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REP. KENNETH W. FREDETTE
REP. ELEANOR M. ESPLING

127TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

**LEGISLATIVE COUNCIL
MEETING SUMMARY - REVISED
October 23, 2014
Approved November 25, 2014**

CALL TO ORDER

Legislative Council Chair Mark Eves called the October 23, 2014 Legislative Council meeting to order at 1:59 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Alfond, Senator Jackson and Senator Katz

Absent: Senator Haskell and Senator Thibodeau

Representatives: Speaker Eves, Representative Berry, Representative McCabe and Representative Fredette

Legislative Officers: Darek Grant, Secretary of the Senate
Robert Hunt, Clerk of the House pro tem
Jennifer McGowan, Assistant Clerk of the House pro tem
Grant Pennoyer, Executive Director
Dawna Lopatosky, Legislative Finance Director
Jackie Little, Human Resources Director
Maureen Dawson, Acting Director, Office of Fiscal and Program Review
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Suzanne Gresser, Revisor of Statutes
John Barden, Director, Law and Legislative Reference Library
Nik Rende, Acting Director, Legislative Information Technology
Beth Ashcroft, Director, OPEGA

Speaker Eves convened the meeting at 1:59 p.m. with a quorum of members present.

SUMMARY OF SEPTEMBER 30, 2014 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for September 30, 2014 be accepted and placed on file. Motion by President Alfond. Second by Representative Berry. **Motion passed unanimous (7-0-0-2,** with Senators Haskell and Thibodeau absent).

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

Grant Pennoyer, Executive Director, reported on the following:

1. Dome Project

Final work on the State House Dome is progressing toward conclusion. Scaffolding remains in place to conclude the project. This week's weather has delayed the completion of the painting, but they plan on working this Saturday. The dismantling of the staging is now planned for November 3rd.

2. Parking Garage Update

After a delay in the receipt of the required materials to implement the project to extend the useful life of the parking garage, all indications are that the project will conclude by the revised end date of October 31st. The parking garage should be fully open for use on Monday, November 3rd.

3. West Wing Plumbing Issues

Work is progressing on fixing leaking pipes and fittings in the West Wing of the State House. The current work is concentrated in the Legislative Conference, the Welcome Center, the State House Café, the Governor's Office (staff offices above the welcome center and conference room) and the Governor's Cabinet room. Heating to those areas should be restored shortly as the piping replacement is nearing conclusion. Some further work will continue to repair access holes in the walls and floors. As was noted last month, a contracted assessment of the problems was recently concluded, which identified issues with the replacement heating and cooling plumbing system that replaced the initial installation for this purpose that failed shortly after the completion of the renovation of the West Wing. We are working on a further analysis of the extent of this problem and will report back when we have more information.

4. YMCA Youth in Government Program

The State YMCA of Maine will hold its annual civic education program on legislating for high school youth in the State House on Friday through Sunday, November 14-16, 2014. Planning for the program is underway.

5. Acting Director of the Office of Fiscal and Program Review

Maureen Dawson has been appointed as Acting Director of the Office of Fiscal and Program pending the appointment of the permanent Director. Recruitment for that position is currently progressing as rapidly as possible.

Fiscal Report

Maureen Dawson, Acting Director, Office of Fiscal and Program Review, reported on the following:

Revenue Update

Total General Fund Revenue - FY 2015 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$346.4	\$351.7	\$5.3	1.5%	\$318.8	10.3%
FYTD	\$675.1	\$685.0	\$9.9	1.5%	\$622.0	10.1%

General Fund revenue was over budget by \$5.3 million (1.5%) for September which added to the fiscal year to date positive variance. This positive variance is largely driven by \$5.8 million positive variance in the estate tax category and supported by a \$3.6 million positive variance in the corporate income tax category. The positive variances in these and other categories were partially offset by a negative variance of \$8.0 million in individual income tax receipts.

In August, a shortfall in income tax withholding receipts was largely responsible for a negative monthly variance in General Fund revenue. At the time, it was unclear as to whether the income tax issue was related to the year-end accrual offset, a timing issue or a more fundamental problem. There was a worsening of the negative variance in this category in September but the issue may still be one of timing related to the budgeted disbursement of predicted revenue - as opposed to evidence of a looming shortfall in the total revenue to be collected. October data and a new forecast by the Consensus Economic Forecasting Commission will be instrumental in determining whether the shortfall will continue and whether it may be a factor the upcoming revenue forecast.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2015 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$24.9	\$25.6	\$0.8	3.0%	\$26.0	-1.3%
FYTD	\$61.6	\$64.0	\$2.4	3.9%	\$62.8	1.8%

Highway Fund revenue was over budget by \$0.8 million (3%) in September which improves the picture for the fiscal year to date from what it was a month ago. The special fuel tax category was the primary driver of this improvement. It went from a \$0.93 million negative variance in August to a \$0.39 million positive variance in September. Monthly volatility is common for special fuel collections as they are due at the very end of the month, thus creating significant timing issues. The other contributor to the improvement in the Highway Fund performance was the gasoline tax category which went from a small (\$0.13 million) negative variance in the month of August to a small (\$0.15) million positive variance in the month of September. The gasoline tax category is less subject to timing issues than the special fuel tax category but more subject to factors such as personal income, weather and, most importantly, gas prices. If gas prices stay low then the small (1.3%) year-to-date variance is likely to continue to grow or at least hold steady.

Cash Balances

Total average balance in the cash pool was higher and General Fund internal borrowing was lower in September than it was last month and in the prior two Septembers. The timing of the balance of General Fund revenue and expenditures in the 2014-2015 Biennial Budget which necessitated a one-day borrowing at the end of Fiscal Year 2014 means that, if all else goes as

planned (such as revenue collections and cost savings initiatives), the need for internal borrowing should continue to decrease as the fiscal year progresses. And if all else does not go exactly as planned, a healthy balance in the cash pool will minimize the need for external borrowing.

Interim Legislative Studies Report

Marion Hylan Barr, Director, Office of Policy and Legal Analysis, reported as to the current status of the interim legislative studies and commissions. (Refer to status report in the agenda materials.) Ms. Hylan Barr reported that most commissions are either meeting or finishing up their work. She also brought Members attentions to the memo from the State Education and Employment Outcomes Task Force to extend its reporting deadline. Two other requests from commissions will be forthcoming.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

Legislative Council Chair Eves reported that the Personnel Committee met on October 23, 2014 to consider the following matters:

1. Nonpartisan Employee's Request for Position Reclassification.

The Personnel Committee reviewed the request and denied the position reclassification.

2. Update on Recruitment of Director, Legislative Information Technology

The committee received an update on the recruitment of the Director, Legislative Information Technology position.

3. Acting Director, Office of Fiscal and Program Review Position

Executive Director Pennoyer reported that Maureen Dawson has been selected to serve as Acting Director for the Office of Fiscal and Program Review.

4. Recruitment of Director, Office of Fiscal and Program Review

The committee received and approved the recruitment plan and schedule for the Director, Office of Fiscal and Program Review position.

5. Request for Temporary Disability Income Benefits for a Nonpartisan Staff Member

The committee considered a request by a Legislative employee for temporary disability income benefits. The request was consistent with the provisions for temporary disability income benefits under the Administrative Bargaining Unit guidelines. Upon the recommendation of the Executive Director, the committee voted unanimously to approve the request. No Legislative Council action is required.

6. Reappointment of Marion Hylan Barr as Director of the Office of Policy and Legal Analysis to a new 3 year term.

The committee tabled this item.

7. Step Increase for Suzanne Gresser, Revisor of Statutes.

The committee considered a step increase for Ms. Gresser. The Personnel Committee voted unanimously to approve a step increase for Ms. Gresser.

8. Proposed Changes to the Personnel Policies and Guidelines for Legislative Council Employees

A draft proposal of changes to the *Personnel Policies and Guidelines for Legislative Council Employees* was presented to the Personnel Committee for review.

2. State House Facilities Committee

No Report

3. State House Broadcasting Subcommittee

Representative Jeff McCabe, Chair, reported that the State House Broadcasting Subcommittee met on Wednesday, September 3, 2014 and again on Thursday, October 23, 2014 to consider the request from the Maine Public Broadcasting Network (MPBN) for funding of the *Maine Capitol Connection* (MCC) channel.

Mark Vogelzang, President and CEO of MPBN, was invited to present MPBN's written responses to the questions forwarded to MPBN by the committee on August 18th. Mr. Vogelzang went through MPBN's answers to the committee's questions, and responded to additional questions from the committee that were prompted by the discussion, including but not limited to: issues regarding ownership of equipment and content; viewership statistics and market demand; content and transmission control; and cost. The committee indicated that it would likely have additional follow-up questions, which would be transmitted to Mr. Vogelzang and his colleagues at MPBN.

After discussion during today's meeting, the committee voted to recommend that the Legislative Council decline funding for MPBN's request for a memorandum of understanding for cost-sharing of the MCC channel. The subcommittee further suggested that the State House Facilities Committee continue to have discussions with MPBN on how to improve state-owned broadcasting equipment to improve broadcast quality.

Motion: That upon the recommendation of the State House Broadcasting Subcommittee, the Legislative Council decline the request from Maine Public Broadcasting Network to provide funding through a fee-for-service contract for continued operation of the *Maine Capitol Connection* Channel; and further that the Legislative Council direct the State House Facilities Committee and the Executive Director to continue to have discussions with MPBN on how to improve state-owned broadcasting equipment to improve broadcast quality. Motion by Representative McCabe. Second by Senator Jackson. **Motion passed unanimous (7-0-0-2,** with Senators Haskell and Thibodeau absent).

Speaker Eves expressed his appreciation to MPBN and his support of more discussions to be held as stated in the motion. Representative Fredette suggested that a review of the long-term implications of any type of funding for this channel in terms of the Legislature's budget be undertaken.

OLD BUSINESS

None

NEW BUSINESS

Item #1: Announcement of the Single Audit

The Office of the State Auditor announced that it is conducting the Single Audit for the State of Maine for the year ended June 30, 2014. The Single Audit is an audit of the State's financial statements and major federal assistance programs. The report is expected in late December 2014.

Item #2: Request from the State Education and Employment Outcomes Task Force

Mr. Pennoyer reviewed the request from the State Education and Employment Outcomes Task Force to hold a meeting after its current report deadline and to extend its final reporting deadline to December 1, 2014.

Motion: That the Legislative Council approve the request from the State Education and Employment Outcomes Task Force to hold a meeting after its current report deadline and to extend its final reporting deadline to December 1, 2014. Motion by Representative Fredette. Second by President Alford. **Motion passed unanimous (7-0-0-2**, with Senators Haskell and Thibodeau absent).

Item #3: Report: 2014 Trade Policy Assessment prepared for the Maine Citizen Trade Policy Commission

The Maine Agriculture and Food Systems in the Transatlantic Trade and Investment Partnership prepared the *2014 Trade Policy Assessment* for the Maine Citizen Trade Policy Commission.

ANNOUNCEMENTS AND REMARKS

Speaker Eves announced that the next Legislative Council meeting is scheduled for Thursday, November 20, 2014 at this time.

With no other business to consider or announcements, the Legislative Council meeting was adjourned at 2:24 p.m.