages, wine and soft drinks was passed in November. The bill that originally instituted the tax, Public Law 2007, chapter 629, also established a health access surcharge of 1.8% on all paid claims. As a result of the referendum passing, this surcharge is repealed. This initiative is a continuation of a fiscal year 2008-09 supplemental budget request.

Dirigo Health Fund 0988

Initiative: Eliminates one Dirigo Health Program Coordinator position in accordance with Public Law 2007, chapter 653, Part C, section 2.

Ref. #: 1330

Committee Vote: _____

AFA Vote: _____

DIRIGO HEALTH FUND

	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$92,051)	(\$97,371)
DIRIGO HEALTH FUND TOTAL	(\$92,051)	(\$97,371)

Justification:

Public Law 2007, chapter 653, Part C, section 2, directed the Department of Administrative and Financial Services to review vacant positions throughout State Government, regardless of funding source, and to identify positions to be eliminated. This initiative eliminates one or more positions identified as part of that review. This initiative is a continuation of a fiscal year 2008-09 supplemental budget request.

**DIRIGO HEALTH FUND 0988
PROGRAM SUMMARY**

DIRIGO HEALTH FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	14.000	13.000	13.000	13.000
Personal Services	\$1,363,374	\$1,405,580	\$1,326,402	\$1,360,020
All Other	\$98,783,955	\$109,628,112	\$109,628,112	\$109,628,112
DIRIGO HEALTH FUND TOTAL	\$100,147,329	\$111,033,692	\$110,954,514	\$110,988,132

FHM - Dirigo Health Z070

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$0	\$5,000,000	\$5,000,000	\$5,000,000
FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>

Justification:

Funds allocated in Public Law 2007, chapter 629, Part G are used to offset expenses related to the Dirigo Health Program.

FHM - Dirigo Health Z070

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 1334

Committee Vote: _____

AFA Vote: _____

	2009-10	2010-11
FUND FOR A HEALTHY MAINE		
All Other	(\$281,429)	(\$315,607)
FUND FOR A HEALTHY MAINE TOTAL	<u>(\$281,429)</u>	<u>(\$315,607)</u>

Justification:

Revenue for the Fund for a Healthy Maine is projected to be less in fiscal years 2009-10 and 2010-11 than the fiscal year 2008-09 level. As a result, All Other funding in the various Fund for a Healthy Maine accounts is being reduced to bring allocations into line with resources.

FHM - DIRIGO HEALTH Z070
PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$0	\$5,000,000	\$4,718,571	\$4,684,393
FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$4,718,571</u>	<u>\$4,684,393</u>

DIRIGO HEALTH

DEPARTMENT TOTALS	2009-10	2010-11
FUND FOR A HEALTHY MAINE	\$4,718,571	\$4,684,393
DIRIGO HEALTH FUND	\$110,954,514	\$110,988,132
DEPARTMENT TOTAL - ALL FUNDS	\$115,673,085	\$115,672,525

Sec. A-55. Appropriations and allocations. The following appropriations and allocations are made.

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

Bureau of Consumer Credit Protection 0091

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	15.500	15.500	15.500	15.500
Personal Services	\$1,158,220	\$1,228,308	\$1,213,384	\$1,253,136
All Other	\$212,946	\$217,818	\$217,818	\$217,818
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,371,166	\$1,446,126	\$1,431,202	\$1,470,954

Justification:

The Bureau of Consumer Credit Protection protects the citizens of Maine from unfair and deceptive practices with respect to various financial services, including consumer credit and debt collection. This is accomplished through enforcing state laws to assist consumers who are subject to illegal credit-related practices, educating consumers and creditors as to their rights and responsibilities under those laws, and encouraging the development of fair and economically-sound consumer credit practices. The agency enforces the Maine Consumer Credit Code, Title 9-A, as it applies to all creditors and lenders other than banks and credit unions. Enforcement responsibilities also extend to other statutes, including the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, and Maine's "Plain Language" Law. The agency regulates retail creditors, pawnshops, rent-to-own stores, mortgage companies, loan arrangers and credit bureaus. In addition, the office is responsible for ensuring legal compliance by money transmitters, money order issuers, operators of non-bank Automated Teller Machines, debt management service providers (credit counselors), payroll processors, and individual loan officers employed by non-bank lenders or loan brokers. The bureau enforces Truth in Lending, Regulation Z, credit disclosure requirements. Maine has received exemptions from federal oversight due to the State's diligent enforcement of the principles of the Truth-in-Lending Act and the Fair Debt Collection Practices Act.

Bureau of Consumer Credit Protection 0091

Initiative: Provides funding for software improvements necessitated by mandated participation in a web-based nationwide licensing system administered by the Conference of State Bank Supervisors. The new software will allow integration of the current system with the Nationwide Mortgage Licensing System, which will allow state-licensed loan officers to apply for, amend, update or renew a license online.

Ref. #: 3363

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
All Other	\$35,308	\$35,308
OTHER SPECIAL REVENUE FUNDS TOTAL	\$35,308	\$35,308

Justification:

The federal Safe and Fair Enforcement for Mortgage Licensing Act of 2008 requires the Bureau of Consumer Credit Protection to join a nationwide licensing system for the residential mortgage industry that will be administered by the Conference of State Bank Supervisors. The Nationwide Mortgage Licensing System is a web-based system that allows state-licensed loan officers to apply for, amend, update, or renew a license on-line for all participating state agencies using a single set of uniform applications. The bureau estimates that it will cost approximately \$35,000 each year to develop and implement software that will allow the bureau's current agency licensing system to integrate into and

communicate with the national licensing system.

**BUREAU OF CONSUMER CREDIT PROTECTION 0091
PROGRAM SUMMARY**

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	15.500	15.500	15.500	15.500
Personal Services	\$1,158,220	\$1,228,308	\$1,213,384	\$1,253,136
All Other	\$212,946	\$217,818	\$253,126	\$253,126
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,371,166	\$1,446,126	\$1,466,510	\$1,506,262

Financial Institutions - Bureau of 0093

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	21.000	21.000	21.000	21.000
Personal Services	\$1,653,547	\$1,693,030	\$1,759,284	\$1,812,188
All Other	\$636,877	\$644,377	\$644,377	\$644,377
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,290,424	\$2,337,407	\$2,403,661	\$2,456,565

Justification:

The Bureau of Financial Institutions is an agency within the Department of Professional and Financial Regulation. The bureau is divided into 2 divisions: one for research and administration and the other responsible for examination and supervision. The bureau is funded by dedicated revenue. The bureau regulates all state-chartered banks and credit unions through the administration and enforcement of the Maine Banking Code and the Maine Consumer Credit Code. The bureau's statutory mission is to assure the strength, stability and efficiency of all financial institutions, ensure reasonable and orderly competition, encourage the development and expansion of financial services advantageous to the public welfare and protect consumers against unfair practices by financial institutions that provide consumer credit.

FINANCIAL INSTITUTIONS - BUREAU OF 0093

PROGRAM SUMMARY

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	21.000	21.000	21.000	21.000
Personal Services	\$1,653,547	\$1,693,030	\$1,759,284	\$1,812,188
All Other	\$636,877	\$644,377	\$644,377	\$644,377
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,290,424	\$2,337,407	\$2,403,661	\$2,456,565

Insurance - Bureau of 0092

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	80.500	80.500	80.500	80.500
Personal Services	\$6,181,719	\$6,346,108	\$6,614,334	\$6,789,334
All Other	\$1,792,559	\$1,793,609	\$1,793,609	\$1,793,609
OTHER SPECIAL REVENUE FUNDS TOTAL	\$7,974,278	\$8,139,717	\$8,407,943	\$8,582,943

Justification:

The Bureau of Insurance is responsible for the regulation and supervision of the insurance industry in Maine. This includes, but is not limited to, insurance companies, producers (formerly referred to as "agents"), health maintenance organizations (HMOs), employers' self insured for workers' compensation and other insurance entities. To meet this responsibility, the bureau is empowered to license insurance companies to operate in the State of Maine, as well as non-profit hospital, medical or other health service organizations, health maintenance organizations, insurance producers, medical utilization review entities, third-party administrators, continuing care retirement communities, advisory organizations and reinsurance intermediaries/managers. The bureau registers preferred provider organizations, risk purchasing groups, risk retention groups, managing general agents and employee leasing plans. The bureau regularly conducts vigorous financial examinations of all domestic insurers as well as examinations to determine market compliance with the Maine Insurance Code. Bureau staff also reviews all the financial statements, Securities and Exchange Commission filings and other publicly available information on all licensed and authorized insurance companies doing business in Maine, the emphasis being on the domestic carriers. The bureau also examines and issues licenses to qualified applicants as insurance producers, consultants and adjusters. All policy forms and contracts used in Maine must be filed by insurance companies for approval by the bureau which administers the rating laws that apply to certain lines of insurance. The bureau may seek suspension or revocation of licenses in instances where licensees have failed to comply with the statutory provisions of Titles 24 and 24-A and the lawful regulations of the bureau.

Insurance - Bureau of 0092

Initiative: Provides funding to address increases in costs of Attorney General salaries and benefits for those attorneys providing legal services to the Department of Professional and Financial Regulation.

Ref. #: 3368

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
All Other	\$6,297	\$22,050
OTHER SPECIAL REVENUE FUNDS TOTAL	\$6,297	\$22,050

Justification:

The attorneys assigned to provide legal services to the Department of Professional and Financial Regulation are attorneys with more experience and therefore are paid at a rate higher than previously budgeted for this division.

Insurance - Bureau of 0092

Initiative: Provides funding for a new lease agreement.

Ref. #: 3369

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2009-10

2010-11

\$73,966

\$191,195

OTHER SPECIAL REVENUE FUNDS TOTAL

\$73,966

\$191,195

Justification:

The Department of Professional and Financial Regulation's current lease expires December 31, 2009. It is anticipated that the cost per square foot will increase as the result of entering into a new lease agreement.

Insurance - Bureau of 0092

Initiative: Provides one-time funding for moving or displacement expenses.

Ref. #: 3370

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2009-10

2010-11

\$26,425

\$0

OTHER SPECIAL REVENUE FUNDS TOTAL

\$26,425

\$0

Justification:

The Department of Professional and Financial Regulation will be entering into a new lease agreement in fiscal year 2009-10 and therefore will need additional funds to pay for the moving or displacement costs.

INSURANCE - BUREAU OF 0092

PROGRAM SUMMARY

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	80.500	80.500	80.500	80.500
Personal Services	\$6,181,719	\$6,346,108	\$6,614,334	\$6,789,334
All Other	\$1,792,559	\$1,793,609	\$1,900,297	\$2,006,854
OTHER SPECIAL REVENUE FUNDS TOTAL	\$7,974,278	\$8,139,717	\$8,514,631	\$8,796,188

Office of Securities 0943

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	13.000	12.000	12.000	12.000
Personal Services	\$1,006,438	\$940,818	\$956,711	\$990,850
All Other	\$336,817	\$335,090	\$335,090	\$335,090
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,343,255	\$1,275,908	\$1,291,801	\$1,325,940

Justification:

The Office of Securities was formed to protect Maine citizens against fraud and other abusive practices in connection with the sale of securities. The office's major functions include licensing persons engaged in the business of selling securities or providing investment advice, registering securities being offered and sold in Maine, and investigating and prosecuting alleged violations of the securities laws. The Office of Securities administers and enforces the Maine Uniform Securities Act, the laws governing the sale of business opportunities, and the Maine Commodity Code.

Office of Securities 0943

Initiative: Transfers one Secretary Specialist position from the Administrative Services - Professional and Financial Regulation program to the Office of Securities program and transfers one Secretary Specialist position from the Office of Securities program to the Administrative Services - Professional and Financial Regulation program.

Ref. #: 3431

Committee Vote: _____

AFA Vote: _____

	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS		
Personal Services	(\$1,755)	(\$2,534)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$1,755)	(\$2,534)

Justification:

This request transfers positions to the programs that they are supporting.

Office of Securities 0943

Initiative: Provides funding for an increase in expected expenditures and related STA-CAP based on new Investor Protection Trust-funded initiatives from Investor Protection Trust grant.

Ref. #: 3428

Committee Vote: _____

AFA Vote: _____

	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS		
All Other	\$59,926	\$59,926
OTHER SPECIAL REVENUE FUNDS TOTAL	\$59,926	\$59,926

**OFFICE OF SECURITIES 0943
PROGRAM SUMMARY**

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	13.000	12.000	12.000	12.000
Personal Services	\$1,006,438	\$940,818	\$954,956	\$988,316
All Other	\$336,817	\$335,090	\$414,965	\$431,363
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,343,255	\$1,275,908	\$1,369,921	\$1,419,679

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

DEPARTMENT TOTALS	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS	\$13,754,723	\$14,178,694
DEPARTMENT TOTAL - ALL FUNDS	\$13,754,723	\$14,178,694

Sec. B-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Accident - Sickness - Health Insurance 0455

Initiative: RECLASSIFICATIONS

Ref. #: 154

Committee Vote: _____

AFA Vote: _____

	2009-10	2010-11
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND		
Personal Services	\$4,136	\$3,413
All Other	(\$4,136)	(\$3,413)
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL	<u>\$0</u>	<u>\$0</u>

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2009-10	2010-11
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$0</u>

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PART GG

Sec. GG-1. 5 MRSA §285, sub-§7, as amended by PL 2001, c. 439, Pt. XX, §5 and PL 2003, c. 20, Pt. OO, §2 and affected by §4, is further amended to read:

7. Payment by State. Except as otherwise provided in this subsection, the State, through the commission, shall pay ~~100% of only~~ the employee's share of the individual premium for the standard plan identified and offered by the commission ~~and available to the employee as authorized by the commission, except for~~ as follows: If the employee's annual salary is less than \$50,000, the State shall pay 100% of the premium; if the employee's annual salary is \$50,000 or more and less than \$90,000, the State shall pay 95% of the premium; and if the employee's annual salary is \$90,000 or more, the State shall pay 90% of the premium. For Legislators, ~~for whom~~ the State shall pay 50% of the health plan premium for dependent coverage. For any person appointed to a position after November 1, 1981 who is employed less than full time, the State shall pay a share of the employee's share reduced pro rata to reflect the reduced number of work hours. The State may not pay any portion of the health plan premium for a blind person eligible for the group health plan under subsection 1, paragraph H or for a licensed foster parent eligible for the group health plan under subsection 1, paragraph I.

For persons who were first employed before July 1, 1991, the State shall pay 100% of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G.

For persons who were first employed by the State after July 1, 1991, the State shall pay a pro rata share portion of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G based on the total number of years of participation in the group health plan prior to retirement as follows:

Years of Participation	State Portion
10 or more years	100% group health plan premium
9 but less than 10 years	90% group health plan premium
8 but less than 9 years	80% group health plan premium
7 but less than 8 years	70% group health plan premium
6 but less than 7 years	60% group health plan premium
5 but less than 6 years	50% group health plan premium
Less than 5 years	No contribution

Pursuant to Title 20-A, section 12722, subsection 5, this subsection applies to participants in the defined contribution plan offered by the Maine Community College System Board of Trustees under Title 20-A, section 12722.

Sec. GG-2. Calculation and transfer; General Fund; health insurance savings. Notwithstanding any other provision of law, the State Budget Officer shall

1 calculate the amount of savings in the Statewide Health Insurance account, Department of
2 Administrative and Financial Services, in Part A that applies against each General Fund
3 account for departments and agencies statewide from savings in health insurance in
4 accordance with section 1 of this Part. The State Budget Officer shall transfer the savings
5 by financial order upon approval of the Governor. These transfers are considered
6 adjustments to appropriations in fiscal years 2009-10 and 2010-11.

7 **SUMMARY**

8 **PART GG**

9 This Part changes the portion of the employee health insurance premium that is paid
10 by the State for employees earning over \$50,000 annually. The state share will decline
11 from 100% to 95% for employees earning between \$50,000 and \$90,000 yearly and to
12 90% for employees earning \$90,000 or more each year. It requires the State Budget
13 Officer to transfer the resulting savings to the General Fund by financial order upon
14 approval of the Governor.

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PART JJ

Sec. JJ-1. Transfer of overpayments accumulated in the Retiree Health Insurance Internal Service Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$2,200,000 representing the General Fund share of overpayments for retiree health insurance made by the Maine Community College System over a period of several years that have been assessed by the retiree health insurance program to the unappropriated surplus of the General Fund by June 30, 2010. The State Controller shall determine the balance due to the Maine Community College System and reimburse those funds to the system no later than June 30, 2010.

Fiscal Note

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Transfers				
General Fund	\$2,200,000	\$0	\$0	\$0

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SUMMARY

PART JJ

This Part transfers the General Fund share of overpayments for retiree health insurance by the Maine Community College System to the unappropriated surplus of the General Fund. It also requires the State Controller to determine the balance due to the Maine Community College System and to reimburse those funds to the system by June 30, 2010.