

# BATCH SHEET

128th Maine State Legislature

Committee: Appropriations + Financial Affairs  
Public Hearing Date: 1/18/2017

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LD, LR or Paper Number	LR 2174	No Testimony Submitted	Bill Not Heard
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# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: James Glessner  
Organization: Administrative Office of Courts  
Policy Area: Judiciary  
Topic:



# Administrative Office of the Courts

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January 18, 2017

Senator Hamper  
Representative Gattine  
Members of the Joint Committee on Appropriations and Financial Affairs

Senator Keim  
Representative Moonen  
Member of the Joint Committee on Judiciary

My name is Ted Glessner, I am the State Court Administrator, and I am before you today to seek your support for those items in the Supplemental Budget related to the needs of the Judicial Branch.

The budget contains an initiative to reclassify nine positions. In all cases these are positions where the incumbent is assuming additional responsibility, such as supervising additional employees, and under the collective bargaining agreement they are entitled to be moved to a higher grade level. The total cost for these nine positions is \$36,682, or an average of approximately \$4,000 per position. That amount can be absorbed this year with salary savings, and therefore we are not requesting the funding identified in the budget document. The language, however, needs to remain in the supplemental budget for the authorization to make this change. These reclassifications will be included in the FY'18/'19 biennial budget in the amounts of \$41,000 in FY'18 and \$45,000 in FY'19.

A brief description of the nine positions follows:

Under the terms of our collective bargaining agreement a **Division Supervisor II** supervises six to eleven employees. In the clerks office in **Augusta** we have a Supervisor I who supervises more than five employees, and who will be reclassified to a Division Supervisor II.

In **Bangor** after studying the supervisory structure we made a change to be consistent with other large offices where we have Division Supervisors in the civil, criminal and family areas. As a result, an administrative clerk is now functioning as a **Division Supervisor I**.

At the **Service Center in Lewiston** we have expanded over time to service more courts. Under the supervision of the manager of the Service Center we have a single Service Center supervisor for the employees who receive phone calls for various courts, conduct record checks and other

duties to assist clerks offices. A classification study was conducted and it determined that the level of responsibility of that position should result in it being designated as a **Service Center Supervisor** rather than a Senior Service Center associate.

In **Portland** a number of assistant clerks have shared responsibility for processing revenue that is collected. We determined that it was more efficient, and also more effective to consolidate that aspect of collections in a single person who is particularly adept at dealing with finances. We were able to do that while retaining all of our required financial controls. The employee who has taken on that role is now the **financial clerk**, and the position has been reclassified accordingly.

Finally in the Marshals area we have eight sergeants who supervise the deputy marshals **throughout the state**. That is not nearly enough sergeants to provide on-site supervision, and to assist in responding to issues that arise daily. To address the problem we plan to convert five of the current assistant deputy marshals to the rank of **corporal** and to provide them with lead worker responsibilities. They will continue to function like the other deputies in all respects. They will work in courtrooms and conduct entry screening. But they will have a leadership role to provide direction, and to be the person in charge when necessary.

In addition to the reclassifications we are requesting a change in language found in Part K. The purpose of the language is to authorize the Judicial Branch to utilize FY '17 Personal Services balances to address capital expenditure needs.

Part K-1 allows the Judicial Branch to transfer FY '17 Personal Services balances to Capital in FY '17.

Part K-2 allows the Judicial Branch to carry forward any FY '17 Personal Services balance to the Capital line for use in FY '18.

Part K-3 allows the Judicial Branch to carry forward any FY '17 Capital balance for use in FY '18.

Our needs far exceed our regular budget of \$300,000 for capital expenditures. I will provide a current list of capital needs for our facilities. Many of these items have been delayed for a number of years. This provision in the budget will allow us to complete many of these projects. The Legislature has provided for courthouse replacement or renovation over the years, and projects are underway to construct, expand or renovate courthouses in York, Oxford and Waldo counties. It is critical, however, that the other buildings in the court system are properly maintained in order for the courts to function and continue serving the citizens of Maine. We ask for your support for Part K.

I will be happy to answer any questions from the members of the Committees.



James T. Glessner  
State Court Administrator

## **Pending Capital Projects**

### **FY 17 Not Yet Funded**

- 1- \$34,000 Lewiston stairwell repair
- 2- \$35,000 Lewiston engineering and construction (repointing) to stop water infiltration on Lisbon Street side of building
- 3- \$40,000 Skowhegan repaving staff parking lot
- 4- \$125,000 West Bath design and renovate space to create small third hearing room
- 5- \$25,000 West Bath repair the front entry patio bricks that are sinking
- 6- \$75,000 West Bath repointing and masonry for north and east wall to stop water infiltration
- 7- \$19,800 West Bath replace 22 VAV reheat power valves

### **FY 18 Partial List**

- 8- \$100,000 Androscoggin Courtroom paint and carpet. Remove exterior brick and re-install windows.
- 9- \$ 8,400 Caribou A&E for Judicial and staff parking and new entry
- 10- \$97,000 Caribou Construction for Judicial and staff parking / new entry
- 11- \$15,000 CCCH A&E for courtroom 12 ventilation and HVAC
- 12- \$175,000 CCCH Courtroom 12 ventilation and HVAC construction
- 13- \$35,000 CCCH Courtroom 12 window replacement
- 14- \$10,000 CCCH Courtroom 12 window treatment
- 15- \$10,000 CCCH A&E Courtroom bench access renovation for 2 courtrooms
- 16- \$50,000 CCCH Construction Courtroom bench access renovation for 2 courtrooms
- 17- \$12,000 CJC Installation of heat pump for conference space

17- \$40,000	Franklin	Design and install courtroom HVAC
18- \$80,000	Statewide	Architect fees for ADA update survey for all Judicial Branch locations
19- \$500,000	Statewide	ADA access changes to meet ADA requirements
<b>Total</b>		<b>\$1,486,200</b>

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: *Janet Mills*  
Organization: *Attorney General*  
Policy Area: *Judiciary*  
Topic:

FY17 Supplemental Budget, LR # 2174  
Testimony of Attorney General Janet T. Mills  
Before the Joint Standing Committees on Appropriations and Financial Affairs and Judiciary  
DATE: January 18, 2017

Good morning Senator Hamper, Representative Gattine, Senator Keim, Representative Moonen and esteemed members of the Joint Standing Committees on Appropriations and Financial Affairs and Judiciary. I am Attorney General Janet Mills and I am before you today to present the Fiscal Year 2017 Supplemental Budget.

The supplemental initiatives for The Office of the Attorney General may be found on Page A-4 of the Budget document. All of our initiatives relate to the Office of the Chief Medical Examiner.

The Office of the Chief Medical Examiner is a staff of 12 headed by the Chief Medical Examiner, Dr. Mark Flomenbaum, who is appointed by the Governor for a term of seven years. The Office is responsible for determining the cause and manner of death in all deaths due to other than natural disease or that cannot be certified by a private attending physician. The goal of the Office is to provide thorough investigations and support to the judicial system, public health and public safety. The Office monitors cases to identify public health related concerns and to report contagious and infectious disease deaths to the Maine Center for Disease Control and Prevention. Additionally, the Office continuously conducts surveillance for drugs, elder and child abuse and neglect, and other public health matters related to violent deaths and suicides. Medical Examiner cases include: deaths due to trauma or poisoning, unexplained deaths of children under the age of three, and deaths occurring under suspicious circumstances. The Office needs a budget that allows for supplying timely reports to government agencies, families and other interested parties on the circumstantial and medical factors that caused a death for the purposes of prosecution, departmental action, estate settlement, and statistical information for governmental recordkeeping and policy decisions.

There are four initiatives and one language change in this program.

1. The first initiative on Page A-4 requests an additional \$150,000 for toxicology screening related to autopsies performed by the pathologists within the Office of the Chief Medical Examiner. More toxicology screenings are required due to the increased number of autopsies and the surge in suspected and confirmed drug overdose deaths. The additional funds will pay for the increased number of basic tests through the current fiscal year and will allow the Chief Medical Examiner to authorize a more sophisticated level of testing when warranted to help identify specific types of drugs, including new "designer drugs", being used on the streets. To date, this additional testing has been curtailed due to budgetary constraints.



2. The next initiative, also on Page A-4, requests funding for the range change of two Medical Examiner Assistant positions from range 16 to range 19. This change has been approved by the Bureau of Human Resources. The existing Personal Services appropriation within the OCME is insufficient to absorb this \$20,548, which includes a retroactive salary adjustment to April 2015.
3. The third initiative, also on Page A-4, requests \$35,000 for the after-hours telephone answering service contract with the Office of the Chief Medical Examiner. This is an important service as the Office must be able to respond to death reporting 24 hours a day, 365 days a year. This contract was rebid in the summer of 2016. The successful bid was for a contract price increase of approximately \$35,000 per year for the five year contract. The current All Other appropriation level within the OCME is insufficient to absorb this increase.
4. Our final initiative on Page A-4 requests funding for the range change of one Senior Forensic Medicine Technician from range 19 to range 22. This change has been approved by the Bureau of Human Resources. The existing Personal Services appropriation within the OCME is insufficient to absorb this \$17,213, which includes a retroactive salary adjustment to April 2015.
5. Lastly, we have a language change found in Part F that affects the other special revenue account within the Office of the Chief Medical Examiner. This account, referred to as the "Document Account" and established in M.R.S.A., Title 22, chapter 711, section 3035, 5, is used to collect various fees payable to the Office for such things as copies of documents, histological slides, photographs, and transparencies. These funds are used to offset the costs of the operations of the OCME. The language request removes the requirement that unencumbered balances in excess of \$500 at the end of each fiscal year be transferred to the General fund and makes it a carrying account.

I would be happy to answer any questions that you may have.

Thank you.

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128<sup>th</sup> Maine State Legislature

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Testimony Submitted By:

Name *John Pelletier*  
Organization: *ME Commission on Indigent Legal Services*  
Policy Area: *Judiciary*  
Topic:

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MAINE COMMISSION ON INDIGENT LEGAL SERVICES

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**TO:** HON. JAMES HAMPER, SENATE CHAIR  
HON. ANDREW GATTINE, HOUSE CHAIR  
JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL  
AFFAIRS

HON. LISA KEIM, SENATE CHAIR  
HON. MATTHEW MOONEN, HOUSE CHAIR  
JOINT STANDING COMMITTEE ON JUDICIARY

**FROM:** JOHN D. PELLETIER, EXECUTIVE DIRECTOR

**SUBJECT:** TESTIMONY WITH RESPECT TO LR 2174, THE SUPPLEMENTAL BUDGET

**DATE:** JANUARY 18, 2017

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Senator Hamper, Representative Gattine, Senator Keim, Representative Moonen, honorable members of the Committees on Appropriations and Financial Affairs and Judiciary, I am John Pelletier, Executive Director of the Commission on Indigent Legal Services. I appear before you today to submit the Commission's request for supplemental funding for the balance of Fiscal Year 2017.

**SUPPLEMENTAL NEED: \$2,831,041**

The Commission on Indigent Legal Services is charged with fulfilling the State's obligation to provide representation to people who have a constitutional right to representation at State expense. The Commission provides representation primarily in adult criminal cases, juvenile cases, and child protection cases through the use of private assigned counsel. Counsel represent clients to whom they are assigned and at the end of the case, submit invoices for their services to the Commission. The Commission projects that without supplemental funding, it will be unable to pay invoices submitted by attorneys after May 1<sup>st</sup>.

Note that the Commission's need for this supplemental funding has not arisen recently. The Commission requested the funds it is now seeking in its FY'16 – FY'17 biennial budget request. In that budget, the Legislature fully funded the Commission for FY'16. Additional funding requested for FY'17, however, was not included in the budget. See Attachment A.<sup>1</sup>

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<sup>1</sup> In the last biennial budget, the Commission submitted separate requests for additional funding for overall operations and for additional funding to pay for increasing the hourly rate paid to attorneys from \$55/hr. to \$60/hr. The Legislature provided funding for the pay raise in both FY'16 and FY'17, but did not provide the requested additional operations funding for FY'17.

Note also, that the amount set forth above is substantially less than the amount the Commission sought in its biennial budget request to the last Legislature. During FY'16, Commission costs came in lower than projected, and the Commission returned just over \$1,000,000.00 to the general fund. As a result, the Commission revised its cost projection for FY'17 to arrive at the number set forth above. A request for this supplemental funding was submitted to the Budget Office and the Governor's office on September 1st, but no funds were included in the Governor's proposed supplemental budget. Since September, Commission costs have come in exactly as projected. Accordingly, the Commission is confident not only that the amount set forth above is truly needed, but also that this amount will be sufficient to fund the Commission's operations for the balance of the fiscal year.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$628,497	\$628,497
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$628,497</u>	<u>\$628,497</u>

**Maine Commission on Indigent Legal Services Z112**

Initiative: Allocates funds to reflect an increase in the collection of counsel fee reimbursement and fees paid to the commission for training.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$149,000	\$165,000
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$149,000</u>	<u>\$165,000</u>

**Maine Commission on Indigent Legal Services Z112**

Initiative: Provides one-time additional funding for indigent legal services.

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$2,900,000	\$0
<b>GENERAL FUND TOTAL</b>	<u>\$2,900,000</u>	<u>\$0</u>

**Maine Commission on Indigent Legal Services Z112**

Initiative: Provides funds to increase the hourly rate to \$60 per hour beginning in fiscal year 2015-16.

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$1,470,790	\$1,592,773
<b>GENERAL FUND TOTAL</b>	<u>\$1,470,790</u>	<u>\$1,592,773</u>

**MAINE COMMISSION ON INDIGENT LEGAL SERVICES Z112****PROGRAM SUMMARY**

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	11,500	11,500
Personal Services	\$760,268	\$766,688
All Other	\$18,319,842	\$15,541,825
<b>GENERAL FUND TOTAL</b>	<u>\$19,080,110</u>	<u>\$16,308,513</u>

# COVER SHEET

128<sup>th</sup> Maine State Legislature

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Testimony Submitted By:

Name: *Dmyr Smolenski, Director*  
Organization: *ME Human Rights Commission*  
Policy Area: *Judiciary*  
Topic:



# Maine Human Rights Commission

# 51 State House Station, Augusta, ME 04333-0051

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**Amy M. Sneirson**  
EXECUTIVE DIRECTOR

**Barbara Archer Hirsch**  
COMMISSION COUNSEL

January 18, 2017

The Honorable James Hamper, Senate Chair  
The Honorable Andrew Gattine, House Chair  
Joint Standing Committee on Appropriations and Financial Affairs  
5 State House Station  
Augusta, ME 04333-0005

The Honorable Lisa Keim, Senate Chair  
The Honorable Matthew Moonen, House Chair  
Joint Standing Committee on Judiciary  
100 State House Station  
Augusta, ME 04333-0100

*Re: Legislative Request 2174, the 2016-2017 Emergency Supplemental Budget*

Dear Senators Hamper and Keim, Representatives Gattine and Moonen, and members of the Joint Standing Committees on Appropriations and Financial Affairs and on the Judiciary:

The Maine Human Rights Commission is pleased to have the opportunity to comment on the initiatives regarding the Commission within LR 2174, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017." The total increase in General Fund appropriation requested by our agency for the remainder of the fiscal year equals \$13,002.

## **Background of the Maine Human Rights Commission**

The Maine Human Rights Commission ("Commission") is a small, quasi-independent entity with a single program (Human Rights Commission – Regulation 0150). The Commission was established in 1971 to promote the full enjoyment of human rights and personal dignity by all inhabitants of the State of Maine. We are charged with attempting to prevent discrimination in employment, housing, access to public accommodations, education, extension of credit and offensive names. Consisting of five Commissioners of diverse political parties and their staff, the Commission has the duty of investigating, conciliating and at times litigating discrimination cases under the Maine Human Rights Act ("MHRA"). Arnold Clark is the Commission Chair. The Commission program serves the public interest by providing an administrative body to evaluate complaints of discrimination in lieu of having complaints filed directly in court. The Commission resolves a significant number of the complaints filed with it prior to any full investigation (approximately one-third of all complaints filed per year). The Commission also provides guidance to entities and individuals on interpretations of the law and makes recommendations for further legislation of executive action concerning infringements on human rights in Maine. 5 M.R.S. §§ 4566(7), (11).

## Current Budget and Positions

I am the Executive Director, responsible for overseeing 13 full-time staffers. For the past two years, we have had eight positions funded by the General Fund; in the four years prior to that (and most others), we had seven positions funded by the General Fund. Our other positions are funded via our federal partnership agreements with two federal anti-discrimination agencies, the U.S. Equal Employment Opportunity Commission (“EEOC”) and the U.S. Department of Housing and Urban Development (“HUD”). On average, we receive approximately \$400,000-500,000 per year in federal partnership funding from these agencies, but this amount is constantly in flux and dependent upon our production and availability of federal funds in a given year. In this current budget year, we project we will receive \$560,018 in federal funds. Our current budget is as follows:

All funds :

Umbrella: HUL00		MAINE HUMAN RIGHTS COMMISSION			
Fund: All Policy: All		Object	2016-001 Total FY 17 (Cumulative)	2016-001 Emergency Supplemental FY 17	2016-001 Total FY 17 (Cumulative)
Personal Services	1		1,012,324	17,836	1,030,160
All Other	2		101,083	181,170	292,253
		TOTAL	1,113,407	209,006	1,322,413

General Fund

Personal Services	1		684,119	11,502	695,621
All Other	2		23,936	1,500	25,436
		TOTAL	708,055	13,002	721,057

Federal Funds

Personal Services	1		328,205	6,334	334,539
All Other	2		53,759	171,720	225,479
		TOTAL	381,964	178,054	560,018

Special Revenue Funds

All Other	2		23,388	17,950	41,338
		TOTAL	23,388	17,950	41,338

The Supplemental Budget proposal (on page A-15 of LR 2174) before you contains five Commission initiatives.



### **First and Second Initiatives – Increased Funding for Position Reclassifications**

The first initiative results from an employee-initiated reclassification that reclassified a Public Service Coordinator I position as a Public Service Manager II position. This initiative would add \$10,513 from the Commission's General Fund and allot an additional \$5,858 in Federal Expenditures, both for "Personal Services" and related "All Other", for the remainder of the 2017 year. This initiative was approved on August 19, 2016, effective retroactive to August 11, 2016.

As part of an internal reorganization, the Commission reorganized and reclassified several positions. The second initiative would add \$989 from the Commission's General Fund and allot an additional \$920 in Federal Expenditures, both for "Personal Services", for the remainder of the 2017 year. This Initiative is to reclassify three front-office Commission positions so that all three are the same and can share responsibilities, responsibilities that are significantly more complex and demanding than the prior classifications (Office Associate II, Office Associate II-Supervisor, and Paralegal Assistant) have indicated. These management-initiated reorganizations were approved on May 9, 2016, with the effective date to be determined by the Bureau of the Budget and the Commission.

*We are seeking a total of \$11,502 from the General Fund for these reclassifications, and are requesting an increased allotment from our federal funds of \$6778 toward these reclassifications.*

### **Third Initiative – Increased Allotment for Mediation**

This initiative relates to the Commission's mediation services. Our Third Party Neutral Mediation Program ("Program") is fee-for-service, with parties paying \$200/each to obtain a mediation from a highly-skilled mediator on contract with our agency; this is far less than the market rate for such a mediation. The Commission pays its contract mediators \$350/mediation, and utilizes the remaining \$50/mediation to fund mediation fees for indigent parties, STACAP<sup>1</sup> and other related professional fees and services. The Program moved to fee-for-service model in 2014, and that year we referred 10 cases to mediators. Our prior biennial budget allotted for \$16,050 for 40 mediations per year. In 2015, we referred 50 cases to the Program. Perhaps because it does represent such a bargain, the Program has proven to be such a success that the demand for mediations has increased past our initial projections last year. In 2016, we referred 51 cases to the Program by midway through the year and then had to nearly stop referrals because we could not pay the mediators. In August 2016 alone, we referred 17 cases to mediators. This consistent upward trend must be reflected in our allotment.<sup>2</sup>

*We are seeking an increase of \$17,950 in our allotment of "Other Special Revenue Funds" in the "All Other" category so we can provide additional mediation services in 45 cases being litigated at the Commission. This will allow us to provide up to 85 mediations this fiscal year while paying STACAP tax of 8.2% on those funds. With the increased allotment, our mediators can take on additional cases, and we can pay them in a timely fashion instead of running out of money at the start of each quarter.*

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<sup>1</sup> The Commission sought exemption from STACAP on the Program's pass-through funds in a prior budget cycle, but it did not happen.

<sup>2</sup> The Commission's current allotment restrictions required us to decline a number of mediation referrals. Also, the number of referrals made in the current fiscal year would be much higher if the Program did not exhaust allotments so rapidly each quarter.

#### **Fourth Initiative – Increased Funding for Meeting Space Rental**

For most of its history, the Commission held its public meetings in rented space in Augusta, and our General Fund budget contained funding to pay for that. In about 2010, the Commission was moved from one state-owned building in Hallowell to a newly-renovated state-owned building at 19 Union Street in Augusta. The Union Street location contained a large conference room suitable for Commission meetings, so General Fund monies for rental were removed from our budget. The Commission has held meetings in the 19 Union Street for 6 years and enjoyed doing so. On 11/21/2016, the Commission was informed that, as of 12/1, the meeting space would no longer be available to us, as another state agency was taking the space for office use. The Commission contacted the State's Bureau of General Services ("BGS") to inquire about available State-owned meeting space that (1) could hold 75-100 attendees, (2) was completely accessible to persons with disabilities, (3) had sufficient and accessible parking for 75-100 attendees, and (4) would guarantee meeting dates and not retain the right to "bump" the Commission from planned meetings. We followed up on BGS's suggestions to contact a number of State-owned facilities; none of the facilities could meet all of these conditions at this time. With meetings already planned for 2017, the Commission contracted with the Senator Inn in Augusta - which meets all four conditions - to hold meetings there through the fiscal year.<sup>3</sup>

*The cost for that meeting space rental to the end of this fiscal year is \$1,500, and the Commission seeks to have that amount added to its "All Other" General Fund budget.*

#### **Fifth Initiative – Increased Allotment for Federal Funds**

This Initiative seeks an increase in our agency's allotment for federal funds we bring in through worksharing agreements with federal agencies.

The MHRA requires the Commission to investigate complaints of unlawful employment and housing discrimination in Maine. Because both HUD and EEOC have determined that the MHRA is (more or less) substantially equivalent to the federal anti-discrimination laws they enforce, if a complaint alleges violations that would implicate both state and federal anti-discrimination laws, the complaints will be "dual-filed" both with the Commission and HUD or EEOC. The Commission conducts the investigations in dual-filed cases (as each agency's procedures require), and reports to HUD/EEOC on each case's investigation and findings (via proprietary databases); the federal agency generally reviews and adopts our result as its own and pays the Commission per case closed. This worksharing system allows HUD and EEOC to conduct federally-mandated preliminary investigations of discrimination around the country at far less cost than would be needed if the federal agencies had to hire their own, separate staffs to conduct the investigations. For state agencies like the Commission, worksharing agreements provide much-needed funding to investigate complaints that our state anti-discrimination laws independently require us to investigate. This federal funding has been a tremendous support to the Commission over the past decade, providing almost half of our budget annually.

The amount of our federal funds varies from year to year, and when we have increased federal funds we need flexibility in our allotments to account for that. There are several reasons why we believe our federal receipts will increase in the end of the fiscal year:

- Our pending case inventory for cases dual-filed with EEOC and HUD are higher than usual. Our last EEOC contract saw us close 341 cases in one year; we currently have 398 EEOC cases pending. Our last HUD contract saw us close 50 cases in one year; we currently have 57 HUD cases pending.

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<sup>3</sup> Prior to 2010, the Commission held all regularly scheduled meetings at the Senator.

- Our federal case closures will increase this year because we have more investigators. We are now became fully-staffed again after two years of relentless turnover. The last time we were fully staffed, in 2014, our case closures went up significantly. Our case closures are likely to go up again this year because we have more investigators working on case closures, and closures earns funds.
- We currently have additional grants from EEOC and HUD for outreach/project work that will generate \$21,000 in funds before the fiscal year is out.
- HUD and EEOC have increased their per-case payments.

We need our budget to reflect anticipated increase in federal funds, and allow the Commission flexibility in receiving/spending those funds. *We are requesting that our Federal Expenditures funds budget allotments be increased by a total of \$171,276* (\$70,909 in increased EEOC funds and \$100,367 in increased HUD funds). This initiative, combined with the previously mentioned federal fund initiatives, revises the total federal funds appropriation by \$178,054 for a total revised appropriation of \$560,018.

### Summary

Thank you for allowing the Maine Human Rights Commission the opportunity to provide this testimony. We have attached a single-page "snapshot" that summarizes our budgets and requests, in the hope that it is helpful. The Commission will be glad to provide additional information at your convenience and will be present at the work session for further discussion.

Sincerely,



Amy M. Sneirson  
Executive Director

Cc: Maine Human Rights Commissioners

**MAINE HUMAN RIGHTS COMMISSION HUL-00**  
**GENERAL FUND PROPOSED SUPPLEMENTAL BUDGET 2017 - PART A - PG A-15**

Part A- PG 15	FY 2017 EMERGENCY SUPPLEMENTAL	State	Federal			Special Revenue			MHRC TOTAL
<i>Initiative</i> #	Description FY 17 CURRENT BUDGET	General Fund	EEOC	HUD	TOTAL FED	Mediation	Other	TOTAL REV	ALL FUNDS
		\$ 708,055	\$ 225,301	\$ 156,663	\$ 381,964	\$ 16,050	\$ 7,338	\$ 23,388	\$ 1,113,407
1	<i>Reclass PSMII</i>	\$ 10,513	\$ 5,858		\$ 5,858				\$ 16,371
2	<i>Secretary Assoc. Legal. Reorg</i>	\$ 989		\$ 920	\$ 920				\$ 1,909
3	<i>Mediation</i>					\$ 17,950		\$ 17,950	\$ 17,950
4	<i>Public hearing space rental</i>	\$ 1,500							\$ 1,500
5	<i>FED PROGRAM ADJ</i>		\$ 70,909	\$ 100,367	\$ 171,276				\$ 171,276
<b>FY 17 EMERGENCY REQUESTS</b>		<b>\$ 13,002</b>	<b>\$ 76,767</b>	<b>\$ 101,287</b>	<b>\$ 178,054</b>	<b>\$ 17,950</b>	<b>\$ -</b>	<b>\$ 17,950</b>	<b>\$ 209,006</b>
<b>CUMULATIVE TOTALS</b>		<b>\$ 721,057</b>	<b>\$ 302,068</b>	<b>\$ 257,950</b>	<b>\$ 560,018</b>	<b>\$ 34,000</b>	<b>\$ 7,338</b>	<b>\$ 41,338</b>	<b>\$ 1,322,413</b>

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name C.J. Betit

Organization: Maine Education Assoc.

Policy Area: Education

Topic:



*Leading the Way to Great Public Schools for Every Maine Student*

**Lois Kilby-Chesley** *President*  
**Grace E. Leavitt** *Vice President*  
**Denise Simoneau** *Treasurer*  
**Michael Thurston** *NEA Director*

**Rob Walker** *Executive Director*

January 18, 2017

Senator Hamper, Representative Gattine and members of the Committee on Appropriations and Financial Affairs:

My name is C.J. Betit. I am the Director of Collective Bargaining and Research for the Maine Education Association (MEA). The MEA represents teachers and education support professionals in nearly every public school district in Maine.

I am here to testify on behalf of MEA against LR 2174, An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017.

The reason for MEA's opposition is the transfer in PART D of \$35 million in fiscal year 2016-17 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund. Specifically, the MEA urges the Committee to carry this money forward to be used to help fund the cost-of-living adjustment (COLA) for retirees in the State Employee and Teacher Retirement program for FY18 and FY19 that the Governor has proposed eliminating in PART HH of his biennial budget proposal.

Retirees in the State Employee and Teacher Retirement program have simply not recovered from the last COLA freeze and cannot afford a further cut. According to the most recent Comprehensive Annual Financial Report from Maine Public Employees Retirement System (MainePERS) the average annual benefit in 2016 for a retiree in the State Employee and Teacher program was just \$21,302.

In 2010 a cap on the COLA was implemented. The cap was set at \$20,000, about the average benefit at the time, and after the initial COLA freeze was indexed to inflation beginning in 2014.

Below is a table showing:

- The impact of the state and teacher COLA policy on a retiree who had a \$20,000 annual benefit in 2010.
- The COLA adjustments the same individual would have received if he/she had a \$20,000 Social Security benefit in 2010 instead of a MainePERS benefit.
- The impact of inflation over this time period and the necessary increase to maintain the same purchasing power of the \$20,000 initial benefit.

<b>ANNUALIZED AMOUNT OF BENEFIT AS OF DECEMBER 31 OF EACH YEAR<sup>1</sup></b>			
	<b><u>MainePERS</u></b>	<b><u>Social Security</u></b>	<b><u>Inflation</u></b>
<b>2010</b>	\$20,000	\$20,000	\$20,000
<b>2011</b>	\$20,000	\$20,000	\$20,712
<b>2012</b>	\$20,000	\$20,720	\$21,056
<b>2013</b>	\$20,000	\$21,072	\$21,426
<b>2014</b>	\$20,414	\$21,388	\$21,870
<b>2015</b>	\$20,935	\$21,752	\$21,897
<b>2016</b>	\$21,469	\$21,752	\$22,117
<b>% Inc. 10-16</b>	7.3%	8.8%	10.6%

The benefit level for the retiree in the State Employee and Teacher Retirement program has fallen behind his/her peers in Social Security by 1.5% and behind inflation – lost purchasing power – by 3.3% during this time period. This means retirees have less money to purchase basics such as food, heating oil and health care.

The MEA hopes the Committee will unanimously vote to amend LR 2174 to carry the \$35 million in PART D forward to help fund the cost-of-living adjustments for FY18 and FY19 and make sure our retired teachers, public safety employees, plow truck drivers and countless other state workers who provided vital services to the public during their careers do not fall further behind in retirement.

Thank you.

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<sup>1</sup> Maine Public Employees Retirement System uses the June CPI-U to determine the annual COLA. Historic CPI-U can be found by visiting, <http://www.bls.gov/cpi/cpid1606.pdf> (Table 24). The COLA for MainePERS retirees was set at 2.55% for 2015 and 2016, which is reflected in the table. June CPI-U has been used as the inflation factor. Social Security uses the October CPI-W to determine the COLA, <https://www.ssa.gov/news/cola/>.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Robert HASSON, Acting Comm.  
Organization: Dept. OF Education  
Policy Area: Education  
Topic:



**TESTIMONY  
OF  
ROBERT G. HASSON, JR., ACTING COMMISSIONER  
DEPARTMENT OF EDUCATION**

Before the Joint Standing Committee on Appropriations and Financial Affairs  
And the Joint Standing Committee on Education and Cultural Affairs

Hearing Date: January 18, 2017

**LR 2174 “An Act To Make Supplemental Appropriations and Allocations for the  
Expenditures of State Government and To Change Certain Provisions of the Law  
Necessary to the Proper Operations of State Government for the Fiscal Year Ending  
June 30, 2017”**

Senators Hamper and Langley, Representatives Gattine and Kornfield, and Members of the Joint Standing Committees on Appropriations and Financial Affairs and Education and Cultural Affairs, my name is Bob Hasson and I am the Acting Commissioner of the Department of Education. I am here today to present testimony for those departmental items presented in the supplemental budget bill.

The department has three budget initiatives in **Part A** of the bill. They may be found on **page A-10** of the General Fund Proposed Supplemental Budget 2017 document found on the Bureau of the Budget’s website.

The **first initiative** reorganizes one Education Specialist III position to a Public Service Manager II and transfers All Other to Personal Services to fund it. This is the School Nurse Consultant position that provides statewide nursing leadership, consultation and direction for all coordinated school health programs. The incumbent in this position retired in September, 2016. The department began recruiting in April in order to fill the position in October. After several attempts of posting the position the department was not successful in finding a qualified

candidate. The salary for the position was lower than school nurses earn in the field. The department reorganized the position in order to attract candidates at a competitive wage. The Bureau of Human Resources approved the reorganization on October 18, 2016.

The **second initiative** reorganizes an Education Specialist II position to an Education Specialist III and transfers All Other to Personal Services to fund it. This position is responsible for planning, developing, coordinating, administering and evaluating early childhood initiatives. The Bureau of Human Resources approved the reorganization on August 18, 2015.

The **third initiative** reduces allocation in the School Finance and Operations Federal Expenditures Fund account by \$150,000. This allocation is no longer needed as funding for the department ended on June 30, 2011. The funds were derived from a contract with the United States Department of Education.

This concludes my testimony for the Department of Education. I would be pleased to answer any questions you may have at this time.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name James H. Page, Chancellor  
Organization: Univ of Maine  
Policy Area: Education  
Topic:



Testimony of James H. Page, Chancellor of the University of Maine System  
Governor's FY17 Supplemental Budget  
January 18, 2017

Senator Hamper, Representative Gattine and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is James Page and I am the Chancellor of the University of Maine System. I am here today to offer testimony in support of the items that impact the University of Maine System included in Governor LePage's Supplemental Budget on page A-24.

### **Educational & General Activities**

Education and General Activities, or E&G funding, represents the majority of the State's investment in the University of Maine System and is essential to our mission of teaching, research, and public service. The System strives to improve the quality of life for the people of Maine by offering affordable, accessible, quality undergraduate, graduate, and professional educational programs as well as non-credit courses to learners of all ages on our seven campuses and at distance learning centers and sites across the state. These E&G funds are also used for financial aid, student support services, and to advance University-sponsored research and industry partnerships that strengthen the state's economy by helping businesses innovate and by creating more jobs and opportunity throughout Maine.

Our commitment to keeping public higher education affordable and accessible for all Maine families is central to the System's promise to be the state's strongest, most responsive partner in advancing Maine's economic future. While nationally the real cost of tuition at a four-year public university has increased an average of 9 percent over the last five years, Maine is one of only three states where the cost has actually gone down. During that same time, through focused administrative reforms and by making difficult resource allocation decisions, the University of Maine System has achieved annual savings of more than \$82 million and is on track to close what would have been a \$90 million structural deficit in FY19 had we not made these changes. The \$4.65 million in E&G funding contained in the supplemental budget ensures the System's FY17 budget remains balanced and keeps us moving down the necessary path of fiscal stability and sustainability by replacing the revenue that would have been generated by a 2.3 percent inflation-based adjustment to tuition this current academic year that our Board of Trustees chose not to enact, instead holding undergraduate, in-state tuition flat for an historic sixth-straight year.

### **Early College**

It is critical that we increase educational attainment throughout the State. More than 60 percent of new Maine jobs will require a two-or four-year degree, and while Maine has an enviable record of high school graduation, we lag significantly in post-secondary attainment. The University of Maine System is leading the way in providing our state's high school students an early edge in earning a college degree so they can enter the workforce more quickly, prepared for success and with less debt. In recent years, we have seen rapid and exciting growth in our early college and dual enrollment programs. This past academic semester alone, 2,385 students from more than 100 Maine high schools representing a broad range of academic abilities and aspirations earned a total of 12,000 college credits, a nearly 20 percent participation increase from just the previous year. Given that students who earn college credit during high school are more likely to enroll in college and earn their diploma in four years, it is our expectation that this growth will continue, with Maine's college degree attainment rate meaningfully improving as a result.

While the funding models vary, typically our campuses waive no less than 50 percent of the credit hour cost – an amount we expect to total around \$2.5 million in FY17. The \$2 million in one-time funding for early college included in the proposed supplemental offsets this loss and is especially critical for our smaller campuses through which large numbers of these students earn their credits. Additionally, this funding allows us to move forward on getting our early college/dual enrollment programs nationally certified to ensure their rigor, quality, relevance, and transferability, an expectation of our regional accreditor NEASC. Costs associated with gaining and maintaining accreditation are especially high in a rural state like ours as it includes curriculum development, university-led professional development for high school educators who deliver these courses, and required regular site visits by university faculty.

### **Maine Law's PreLaw Undergraduate Scholars Program**

The University of Maine School of Law PreLaw Undergraduate Scholars Program is a four-week summer immersion program designed specifically for first generation or low-income undergraduate students or those from racial and ethnic minority groups underrepresented in the legal profession. The program increases professional-degree attainment by providing oral, written, and leadership skills to help students be successful in whichever career and civic endeavors they choose to pursue, with a focus on preparing them for legal professions including assistance applying to law school and connections to legal and business leaders.

The \$550,000 in one-time funding included in the supplemental leverages a \$300,000 three-year grant from the national Law School Admissions Council that helped establish the program in Maine last year when more than 100 applications were received for 25 slots – many of which were awarded to students from rural Maine. The public match will sustain and expand the program, which plans to accept 25 students again this year and hopes to double the size of the class in 2018 using this State support.

### **University of Maine Cooperative Extension**

In 2014, Maine voters approved an \$8 million bond referendum to support Maine agriculture, facilitate economic growth in natural resource based industries, and monitor human health threats related to ticks and mosquitoes through the creation of a Plant, Animal, and Insect Laboratory administered by University of Maine Cooperative Extension. As the only tick identification program in the state, the lab will play a critical role in the protection of Maine people from serious public health threats including Lyme disease carried by the state's expanding tick population, the potentially deadly mosquito-borne West Nile virus, and eastern equine encephalitis.

The lab opens this year, and the \$400,000 included in the supplemental will be used for one-time purchases that will allow the facility to enhance education and outreach and to strengthen services to Maine citizens, businesses, and government partners. These investments include additional equipment for an arthropod lab where tick species and their potential infections will be identified, a salmonella lab that will serve Maine's agricultural-based food producers, and a research greenhouse to host trials for commercial growers.

### **In Closing**

Since I last spoke with you, the University of Maine System has made incredible progress in achieving responsible fiscal sustainability so we can better steward the public resources you entrust to us and better serve the people of Maine. Your support ensures our work will continue and our universities will be Maine's most responsive partner in advancing our students, businesses and communities.

I thank the Committee for the opportunity to testify today and look forward to tomorrow's work session with the Education Committee. I am happy to answer any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

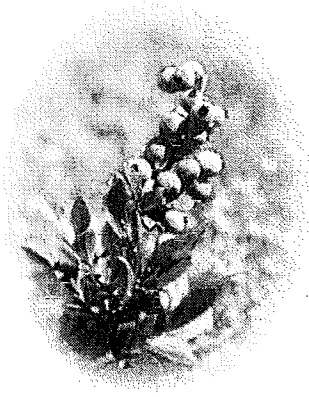
Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name *Nancy Mc Brady*  
Organization: *Mc Wild Blueberry Corp.*  
Policy Area: *Education*  
Topic:



# *Wild Blueberry Commission* OF MAINE

5784 York Complex, Suite 52, Orono, Maine 04469-5784

TEL: 207-581-1475

FAX: 207-581-3499

**Testimony in Support of LR 2174  
FY 2016-17 Emergency Supplemental Budget  
Relating to University of Maine Cooperative Extension Animal and Plant Disease and  
Insect Control Laboratory**

**January 18, 2017**

Senator Hamper, Representative Gattine, members of the Joint Standing Committee on Appropriations and Financial Affairs, and Senator Langley, Representative Kornfield, and members of the Committee on Education and Cultural Affairs, my name is Nancy McBrady and I am the Executive Director of the Wild Blueberry Commission of Maine. Please accept my written support of the supplemental funding proposed for the University of Maine System's Education and General Activities, in particular funding for the Cooperative Extension Animal and Plant Disease and Insect Control Laboratory.

The Wild Blueberry Commission works on behalf of Maine's 510 wild blueberry growers and processors in the areas of research and development, promotion, and public policy. The Commission shares a strong partnership with the University of Maine, whose research and Cooperative Extension specialists provide critical assistance to wild blueberry growers in the areas of integrated pest and crop management. This unique relationship has resulted in our crop quintupling in yield since 1980, and has equipped growers with the tools to monitor disease and insect levels to help minimize fruit destruction while avoiding impacts to the environment.

The Commission is a strong proponent of Cooperative Extension's pest management education efforts, as well as the University's successful initiative to create a much needed animal and pest disease and insect control laboratory. LR 2174's supplemental budget funding is essential for supporting laboratory operations as well as important pest management and pesticide safety outreach. I urge your support of this component of LR 2174, not just for the benefit of the wild blueberry business, but for the agricultural community as a whole. The essential services that Cooperative Extension brings to agricultural industries of Maine will be further strengthened by adequate and consistent financial support of this new, state-of-the-art laboratory facility.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Dr. Alicyn Smart  
Organization: ME Farm Bureau  
Policy Area: Education  
Topic:





# Maine Farm Bureau Association

*"Working for You"*

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January 18, 2017

Senator Hamper, Representative Gattine, members of the Joint Standing Committee on Appropriations and Financial Affairs, and Senator Langley, Representative Kornfield, members on the Joint Standing Education and Cultural Affairs, my name is Dr. Alicyn Smart and I am the Executive Director of Maine Farm Bureau. I appreciate this opportunity to testify this morning in support of the proposed Supplemental Budget for the operations at the University of Maine Cooperative Extension's Animal and Plant Disease and Insect Control Laboratory reflected in the 2017-2018 Biennial Budget.

I am fortunate to have had the opportunity to intern and work for the Maine Cooperative Extension in the plant disease and insect department. During that time, I observed firsthand the impact this tremendous resource provides to farmers across the state and I continue to observe this in my role today. As the number of farmers in our state grows, the importance of the Cooperative Extension grows too. Farmers are provided with the identification and management of pests that in some cases, cannot be properly identified without a skilled diagnostician or without a molecular test being performed in a lab. This assistance is great when on average, diseases, insects, and weeds together annually interfere with the production of, or destroy between 31 to 42% of all crops produced worldwide.

Some examples of the services the Maine Cooperative Extension Animal and Plant Disease and Insect Control Laboratory provide are the scouting and surveying of the pathogen that caused the Irish Potato famine in 1845, identification of invasive insect species that have a tremendous impact on our states forest, educating farmers on the proper handling of organic and synthetic pesticide use, and research on new sustainable practices for farming.

Our diverse farm members at Maine Farm Bureau know how important this resource is to their farm operations. Without the funding of the Supplemental Budget, the Cooperative Extension, which is the go-to place for farmers for non-biased, researched based information, would not meet the needs of our farmer's.

Thank you for your attention to the above. I'll be happy to answer any questions you may have.

Dr. Alicyn Smart  
Executive Director  
Maine Farm Bureau  
asmart@mainefarmbureau.com  
(207) 622-4111

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: Richard Rosen, Commissioner  
Organization: DAFS  
Policy Area: Education  
Topic:

**Testimony of Richard W. Rosen, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on  
Appropriations and Financial Affairs and  
Education and Cultural Affairs**

**LR 2174- "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017"**

**January 18, 2017**

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Good morning Senators Hamper and Langley, Representatives Gattine and Kornfield, and Members of the Joint Standing Committee on Appropriations and Financial Affairs and Education and Cultural Affairs. My name is Richard Rosen, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today in support of Part N of the Supplemental Budget bill, LR 2174.

I'd like to start by providing some background for the existing law. In 1998, the Maine Legislature adopted L.D. 1949, "An Act to Allow Maine Technical College System Employees Represented by the Maine Education Association Faculty and Administrative Units to participate in a Defined Contribution Retirement Plan", a bill that was introduced on behalf of – what was then – the Maine Technical College System. As the title suggests, the intent of the legislation was to extend the availability of the system's existing defined contribution retirement plan for management personnel to employees of the faculty and administrative bargaining units.

The compromise developed between the Legislature and the King Administration required the Maine Community College System (MCCS) to continue to contribute toward the payment of the unfunded actuarial liability (UAL) and associated administrative costs, regardless of the individual employee option selected. The enacted legislation also required the MCCS and the Department of Administrative and Financial Services to develop strategies to create funding methods for future salary increases for the system.

The voluntary strategy developed 19 years ago has continued virtually unchanged since. However, it is the view of the LePage Administration that it is now reasonable and appropriate to retire this obsolete funding arrangement. This section of law has become dated, cumbersome and less transparent over the course of the last two decades.

The Administration and the Maine Community College System jointly recommend that the Legislature support Part N of the Governor's FY17 supplemental budget proposal. Support of this section will repeal the financial requirements imposed upon MCCS, repeal the administrative obligations placed on DAFS, and support the final transfer of \$13,990,596 to conclude this financial arrangement.

This concludes my testimony. I'd be happy to address any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Brigadier General Douglas Farham, Adjutant  
Organization: Dept. of Defense & Vet Services  
Policy Area: . VLA  
Topic: ME military Authority

**Testimony of Brigadier General Douglas Farnham, Adjutant  
General/Commissioner, Department of Defense, Veterans and Emergency  
Management**

**BEFORE THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND  
FINANCIAL AFFAIRS**

**L.R. 2174: "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017."**

**Position – Support**

**January 18, 2017**

**Senator Hamper, Representative Gattine and members of the Joint Standing Committee on Appropriations and Financial Affairs, good morning.**

**My name is Douglas Farnham, Commissioner for the Department of Defense, Veterans and Emergency Management and I am here to provide testimony in support of L.R. 2174: "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017."**

**The Department has 2 initiatives in the "Unallocated Language". The initiatives impact the Maine Military Authority program (010801).**

**Part O: Unallocated Language:**

**➤ Sec. O-1. 5 MRSA §1524 is enacted to read:**

**5. Maine Military Reserve fund. There is established within the Department of Administrative and Financial Services, a nonlapsing Maine Military Reserve Fund, referred to in this section as "the fund." The fund receives funds allocated or transferred by the Legislature from the unappropriated surplus of the General Fund. The State Controller shall disburse money in accordance with the provisions established for the Maine Military operation in Title 37-B, §393. At the close of any fiscal year, amounts remaining in the Maine Military Authority Reserve Fund that the State Controller has determined are not needed to support the Maine Military operation may be transferred to the Maine Budget Stabilization Fund established under the Maine Revised Statutes, Title 5, section 1532. The State Controller shall**

**provide quarterly financial reports regarding the Maine Military Reserve Fund to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over the Maine Military Authority.**

**Sec. O-2 Transfer from General Fund unappropriated surplus; Maine Military Reserve Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$ \_\_\_\_\_ from the General Fund unappropriated surplus to the Maine Military Reserve Fund within the Department of Administrative and Financial Services no later than June 30, 2017.** The Maine Military Authority Reserve Fund request is designed to position Maine Military Authority to complete Massachusetts Bay Transportation Authority (MBTA) work, continue other work in the pipeline, and position MMA for the future.

The budget request covers losses incurred during the slower than expected ramp up of MBTA production, losses incurred as result of the underbid of the contract, and provides some working capital in order to properly operate.

In 1997 facilities at the former Loring Air Force Base were chosen as the Maine Readiness Sustainment Maintenance Site by the National Guard Bureau in order to refurbish military HUMVEES. The Maine Military Authority was established in Title 37-B MRSA in 2000 to diversify operations with broad contracting authority. MMA has refurbished over 16,000 military vehicles with revenues exceeding \$600 million. Employment peaked at approximately 550 state workers. As the HUMVEE program slowed down, employment steadily decreased to approximately 65 prior to the recent layoff. MMA leases its buildings from Loring Development Authority.

Over the nearly twenty years in existence, MMA income had been a net positive for the taxpayer. During this time millions of dollars were spent on building and equipment improvements at Loring, contributions to the State General Fund, and tuition assistance funding for the Maine National Guard. MMA has never been subsidized by the Maine taxpayer before.

In 2010, in anticipation of the end of the HUMVEE programs, MMA leadership began looking to pivot the business model from Federal Government funded contracts toward commercial contracts competed on the open market. While there have been several smaller successes, the MBTA contract is the first major contract with this new business model.

The agreement with MBTA was envisioned to highlight the MMA work force and facilities in Limestone and act as a bridge to further economic development for the region.

This was a bid on a very complicated dual mode, articulated bus. The losses on this contract can be attributed to the complexity of the project, condition of incoming busses, some unexpected part variations, and misunderstandings on scope of work, among other factors. MMA officials worked to reduce costs, streamline processes, and clarify the scope of work, but the losses continued. Further operating losses resulted from inefficiencies magnified by cash flow restraints.

The Governor's decision to halt work was to avoid further preventable negative cash flow in order to preserve the capabilities and jobs in Limestone. Our goal has been to renegotiate with MBTA to limit the downside of the current contract while positioning the talented workforce and top-notch facility for future economic opportunities. Although slower than anticipated, we are close to completing the deal with MBTA. With the MBTA negotiation, MMA has concentrated on lean processes focused on reducing direct and indirect labor costs.

The busses produced are of high quality and MBTA has been very satisfied with the end product. This is no surprise. When the strategic decision was made to pivot the business model, it was primarily due to the tremendous reputation and capability of MMA workers and the potential to provide refurbishment as an affordable option for mass transit, public works, school busses, etc.

The decision to pivot the business model was made because of the potential demand for this capability and the desire to preserve the skilled workforce that could do the work. In the long run, we realize this business model may not be best suited as a government entity. The risks incurred on commercial contracts may be more suitable for private industry. We have now associated with a private company to help posture for the future and limit downside contract risk.

This has been a paradigm shift. Doing business with commercial contracts is different than the government contracts that MMA is used to. If this pivot in business model is to be successful we need to be competitive in our bidding and maintain appropriate production controls. If we are going to complete the MBTA contract, compete in the future, provide Aroostook County jobs and produce a quality product; we need to be smart and lean.



**But we also need the working capital and financial flexibility the Maine Military Reserve Fund will provide.**

**The facilities and workforce continue to be a model for future development opportunities in Aroostook County working with Loring Development Authority and the Department of Economic and Community Development.**

**Thank you for the opportunity to speak. I will answer any questions you may have.**

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name *Commissioner Richard Rosen*  
Organization: *D&FS*  
Policy Area: *VLA*  
Topic:

**Testimony of Richard W. Rosen, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on  
Appropriations and Financial Affairs and  
Veterans and Legal Affairs**

**LR 2174- "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017"**

**January 18, 2017**

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Good morning Senators Hamper and Mason, Representatives Gattine and Luchini, and Members of the Joint Standing Committee on Appropriations and Financial Affairs and Veterans and Legal Affairs. My name is Richard Rosen, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today in support of the Department's budget items included in LR 2174.

For this portion of the hearing, the Department has one item in the bill. This item can be found in Part O beginning on page 7 of the language section of the document. Part O concerns the Maine Military Authority, and was put forward in association with the Department of Defense, Veterans, and Emergency Management. The Maine Military Authority was established in Limestone to provide quality jobs by matching the skills of talented Mainers with the physical plant and assets at the former Loring Air Force base. These mechanics and technicians now refurbish commercial vehicles and other equipment for their customers.

This Part transfers \$7 million from the General Fund unappropriated surplus into a newly established Maine Military Reserve Fund within the Department of Administrative and Financial Services, or DAFS. DAFS will be responsible for managing the Fund, which will be used to support the operations of the Maine Military Authority during its operational restructuring.

This concludes my testimony. General Farnham is also here this morning, and is prepared to provide you with a more comprehensive overview. I'd like to defer any questions until after the General's presentation is complete, and then would be happy to address any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Brigadier General Douglas Farnham, Adjutant  
Organization: D + V S  
Policy Area: VLA  
Topic:

**Testimony of Brigadier General Douglas Farnham, Adjutant  
General/Commissioner, Department of Defense, Veterans and Emergency  
Management**

**BEFORE THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND  
FINANCIAL AFFAIRS**

**L.R. 2174: “An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017.”**

**Position – Support**

**January 18, 2017**

**Senator Hamper, Representative Gattine and members of the Joint Standing Committee on Appropriations and Financial Affairs, good morning.**

**My name is Douglas Farnham, Commissioner for the Department of Defense, Veterans and Emergency Management and I am here to provide testimony in support of L.R. 2174: “An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017.”**

**The Department has a total of 15 initiatives in Part A and one in the “Unallocated Language”. The initiatives impact 3 programs in the department namely, the Administration- Defense, Veterans and Emergency Management Program (0109), Military Training and Operations Program (0108), and Veterans Services Program (0110). I will address the programs separately:**

**Part A: General Fund Proposed Supplemental Budget 2017:**

**Administration- Defense, Veterans and Emergency Management Program: 0109**

- **The 1<sup>st</sup> initiative (Line 1 of page A-5) reallocates the cost of one Adjutant General position and one Deputy Commissioner, Defense, Veterans and Emergency Management position from 83.5% General Fund, Administration- Defense, Veterans and Emergency Management program and 16.5% Federal Expenditures Fund, Administration-Maine Emergency Management Agency program to 100% General Fund, Administration-Defense, Veterans and Emergency Management program.**  
**This initiative reallocates the cost of the Adjutant General and Deputy Commissioner to be consistent with the terms and conditions of the**

Emergency Management Performance Grant Program on administrative cost allocation described in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In the years directly following September 11, 2001, Maine was fortunate to receive sizeable Federal grant funding from the Department of Homeland Security to support rapid development of State, county and local emergency management and public safety capabilities. I am proud to say that Maine is significantly more prepared today as a result of these grants.

Additionally, during the early years of large grants, the Agency was able to support a portion of the Adjutant General and Deputy Commissioner's salaries under the Federal grant award, which greatly assisted the Department during lean State budget years. Current Federal grant awards are now reduced to barely sustaining MEMA's own operational and staffing requirements, and in fact the Agency was forced to suspend a decade-old program for local emergency management grants in 2016 due to insufficient funding to support the program. As a result, the Department seeks to re-allocate funding back to the Department administration budget, thereby easing the pressure on the Agency administrative budget.

- **The 2<sup>nd</sup> initiative on page A-5, reallocates the technology costs for the Deputy Commissioner, Defense, Veterans and Emergency Management from 100% Federal Expenditures Fund in the Administration-Maine Emergency Management Agency program to 100% General Fund in the Administration-Defense, Veterans and Emergency Management program.** This initiative reallocates the mobile device and All Other related costs for the Deputy Commissioner to be consistent with the terms and conditions of the Emergency Management Performance Grant Program on administrative cost allocation described in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Similar to the above initiative, this measure re-allocates the Deputy Commissioner's technology costs to follow the salary changes and reduce pressure on the Agency's already thin operational budget.

#### **Military Training & Operations Program: 0108**

There are 8 initiatives for the Military Training & Operations Program. They primarily address the Personal Services of the Military Bureau.

- **The 1<sup>st</sup> initiative (Line1 of page A-7) provides funding to raise the recruitment and retention stipend of the High Voltage Electrician positions from 3% to 20%.** This initiative increases the recruitment and retention stipend of High Voltage Electrician positions to 20%. The State of Maine wage scale does not allow the department to compete with commercial contractor pay. Additionally, we have a very difficult time attracting and

retaining qualified applicants. Cost of contracting this service is \$75,000 higher than the salary of the electrician. The Master Cooperative Agreement between the State of Maine and the National Guard Bureau requires that the State provides personnel to maintain facilities.

- The 2<sup>nd</sup> initiative provides funding for the approved reclassification of one Maintenance Mechanic to a Building Mechanical System Specialist position. This is an approved reclassification with a proposed effective date of March 1, 2017. The position is funded 25% General Fund and 75% Federal Expenditures Fund within the same program.
- The 3<sup>rd</sup> initiative provides funding for the approved reorganization of one Office Associate II position to a Secretary Associate position. This is an approved reorganization. New duties for this position included using independent judgment, taking initiative, and using discretion to make determinations on varied matters. The position also serves as advisor to the supervisor and acts as troubleshooter. The position is funded 20% General Fund and 80% Federal Expenditures Fund within the same program.
- The 4<sup>th</sup> initiative eliminates 8 vacant Military Security Police Officer positions. This initiative eliminates 8 vacant Military Security Police Officer positions in Appendix 23 of the Master Cooperative Agreement between the State of Maine and the National Guard Bureau. The positions are converted to federal technicians.
- The 5<sup>th</sup> initiative provides funding to raise the recruitment and retention stipend of the High Voltage Electrician Supervisor position from 3% to 20%. This is to address the issue of recruitment and retention as mentioned before in the 1<sup>st</sup> initiative.
- The 6<sup>th</sup> initiative provides funding for the approved reclassification of one Plumber II position to a Building Mechanical System Specialist position. This is an approved reclassification retroactive to September 26, 2014.
- The 7<sup>th</sup> initiative provides funding for the approved reclassification of one Environmental Specialist II position to an Environmental Specialist III position retroactive to August 2014. This is an approved reclassification retroactive to August 19, 2014 for the lone position in Appendix 22 at the Air National Guard in Bangor. The position is funded 25% General Fund and 75% Federal Expenditures Fund within the same program.
- The 8<sup>th</sup> initiative in the Military Training & Operations Program eliminates 4 vacant positions and related All Other cost of the STARBASE program ended in federal fiscal year 2014. As a result of budget uncertainty in 2013

the Navy permanently closed all 18 of their Starbase sites and the Air Guard closed at least 6. Maine closed our Starbase program the same year.

### Veterans Services Program: 0110

There are 5 initiatives for the Veterans Services Program (page A-8). The first 4 initiatives provide funding for the approved reclassifications/range change of 5 positions within the program. The requirements of the Veterans Services Program have evolved with the increased servicing needs of veterans in Maine. Consequently, employees have been working outside of their job descriptions.

- The 1<sup>st</sup> initiative provides funding for the approved range change of one Supervisor Veterans Services position from range 26 to range 29. This proposed upgrade effective March 1, 2017 is to ensure the currently performed duties are compensated appropriately in line with the level of responsibility and technical expertise required to adequately fulfill the demands of this position on behalf of Maine veterans to the Veterans Administration (VA). The extensive medical and legal knowledge required to perform the functions of this position are on par with senior attorneys. The position is the final say on all claims submitted to the VA, represents veterans in a Board of Veterans Appeals, and brings in over \$2 million monthly in VA disability compensation for Maine Veterans.
- The 2<sup>nd</sup> initiative provides funding for the approved reorganization of one Office Associate II Supervisor position to an Office Specialist I Manager Supervisor position. Reorganization requirement for this position includes acting as the Congressional and State agency liaison for veterans' claims in the State as well as allows the department to have immediate and personal oversight of individual requests.
- The 3<sup>rd</sup> initiative provides funding for the approved reorganization of 2 Office Associate II positions to Office Specialist I positions. Bureau of Human Resources approved the reorganizations to reflect the change in duties and responsibilities to address the operational needs within the Bureau of Veterans Services. Anticipated date for these reorganizations for is March 1, 2017.
- The 4<sup>th</sup> initiative provides funding for the approved reorganization of one Office Associate II position to an Office Specialist I position. This initiative upgrades one Office Associate II position to an Office Specialist I position with the additional duty of processing payments to Bureau vendors effective March 1, 2017. Invoices for the Veterans Services Bureau are currently being paid by the Directorate of Facilities Engineering (DFE) accounting staff; DFE has performed these services as a courtesy and is



not adequately staffed to maintain the service. This change will allow the Bureau to more efficiently pay vendors.

- **The 5<sup>th</sup> initiative provides funding in the Veterans Services program in order to provide aid to veterans and their dependents as authorized by Maine Revised Statutes, Title 37-B, section 505.** The Maine Bureau of Veterans Services (MBVS) has an unfunded provision of Title-37-B, §505, to provide Emergency Financial Assistance or grants to veterans. With current authority and adequate funding, BVS can provide grants to well-known and established veteran organizations in the State of Maine that: (1) have existing structured provisions to provide financial assistance and (2) are geographically closer to under supported rural areas where the Bureau of Veterans' Services is not able to have a full-time presence.

**Part G: Unallocated Language:**

- **Sec. G-1. Use of Balance. Any balance remaining in the Fund for Women Veterans account in the Veterans Services program after June 30, 2015 may be used in fiscal year 2016-17 within the same account to partially fund additional costs of the Internet Quorum Case Management software for Veterans Services.** This Part authorizes the balance remaining in the Fund for Women Veterans account in the Veterans Services program to be used for software for Veterans Services. The Fund for Women Veterans program and the authority to use the remaining funds expired on June 30, 2015.

Thank you for the opportunity to speak. I will answer any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Chandler Woodcock, Comm.  
Organization: IFW Inland Fisheries and wild life  
Policy Area: IFW  
Topic:



PAUL R. LEPAGE  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF  
INLAND FISHERIES & WILDLIFE  
284 STATE STREET  
41 STATE HOUSE STATION  
AUGUSTA ME 04333-0041

CHANDLER E. WOODCOCK  
COMMISSIONER

**TESTIMONY  
OF  
CHANDLER WOODCOCK, COMMISSIONER  
DEPARTMENT OF INLAND FISHERIES AND WILDLIFE**

Before the Joint Standing Committees on Appropriations and Financial Affairs, and  
Inland Fisheries and Wildlife

Hearing Date: January 18, 2017

**“An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017.”**

Good morning Senators Hamper and Cyrway, Representatives Gattine and Duchesne, Members of the Joint Standing Committees on Appropriations and Financial Affairs and Inland Fisheries and Wildlife, my name is Chandler Woodcock and I am the Commissioner of the Department of Inland Fisheries and Wildlife. I am here today to present testimony in support of those Departmental items presented in the Supplemental Budget relating to the Department of Inland Fisheries and Wildlife. This testimony addresses each item that relates to Inland Fisheries and Wildlife on page A-16 of the document provided by the Bureau of the Budget as well as Parts H through J.

The Department of Inland Fisheries & Wildlife is the lead agency in Maine with the responsibility to preserve, protect and enhance the inland fisheries and wildlife resources of the State; to encourage the wise use of these resources; to ensure coordinated planning for the future use and preservation of these resources; and to provide for effective management of these resources.

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FISH AND WILDLIFE ON THE  
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## **Fisheries and Hatcheries Operations 0535**

The Budget Program presented in the Budget document on **page A-16** is the Fisheries and Hatcheries Operations Program. The Fisheries and Hatcheries Operations program works to ensure that all species of inland fish in the State of Maine are maintained and perpetuated for their intrinsic, ecological and economic value. In addition, this program works to ensure that inland fisheries are available for recreational, scientific and educational use.

The first supplemental initiative in this program found on **page A-16** provides funding to construct water supply pipelines at the Grand Lake Stream fish hatchery. The water intake pipe at this hatchery was identified as needing replacement in a 2016 infrastructure study that was conducted on all of the department's hatcheries. This facility is responsible for production of up to 86,000 West Grand Lake strain of landlocked salmon. Current production at the hatchery has not been sustainable due to water temperature increases during low water levels in the summer months. Extension of the pipe would allow for cooler water to sustain fish production levels at the facility.

The second supplemental initiative in this program found on **page A-16** provides funding to construct water supply pipelines and update water treatment equipment at the Casco fish hatchery. This facility supplies up to 100,000 Sebago Lake strain of landlocked salmon and is the third largest producer in the statewide stocking program. In June 2016 the hatchery experienced an unexpected reduction in water flow causing the facility to be shut down. Immediate replacement of the supply pipeline is needed to bring the facility back into production.

### **Part H**

Part H found on **page 3** amends language pertaining to the Lifetime License Fund to allow unexpended balances from funds transferred to the Department of Inland Fisheries

and Wildlife from the Office of the Treasurer of State to be carried forward into the next fiscal year to be used for the same purpose.

#### **Part I**

Part I found on **page 4** authorizes the State Controller to transfer \$700,000 from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to the Fisheries and Hatcheries Operations program, General Fund account to construct water supply pipelines and update water treatment equipment in fiscal year 2016-17.

#### **Part J**

Part J found on **page 4** allows any remaining balances at the end of fiscal year 2016-17 in the Capital Expenditures line category in the General Fund account of the Fisheries and Hatcheries Operations program to be used for the construction of water supply pipelines and updating of water treatment equipment to carry into fiscal year 2017-18. Capital Expenditures line category balances will be carried forward in the same program rather than be carried forward in the Department's Inland Fisheries and Wildlife Carrying Balances – General Fund account at the end of fiscal year 2016-17.

Senator Hamper and Committee Members, this concludes my testimony. I would be pleased to answer any questions that you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: Richard Rosen, Comm.  
Organization: PAFS  
Policy Area: ~~State~~ State  
Topic:

**Testimony of Richard W. Rosen, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on  
Appropriations and Financial Affairs and  
State and Local Government**

**LR 2174- "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017"**

**January 18, 2017**

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Good morning Senators Hamper and Davis, Representatives Gattine and Martin, and Members of the Joint Standing Committee on Appropriations and Financial Affairs and State and Local Government. My name is Richard Rosen, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today in support of the Department's budget items included in LR 2174.

The items in this portion of the Department's supplemental request all involve position realignments, and are all self-funded.

Beginning on page 1, the first initiative is in the Administration – Human Resources program. This initiative is offset on the following page by an initiative in the Public Improvements – Planning/Construction Administration program. The two initiatives combined transfer one Public Service Coordinator I position and \$59,894 between the two programs. The needs of the State's human resources service area have been understaffed, and the Department has therefore elected to reassign this position to that area. This position transfer will not detrimentally impact the Department's planning and construction administration.

The third item on the agenda is in the Risk Management division, which starts at the bottom of page 2. This initiative transfers \$573 from the All Other line category to the Personal Services line category to fund the reclassification of a position from the Office Assistant II classification to the Office Associate II classification.

This concludes my testimony on the DAFS items. I am happy to address any questions you have at this time.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: *Barbara Redmond, Chief Dep. Sec. of State*  
Organization: *Secretary of State*  
Policy Area: *State + Local Govt.*  
Topic:





MATTHEW DUNLAP  
SECRETARY OF STATE

STATE OF MAINE  
OFFICE  
OF THE  
SECRETARY OF STATE

TESTIMONY OF  
BARBARA REDMOND, CHIEF DEPUTY SECRETARY OF STATE  
DEPARTMENT OF THE SECRETARY OF STATE

Before the Joint Standing Committees on Appropriations and Financial Affairs  
and State and Local Government

January 18, 2017

**Governor's General Fund Proposed Supplemental Budget 2017: LR 2174 "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017."**

Senators Hamper and Davis, Representatives Gattine and Martin, members of the Joint Standing Committees on Appropriations and Financial Affairs and State and Local Government, my name is Barbara Redmond and I am the Chief Deputy Secretary of State. I am here today to present testimony in support of those items presented in the Supplemental Budget for the Department of the Secretary of State.

Department information begins on **page 5 of 8, Part L and Part M.**

**Part L** allows the Maine State Archives, program **0050**, to carry forward unexpended balances in the Personal Services and All Other line categories at the end of fiscal year 2016-2017 into the next fiscal year. The funds will be used to continue the work of converting original state department records to electronic format to preserve and provide access to these records and to free up valuable space in the Records Center.

**Part M** allows the Bureau of Administrative Services and Corporations, program **0692**, to carry forward any unexpended balance in the All Other line category at the end of fiscal year 2016-2017 into the next fiscal year. The funds will be used to continue work on the upgrade of the Boards and Commission program and the Corporate filing system. The bureau has completed upgrades on the UCC filing system.

This concludes my testimony on the items included in **Part A** of the Governor's proposed 2016-2017 budget.

In addition to the **Part A** initiatives, the department has three initiatives in Part B, as follows (informational only):

## **Administration – Archives 0050**

**Initiative:** Provides funding for the approved management range change of one Archivist I position from range 14 to range 16; one Archivist II position from range 17 to range 19; and one Archivist III position from range 20 to range 23.

The request is for \$4,497 in fiscal year 2016-17. This initiative is also included in the 2018-2019 Biennium Budget.

## **Bureau of Administrative Services and Corporations 0692**

**Initiative:** Provides funding for the approved reorganization of 4 Customer Representative Associate II positions to Customer Representative Specialist – Corporate positions.

The request is for \$951 in fiscal year 2016-17. This initiative is also included in the 2018-2019 Biennium Budget.

**Initiative:** Provides funding for the approved reorganization of one Management Analyst I position to an Elections Coordinator position and increases the hours from 40 hours to 80 hours bi-weekly.

The request is for \$8,549 in fiscal year 2016-17. This initiative is also included in the 2018-2019 Biennium Budget.

## **June Referendum Funding**

The department requested funding in the amount of \$155,000 to conduct the referendum election in June 2017 for the general fund bond issue authorized by PL 2015 Chapter 479. This request was not approved by the Governor. The department does not have sufficient funding to conduct a June 2017 election and would recommend that either the funding be provided or the date of the election be moved to November 2017.

I would be happy to answer questions now or at the work session.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name WALT Whitcomb, Commissioner  
Organization: ACF  
Policy Area: Supplemental  
Topic:

**TESTIMONY  
OF  
WALTER E. WHITCOMB, COMMISSIONER  
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY**

Before the Joint Standing Committees on Appropriations and Financial Affairs and  
Agriculture, Conservation and Forestry

Hearing Date: January 18, 2017

**"An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years June 30, 2017"**

Good afternoon Senators Hamper and Davis, Representatives Gattine and Dunphy and Members of the Joint Standing Committees on Appropriations and Financial Affairs and Agriculture, Conservation and Forestry. My name is Walter E. Whitcomb and I am the Commissioner of the Department of Agriculture, Conservation and Forestry. I am here today to present testimony in support of the items presented in LR 2174 relating to the Department of Agriculture, Conservation & Forestry.

***Department of Agriculture, Conservation and Forestry***

Both initiatives on page A-3 under the Beverage Container Enforcement Fund program, and the Division of Quality Assurance and Regulation program transfers positions and All Other funding between these 2 programs, and increases All Other funding for the Food Safety Modernization Act quality education program. Responsibility for the Beverage Container Enforcement Fund program is now in the Department of Environmental Protection. These positions are working on enhancing food safety.

This concludes my presentation. I would be glad to respond to any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: Richard Reesen, Comm  
Organization: DAFS  
Policy Area:  
Topic: Supplemental

**Testimony of Richard W. Rosen, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on  
Appropriations and Financial Affairs and Taxation**

**LR 2174- "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017"**

**January 18, 2017**

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Good afternoon Senators Hamper and Dow, Representatives Gattine and Tipping, and Members of the Joint Standing Committee on Appropriations and Financial Affairs and Taxation. My name is Richard Rosen, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today in support of the Department's budget items included in LR 2174.

The items in this portion of the Department's Part A supplemental request all involve position realignments, and are all self-funded.

Beginning at the bottom of page 1, the first item is funding for a reclassification within the Board of Tax Appeals. The initiative increases Personal Services by \$2,645 and is offset by a reduction of the same amount in the All Other line category. The position was changed from the Office Associate II classification to the Office Specialist I classification based on the work being performed.

The second initiative is in the Revenue Services bureau, which begins in the middle of page 2. This request shifts \$65,359 out of the All Other line category and into the Personal Services line category in order to fund the reclassification of six positions. The reclassifications change two Management Analyst II positions to Business Systems Administrators; one Business Systems Administrator to a Manager; one Planning and Research Associate II to a Business Systems Quality Assurance Manager; one Senior Tax Examiner to a Tax Section Manager; and, one Tax Examiner to a Management Analyst I. All of these changes are reflective of changes in the work performed within the Maine Revenue Services.

Moving to page 35, Part E authorizes up to \$300,000 of the General Fund appropriation in the Bureau of Revenue Services program to carry forward into the next biennium. These funds were appropriated on a one-time basis to replace the econometric models used by the Office of Tax Policy within Maine Revenue Services. The project will not be completed before the end of this fiscal year, and the Department has requested that these funds continue to be available in Fiscal Year 2018. This will allow for completion of the project, and for some enhancements to the models that may provide better information for both Maine Revenue Services and the State Economist.

This concludes my testimony on the DAFS items. I am happy to address any questions you have at this time.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: Jeff Wiley, Budget Director  
Organization: Dept. of H. & H.S.  
Policy Area: H. & H.S.  
Topic:



**Testimony of the  
Department of Health and Human Services**

**Before the Joint Standing Committee on Appropriations and Financial Affairs**

**In Support of LR 2174**

**An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017**

**Hearing Date: January 18, 2017**

Senator Hamper, Representative Gattine and Members of the Joint Standing Committee on Appropriations and Financial Affairs, I am Jeff Wiley, Budget Director for the Department of Health and Human Services. I am here today to speak in support of LR 2174 An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017. I would like to offer the following information for your consideration.

*LD 886, Resolve, Directing the Department of Health and Human Services to Increase Reimbursement Rates for Home-based and Community-based Services* provided funding in the amount of \$1,226,400 to be used for a rate increase for personal care and related Home Health services under the Office of Aging and Disability Services Central Office 0140 account. The associated contracts and services are actually aligned under the Long Term Care - Office of Aging and Disability Services 0420 account. This initiative will transfer funding from the Office of Aging and Disability Services Central Office 0140 account to the Long Term Care - Office of Aging and Disability Services 0420 account consistent with services provided.

This Budget Initiative will have no fiscal net impact as the transfer is between General Fund Accounts. It will transfer funding from the Office of Aging and Disability Services Central Office 0140 account to the Long Term Care - Office of Aging and Disability Services 0420 account consistent with services provided. If not implemented, funding will not be in the appropriate functional location.

Thank you for your time and attention. I would be happy to answer any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Patrick KeLHER, Commissioner  
Organization: Dept. of Marine Resources  
Policy Area: Marine Resources  
Topic:

**TESTIMONY OF  
PATRICK KELIHER, COMMISSIONER  
DEPARTMENT OF MARINE RESOURCES**

Before the Joint Standing Committee on Appropriations and Financial Affairs

Hearing Date: January 18, 2017

"An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017."

Senator Hamper, Representative Gattine and members of the Joint Standing Committees on Appropriations and Financial Affairs, I am Patrick Keliher, Commissioner of the Department of Marine Resources. Below is our testimony in support of the Supplemental Budget for the Department of Marine Resources.

**BUREAU OF MARINE PATROL 0029**

The only initiative for the Department of Marine Resources is within the Bureau of Marine Patrol and can be found on **page A-18**. This initiative provides funding for increased fees for dispatch services.

The Department of Public Safety (DPS) provides consolidated dispatch services to state, county and local public safety agencies. The DPS calculates user costs by compiling records of dispatch calls and allocates a percentage of the costs to each department. Fees charged to the Bureau of Marine Patrol for dispatch services are projected to be \$21,142 higher in fiscal year 2017.

This concludes the testimony of the Department of Marine Resources may I answer any questions you have?

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Melanie Lozimir, Deputy Comm.  
Organization: DEP  
Policy Area: DEP  
Topic:



STATE OF MAINE  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

PAUL R. LEPAGE  
GOVERNOR

PAUL MERCER  
COMMISSIONER

**TESTIMONY  
OF  
MELANIE LOYZIM, DEPUTY COMMISSIONER  
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Before the Joint Standing Committee on Appropriations and Financial Affairs

Hearing Date: January 18, 2017

**“An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017”**

Chairman Hamper, Chairman Saviello, Representative Gattine and Representative Tucker, and members of the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Environment and Natural Resources, I am Melanie Loyzim, Deputy Commissioner of the Department of Environmental Protection (DEP), providing this testimony *in support of* DEP-related items in the Budget Office Document, the Governor’s FY 17 Supplemental Budget proposal (LR 2174).

Part A includes one DEP initiative on page A-12 of the Budget Document, which provides funding for the Bureau of Human Resources approved reorganization of one Assistant Environmental Engineer position to an Environmental Engineer position and related all other within the Water Quality program, Other Special Revenue Funds. Thank you for your consideration of this proposal.

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# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Bruce Fitzgerald, Director  
Organization: Maine Emergency Mgmt. Agency  
Policy Area: DVS  
Topic:

**Testimony of Bruce F. Fitzgerald, Director, Maine Emergency Management  
Agency Department of Defense, Veterans and Emergency Management**

**BEFORE THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND  
FINANCIAL AFFAIRS**

**LR 2174 “An Act To Make Supplemental Allocations from the Highway Fund and  
Other Funds for the Expenditures of State Government and To Change Certain  
Provisions of the Law Necessary to the Proper Operations of State Government  
for the Fiscal Year Ending June 30, 2017”**

**Position – Support**

**January 18, 2017**

**Senator Hamper, Representative Gattine and members of the Appropriations and  
Financial Affairs Committee, good afternoon.**

**My name is Bruce Fitzgerald, Director of the Maine Emergency Management  
Agency, and I am here to provide testimony in support of LR 2174, “An Act To  
Make Supplemental Allocations from the Highway Fund and Other Funds for the  
Expenditures of State Government and To Change Certain Provisions of the Law  
Necessary to the Proper Operations of State Government for the Fiscal Year  
Ending June 30, 2017.”**

**I am going to address our initiatives as they are presented in the Proposed  
Supplemental Budget Bill for the different programs within the Maine Emergency  
Management Agency (MEMA), all of which are contained in the General Fund, Part  
A budget.**

**I will now discuss the Maine Emergency Management Agency Program  
Administration- Maine Emergency Management Agency 0214 (Part A pp A-6):**

**Two of the initiatives for the program deal primarily with addressing the issues of  
maintaining the strength and effectiveness of the State’s emergency management  
organization and capabilities. These initiatives arose from the Zero-Based  
Budget analysis conducted throughout the Executive Branch agencies in fiscal  
year 2012. As part of that analysis, MEMA found that a number of key positions  
were under classified with respect to similar positions in State government, and  
similar positions in other State Emergency Management Agencies. This was  
contributing to a high rate of turnover within MEMA, along with retirement of long  
serving Agency employees, creating capability gaps in our organization. The  
Supplemental Budget completes the Agency’s objective of strengthening staff  
positions with the following initiatives:**

- **Initiative: Reorganizes one Planning and Research Assistant position to a Contract/Grant Specialist position.** This initiative reorganizes the position to better reflect the actual duties and responsibilities required by the Agency to administer Homeland Security and Emergency Management programs. The Position assists with administering of grants and contracts issued to and from the Agency. The Position is responsible for managing multiple grant programs and funding streams on behalf of the State, county, and local agencies as well as tracking grant obligations and balances, corresponding with sub-recipients, processing reimbursements requests, and reporting grant progress to Federal agencies on a quarterly, semi-annual, and annual basis. The position re-classification has already been approved by the State Bureau of Human Resources.
  
- **Initiative: Reorganizes one Contract/Grant Specialist position to a Senior Contract/Grant Specialist position.** This initiative reorganizes the position to better reflect the actual duties and responsibilities required by the Agency to administer all Agency contracts as well as all disaster recovery funding when an emergency occurs in Maine. The Position provides leadership for the administering of grants and contracts issued to and from the Agency. The Position acts as the State Coordinating Officer for Presidentially declared disasters and manages disaster recovery funds on behalf of State agencies and local communities and is tasked with new responsibilities for managing FEMA's Public Assistance Disaster Grant Program. The position re-classification has already been approved by the State Bureau of Human Resources.

**Two of our initiatives were addressed earlier this morning during the Commissioner's testimony on the Department of Defense, Veterans and Emergency Management administration budget.**

- **Initiative: Re-allocates funding for Adjutant General and Deputy Commissioner positions from MEMA's administration budget to the Department's administration budget.** This initiative reallocates the cost of the Adjutant General and Deputy Commissioner to be consistent with the terms and conditions of the Emergency Management Performance Grant Program on administrative cost allocation described in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In the years directly following September 11, 2001, Maine was fortunate to receive sizeable Federal grant funding from the Department of Homeland Security to support rapid development of State, county and local emergency management and public safety capabilities. I am proud to say that Maine is significantly more prepared today as a result of these grants.

Additionally, during the early years of large grants, the Agency was able to support a portion of the Adjutant General and Deputy Commissioner's salaries under the Federal grant award, which greatly assisted the Department during



lean State budget years. Current Federal grant awards are now reduced to barely sustaining MEMA's own operational and staffing requirements, and in fact the Agency was forced to suspend a decade-old program for local emergency management grants in 2016 due to insufficient funding to support the program. As a result, the Department seeks to re-allocate funding back to the Department administration budget, thereby easing the pressure on the Agency's administrative budget.

- **Initiative: Re-allocates technology costs for the Deputy Commissioner from MEMA's administration budget to the Department's administration budget.** This initiative reallocates the mobile device and All Other related costs for the Deputy Commissioner to be consistent with the terms and conditions of the Emergency Management Performance Grant Program on administrative cost allocation described in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Similar to the above initiative, this measure re-allocates the Deputy Commissioner's technology costs to follow the requested salary changes and reduce pressure on the Agency's already thin operational budget.

**The next Program within MEMA is the Disaster Assistance Program 0841 (Part A pp A-6):**

- **Initiative: Provides one-time funding for the State's share of disaster assistance resulting from the January 26-28 2015 blizzard.** This initiative provides one-time funding for the State's required share of disasters, in accordance with MRSA 37-B, Chapter 13, §744 2-A(A)3.

State statute requires that in any Presidentially declared disaster, the local share of recovery costs not exceed 10% of the total damages. FEMA's Public Assistance grant program reimburses a maximum of 75% of disaster costs, meaning that the State is required to reimburse the remaining 15% of damages.

This initiative provides funding to County, local, and non-governmental entities impacted by the blizzard and severe winter storm of January 26-28, 2015, and will enable the Agency to administratively close out this disaster event. The storm received a Federal disaster declaration as FEMA-DR-4208-ME covering the counties of York, Cumberland, Androscoggin, and Sagadahoc. The Federal portion of recovery funding has already been dispersed to the eligible applicants. A list of applicants and funding amounts is attached to this testimony.

**This concludes my testimony. Thank you for the opportunity to speak. I will answer any questions you may have.**

FEMA - 4208 - DR - ME January 26-28, 2015

Applicant	Disaster Costs 100%	Fed 75%	State 15%	Local 10%
Androscoggin County	4,197.50	3,148.13	629.63	419.74
Auburn	105,169.92	78,877.44	15,775.49	10,516.99
Auburn Water & Sewer District	4,339.24	3,254.43	650.89	433.92
Auburn-Lewiston Municipal Airport	14,090.18	10,567.64	2,113.53	1,409.01
Durham	32,301.49	24,226.12	4,845.23	3,230.14
Greene	19,672.18	14,754.14	2,950.83	1,967.21
Leeds	17,380.07	13,035.05	2,607.02	1,738.00
Lewiston	96,061.44	72,046.08	14,409.22	9,606.14
Lewiston School Department	29,171.54	21,878.66	4,375.74	2,917.14
Lisbon	28,156.16	21,117.12	4,223.43	2,815.61
Livermore	13,385.04	10,038.78	2,007.76	1,338.50
Livermore Falls	20,110.70	15,083.03	3,016.61	2,011.06
Mechanic Falls	13,540.81	10,155.61	2,031.13	1,354.07
Minot	18,992.90	14,244.68	2,848.94	1,899.28
Poland	26,148.54	19,611.41	3,922.29	2,614.84
RSU #16	5,285.26	3,963.95	792.79	528.52
RSU #52	37,950.12	28,462.59	5,692.52	3,795.01
Sabattus	15,871.12	11,903.34	2,380.67	1,587.11
Turner	25,008.58	18,756.44	3,751.29	2,500.85
Baldwin	7,958.15	5,968.61	1,193.73	795.81
Bowdoin College	35,393.00	26,544.75	5,308.95	3,539.30
Bridgton	21,767.89	16,325.92	3,265.19	2,176.78
Brunswick	106,830.24	80,122.68	16,024.54	10,683.02
Cape Elizabeth	42,822.62	32,116.97	6,423.40	4,282.25
Chebeague Island	4,912.62	3,684.47	736.90	491.25
Cumberland	51,630.21	38,722.66	7,744.54	5,163.01
Falmouth	53,318.64	39,988.98	7,997.80	5,331.86
Freeport	41,180.95	30,885.71	6,177.15	4,118.09
Gorham	64,996.30	48,747.23	9,749.45	6,499.62
Gray	38,027.19	28,520.39	5,704.08	3,802.72
Greater Portland Transit District	8,080.63	6,060.47	1,212.10	808.06
Harpswell	4,231.96	3,173.97	634.80	423.19
Long Island	13,265.29	9,948.97	1,989.80	1,326.52
Maine Medical Center	75,833.40	56,875.05	11,375.01	7,583.34
Mercy Hospital	40,795.00	30,596.25	6,119.25	4,079.50
New Gloucester	37,115.85	27,836.89	5,567.38	3,711.58
North Yarmouth	10,778.17	8,083.63	1,616.73	1,077.81
Portland	309,444.74	232,083.56	46,416.72	30,944.46
Pownal	8,299.00	6,224.25	1,244.85	829.90
Raymond	12,989.06	9,741.80	1,948.36	1,298.90
RSU# 15	9,085.00	6,813.75	1,362.75	908.50
Scarborough	69,578.32	52,183.74	10,436.75	6,957.83
Sebago	14,610.84	10,958.13	2,191.63	1,461.08
South Portland	109,024.37	81,768.28	16,353.66	10,902.43
South Portland Housing Authority	4,949.93	3,712.45	742.49	494.99
Standish	29,306.79	21,980.09	4,396.02	2,930.68

Westbrook	58,281.70	43,711.28	8,742.26	5,828.16
Windham	56,106.48	42,079.86	8,415.98	5,610.64
Yarmouth	21,862.91	16,397.18	3,279.44	2,186.29
Bath	51,848.17	38,886.13	7,777.23	5,184.81
Bowdoinham	15,418.49	11,563.87	2,312.78	1,541.84
Phippsburg	10,496.34	7,872.26	1,574.46	1,049.62
Richmond	14,152.17	10,614.13	2,122.83	1,415.21
Topsham	11,966.15	8,974.61	1,794.93	1,196.61
West Bath	1,000.00	750.00	150.00	100.00
York County	5,096.56	3,822.42	764.49	509.65
Acton	26,484.45	19,863.34	3,972.67	2,648.44
Alfred	31,979.57	23,984.68	4,796.94	3,197.95
Arundel	21,164.74	15,873.56	3,174.72	2,116.46
Berwick	32,985.15	24,738.86	4,947.78	3,298.51
Biddeford	64,542.21	48,406.66	9,681.34	6,454.21
Buxton	25,011.75	18,758.81	3,751.77	2,501.17
Eliot	37,785.55	28,339.16	5,667.84	3,778.55
Hollis	27,950.97	20,963.23	4,192.65	2,795.09
Kennebunk	45,822.70	34,367.03	6,873.41	4,582.26
Kennebunkport	18,366.14	13,774.61	2,754.93	1,836.60
Kittery	107,786.53	80,839.90	16,167.98	10,778.65
Lebanon	13,595.40	10,196.55	2,039.31	1,359.54
Limington	21,190.71	15,893.03	3,178.61	2,119.07
North Berwick	29,789.13	22,341.85	4,468.37	2,978.91
Ogunquit	23,793.25	17,844.94	3,568.99	2,379.32
Old Orchard Beach	39,345.74	29,509.31	5,901.87	3,934.56
Parsonsfield	7,483.94	5,612.96	1,122.60	748.38
RSU #21	51,221.15	38,415.86	7,683.18	5,122.11
Saco	103,724.42	77,793.32	15,558.67	10,372.43
Sanford	137,533.54	103,150.16	20,630.04	13,753.34
Shapleigh	17,151.62	12,863.72	2,572.75	1,715.15
South Berwick	42,940.63	32,205.47	6,441.10	4,294.06
Southern Maine Health Care	32,425.79	24,319.34	4,863.87	3,242.58
Waterboro	17,422.24	13,066.68	2,613.34	1,742.22
Wells	56,958.08	42,718.56	8,543.72	5,695.80
Wells-Ogunquit CSD	14,602.95	10,952.21	2,190.45	1,460.29
York	196,414.94	147,311.21	29,462.25	19,641.48
York Hospital	36,647.76	27,485.82	5,497.17	3,664.77
Department of Transportation	185,354.41	139,015.81	27,803.17	18,535.43
Maine Emergency Management Agency	15,881.00	15,881.00	-	-
University of Maine Systems	27,571.45	20,678.59	4,135.72	2,757.14
	<b>3,510,215.83</b>	<b>2,636,632.26</b>	<b>524,150.65</b>	<b>349,432.92</b>

# COVER SHEET

128<sup>th</sup> Maine State Legislature

**Committee:** Appropriations and Financial Affairs

**Title:** LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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**Testimony Submitted By:**

**Name:** John Morris, Commissioner  
**Organization:** Dept. of Public Safety  
**Policy Area:** Criminal Justice / Public Safety  
**Topic:**

TESTIMONY  
OF  
JOHN MORRIS, COMMISSIONER  
MAINE DEPARTMENT OF PUBLIC SAFETY

Before the Joint Standing Committee on Appropriations and Financial Affairs

Hearing Date: January 18, 2017

**“An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017”**

Senator Hamper, Representative Gattine, and Members of the Joint Standing Committee on Appropriations and Financial Affairs, my name is John Morris, Commissioner of the Department of Public Safety. I am here today to present testimony on the Departmental items presented in the Supplemental Budget. There are seven departmental initiatives in this budget.

**Administration – Public Safety**

The first program with an initiative is the Commissioner’s Office on page A-20. This program provides centralized services to the bureaus and divisions of the department. The initiative is to provide funding for the approved reorganization of one Public Service Executive II position from range 34 to range 36. The increase will be \$2,373 in the Other Special Revenue Funds and \$2,374 in the Highway Fund.

**Capitol Police – Bureau of**

The next two initiatives relate to the Bureau of Capitol Police. The first initiative provides funding for the increased costs of four vehicle leases for \$10,834. The second initiative provides funding for the approved reclassification of a Capitol Police Sergeant position to a Capitol Police

Lieutenant position retroactive to June 2014. The amount of this initiative is \$33,328. Both of these initiatives request General Fund increases.

### **Computer Crimes**

The Computer Crimes program has one initiative to fund the approved range change of one Computer Forensic Analyst position from range 25 to range 27 retroactive to January 2015. This initiative is for \$13,189 in General Fund appropriation.

### **Highway Safety DPS**

The next program, Highway Safety DPS, has one initiative on page A-21 for funding of the approved reorganization of one Office Associate II position to a Senior Contract/Grant Specialist position. This initiative increases Federal Expenditures Fund allocation by \$3,867.

### **State Police**

The State Police program has two initiatives on page A-21. The first initiative provides funding for the approved reclassification of one Forensic Technician position to a Forensic Chemist Technician position retroactive to July 2014. This initiative would increase General Fund by \$3,993 and Highway Fund by \$2,185.

The next initiative is to provide funding for the approved range change of one Computer Forensic Analyst position from range 25 to range 27 retroactive to January 2015. This initiative would increase General Fund by \$8,902 and Highway Fund by \$4,879.

This concludes my testimony. I would be happy to answer any questions that you may have.

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128<sup>th</sup> Maine State Legislature

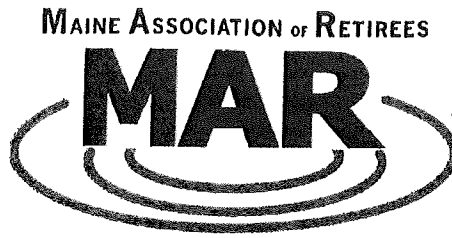
**Committee:** Appropriations and Financial Affairs

**Title:** LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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**Testimony Submitted By:**

**Name:** Barbara J. Van Borge l  
**Organization:** ME ASSOC. OF RETIREES  
**Policy Area:** Budget-Supplemental-Part N Summary  
**Topic:**



January 18, 2017

**To: The Joint Standing Committee on Appropriations and Financial Affairs**

Senator James M. Hamper, Senate Chair  
Representative Drew Gattine, House Chair  
Senator Roger Katz  
Senator Catherine Breen  
Representative John L. Martin  
Representative Aaron Frey  
Representative Erik C. Jorgensen  
Representative Brian L. Hubbell  
Representative Denise A. Tepler  
Representative Tom Windsor  
Representative Heather W. Sirocki  
Representative Jeffrey L. Timberlake  
Representative H. Stedman Seavey

**Re: Supplemental Budget PART N Summary**

The Maine Association of Retirees, Inc.(MAR) mission is to protect the retirement fund and advocate for the rights of Public Sector Retirees in Maine to ensure a healthy and enriched life. Part N eliminates the requirement that the Maine Community College system make contributions toward payment of the unfunded actuarial liability and administrative costs to the Maine State Retirement System for retirees who elected to participate in a defined contribution plan.

MAR's primary concern regarding Part N is to ensure it does not increase the unfunded actuarial liability for the current and future Maine Public Employment Retirement System (MePERS) retirees nor decrease the financial stability of the MePERS. The multiple changes in the MePERS pension has already reduced public services retirees' financial security and assuming additional financial debt would be unacceptable.

Sincerely,

Barbara J. Van Burgel  
Executive Director

*Leading the Way for Maine Retirees*

280 Maine Avenue, Farmingdale, ME 04344  
Telephone Number: (207) 582-1960  
1-800-535-6555  
(207) 582-4764 FAX

Robert E. Powers– *President*  
Barbara J. Van Burgel – *Executive Director*  
email: [MAR@MaineRetirees.org](mailto:MAR@MaineRetirees.org)  
[www.maineretirees.org](http://www.maineretirees.org)



# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name Richard Rosen, Commissioner  
Organization: DAFS  
Policy Area: Approps. & Financial Affairs  
Topic:

**Testimony of Richard W. Rosen, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committee on  
Appropriations and Financial Affairs**

**LR 2174- "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017"**

**January 18, 2017**

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Good afternoon Senator Hamper, Representative Gattine, and Members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Richard Rosen, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today in support of the Department's budget items included in LR 2174.

There are two language items included in this part of the hearing, and those can be found beginning on page 1 of the language part of the bill. Part C temporarily extends the end date of limited period positions, and Part D authorizes a \$35 million transfer to the Maine Budget Stabilization Fund.

Limited-period positions are established by Financial Order to meet the interim needs of an agency. These positions are created on a temporary basis and filled using existing funds. Many times, the work performed by these positions cross state fiscal years. Because they are established by Financial Order, the positions cannot extend into the second fiscal year without another Financial Order or a continuation in the budget document. Therefore, these positions are set to expire just before the end of the fiscal year.

This extension of all positions through August 1, 2017 provides sufficient time for processing the new budget and closing out the fiscal year. Without the extension, we run the risk of having to notify individuals of a possible layoff, and of implementing the actual layoff. This simple, short-term extension prevents unnecessary stress for those involved and ensures continuity of service during the transition between fiscal years. The normal budget process will determine the outcome of each individual position beyond August 1.

The Maine Budget Stabilization Fund was established to support Maine State Government during times of unexpected revenue disruptions, and was intended to allow vital services to continue while longer term responses are developed. To provide some history, the largest balance in the Fund was realized in 2001, when the balance reached \$143 million. This represented just 6% of the General Fund revenues at the time. Within two years, the Fund was reduced to just over \$10 million, as the state and the country reacted to dropping stock markets and the September 11, 2001 terrorist attacks. The Fund once again began to grow slowly, finally reaching nearly \$129 million in 2008. The Great Recession hit, and within one year the Fund balance dropped to \$195,000. These examples demonstrate that a healthy Budget Stabilization Fund balance is vital.

Our Fund balance now sits at \$122.7 million, which is 3.6% of current General Fund revenue. The Federal Reserve Bank of Boston recommends Maine have between 10-15% in reserves, while others have recommended that states have closer to 20% in reserve.

The Supplemental Budget proposes a one-time transfer of \$35 million from the unappropriated surplus to the Budget Stabilization Fund. You may have already seen that the biennial budget proposes additional transfers totaling \$5 million. While these initiatives would increase the Budget Stabilization Fund to \$162 million, we would still fail to reach even 5% of General Fund revenues.

Including transfers to the Budget Stabilization Fund as part of the budget, as opposed to transferring whatever is left over, is an important policy change. This signals to taxpayers and credit rating agencies that Maine is serious about planning and preparing for the inevitable economic cycles.

This concludes my testimony. I would be happy to address any questions you may have.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name *Mary Anne Turouski*

Organization: *MSEA SEIU*

Policy Area:

Topic:

**Testimony of Mary Anne Turowski  
On behalf of  
Maine State Employees Association SEIU Local 1989**

**In Opposition to Part D of LR 2174, An Act to Make Supplemental Appropriations  
and Allocations for the Expenditures of State Government and to Change Certain  
provisions of the Law Necessary to the Proper Operations of State Government for  
Fiscal Year Ending June 30 2017**

**Before the Appropriations and Financial Affairs Committee  
January 18 2017  
9am State House Room 228**

Senator Hamper, Representative Gattine, members of the Appropriations and Financial Affairs Committee, my name is Mary Anne Turowski, Director of Politics and Legislation, representing the Maine State Employees Association – SEIU Local 1989. MSEA-SEIU is a labor union that represents over 13,000 public sector and publicly funded members statewide, including retirees.

Part D transfers \$35,000,000 from the unappropriated General Fund surplus to the Maine Budget Stabilization Fund by June 30 2017. We urge you to use this surplus to pay down the Maine Public Employees Retirement System Unfunded Actuarial Liability (UAL) instead of using the funds from the retiree cost-of-living raises to pay down the UAL, as proposed in part HH of the 2018-2019 Biennial Budget.

This administration often claims that the actions they take are in support of Maine's older citizens, but eliminating state employee and teacher retiree COLAs contradicts that claim. If paying down the UAL is a priority to this administration, than the \$35 million General Fund surplus should be used to do so. Withholding COLAS for state employee and teacher retirees to pay down the UAL when there are surplus funds available is unconscionable.

Please oppose Part D by not transferring \$35,000,000 General Fund surplus to the Maine Stabilization Fund at this time.

Thank you for your time.

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: Taryn Hallweare  
Organization: M Peoples alliance  
Policy Area: Supp. Budget  
Topic:



565 Congress St Ste 200 Portland ME 04101 (207) 797-0967  
145 Lisbon St Ste 201 Lewiston ME 04240 (207) 782-7876  
27 State St Ste 44 Bangor ME 04401 (207) 990-0672  
[www.MainePeoplesAlliance.org](http://www.MainePeoplesAlliance.org)

January 18, 2017

Senator Hamper, Representative Gattine, and Honorable Members of the Appropriations Committee,

My name is Taryn Hallweaver and I am the legislative director of the Maine People's Alliance. Our 32,000 members stretch from Kittery to Fort Kent. We work to engage everyday Mainers in the political process, because we believe our democracy will make the biggest difference in people's lives when we work together. At our peak, our citizen outreach team talks face-to-face with a thousand Mainers each night about critical issues facing our communities and state.

I am here today to testify against the proposal to transfer \$35,000,000 to the Maine Budget Stabilization Fund. (LR 2174 "An Act To Make Supplemental Allocations from the Highway Fund and Other Funds for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2017.")

When we think about the supplemental budget, as I'm sure you do as well, it's within the context of the bigger picture—the needs of Maine's families, and the fiscal picture of our state. Revenue came in better than projected last year. We are looking at a budget surplus at a time when it's very much needed. Because while we are experiencing an economic upswing in Maine and nationally, many people are not feeling the benefit, and that's because economic growth has been intensely concentrated at the top. From 2011 to 2015, the proportion of Maine children in deep poverty increased at a rate eight times the national average, and more than twice the New England average. Thousands of Mainers make sacrifices every single day in choosing between food, medicine, child care, and rent.

Thus, in a time of both increased revenue and the reality of economic hardship for many families, I encourage you to think about a budget, including a supplemental budget, that at minimum meets the needs of our most vulnerable—and even better, allocates resources in a visionary way rather than through tried and failed tax cuts for the wealthy and giveaways to large corporations.

Thank you for your time,

Taryn Hallweaver

Legislative Director, Maine People's Alliance, 207-712-635, [taryn@mainepeoplesalliance.org](mailto:taryn@mainepeoplesalliance.org)

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name *Crystal Ward*

Organization: *Retiree*

Policy Area:

Topic:



Senator Hamper, Representative Gattine and other members of the Appropriations and Financial Affairs Committee,

My name is Crystal Ward and I am a retired teacher. I retired after 34 years in secondary education in 2008. I paid every penny I owed to MePERS and was told for many years that my MePERS pension was safe. Then came 2011. Right in these very halls I was told that "any promises made about pensions by any other legislature had no impact on the current Legislature." Millions were cut from MePERS impacting thousands of retired teachers and state employees. The major reason being the State of Maine did not pay every cent they owed over the years.

I lost thousands of dollars over time with frozen COLA's and the \$20,000 cap on the amount you can get a COLA calculated on each year. Retirees were being asked to foot the bill, mostly for tax cuts that benefitted the wealthiest among us. For many years the State of Maine did not pay the amount they owed into MePERS but unlike the hospitals who were paid back all the money owed, the cuts to our pensions meant retirees were footing the bill for the State.

Now again the Governor's biennial budget proposes more cuts to my pension and the retirement income of thousands of Mainers:

**Sec. HH-2. 5 MRSA §17806, sub-§1, ¶A-3** is enacted to read:

A-3. Regardless of the amount of increase in the Consumer Price Index, for cost-of-living adjustments awarded in fiscal year 2017-18 and fiscal year 2018-19 only, the board **shall not make a percentage increase in retirement benefits**. The provision applies to that portion of the retirement benefit that would otherwise be subject to an increase under paragraph A.

**Sec. HH-3.** The **savings** provided from this initiative will be applied to the **unfunded actuarial liability** in the State Employee and Teacher Retirement program.

Yet again, the Governor proposes we freeze COLAs for retired teachers and state employees and use the money to pay the State owed bill -- the **unfunded actuarial liability (UAL)**.

The current retired are continually being harmed by the States actions. Many have no ability to go to work to make up the difference, have already dipped into saving accounts years earlier than planned to make up for the major 2011 cuts and have ever increasing property taxes. Almost all of my bills have gone up much faster than by pension since 2008. The number of people on a state pension that are at the poverty line or below grows more each year. Another two year freeze just makes matters worse for far too many 75-90 year olds.

I have talked to a number of retired teachers since the Governor's proposed budget was released and his proposal is causing fear among many of them.

We suggest that instead of putting \$35 million into the rainy day fund, that we use this money to pay off the UAL and make sure that we have the resources in the biennial budget to provide COLAs for retirees. The sooner we can address the Governor's proposal to further harm retirees, the less stress and anxiety we will create among retirees.

Thank you

Crystal Ward, ~~2024-2025~~

# COVER SHEET

128<sup>th</sup> Maine State Legislature

Committee: Appropriations and Financial Affairs

Title: LR 2174 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year ending June 30, 2017

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Testimony Submitted By:

Name: Thomas H. Moore, III President  
Organization: Maine Educ Assoc. Retired  
Policy Area: Education  
Topic:

Wednesday, January 18, 2017

## **State of Maine Legislative Hearing on the Supplemental Budget**

**To: Committee on Appropriations and Financial Affairs**

**Senator James Hamper, Representative Andrew Gattine and Honorable Members of the Committee:**

I speak to you today on behalf of the 5,163 members of the Maine Education Association Retired. I am Tom Moore, their current President. Practically all of us live on fixed incomes derived from the monthly payments or set asides we made into our MainePERS retirement fund. A few of us depend on Social Security pensions and another group of us rely on a combination based partly on MainePERS pension payments and partly on Social Security. None of us chose a career in education because we were so deluded as to think we would make a financial killing and get rich quickly.

We became educators for the pure love of teaching because we loved working with eager, young minds. We thought we had chosen a noble career path to educate the future leaders and citizens of our society and communities to provide them with the skills and understanding so essential to the proper functioning of a modern economy and to assure an enlightened citizenry so essential to keeping the concept, practice and spirit of democracy alive and well in a republic such as ours.

We did expect, however, that we would be better appreciated and cared for in our retirement years as senior citizens. Many of us retired years ago when salaries were much lower. There is something inherently immoral and unjust in a budget proposal put forth by Maine's Chief Executive, which would seek to freeze the COLA for the next two years, especially after having frozen the COLA for the five years prior to these past two years. Our members are still reeling and have yet to recover the spending power loss in real dollars by losing the 15% increase in COLA dollars over the 5-year period. The proposed two-year COLA freeze becomes more inexplicable and reprehensible when coupled with proposed tax cuts for the wealthy, cuts in school funding and the total disregard of Question 2, which was passed by the voters.

What is the felicitous solution to our problem with the proposed two-year COLA freeze? The solution lies in the supplemental budget under current consideration. We strongly suggest, and urge you, to transfer the \$35 million in excess revenue from the current fiscal year to pay down the UAL (Unfunded Actuarial Liability), instead of moving this sum of money into the rainy day fund.

Thank you for your kind attention and consideration of our request.

Respectfully submitted,  
Thomas H. Moore III, President  
Maine Education Association Retired