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130TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. ELOISE A. VITELLI
SEN. MATTHEA DAUGHTRY
SEN. JEFFREY L. TIMBERLAKE
SEN. MATTHEW POULIOT
REP. MICHELLE DUNPHY
REP. RACHEL TALBOT ROSS
REP. KATHLEEN R.J. DILLINGHAM
REP. JOEL STETKIS

**LEGISLATIVE COUNCIL
MEETING SUMMARY
November 18, 2021
Approved January 27, 2022**

CALL TO ORDER

Speaker Fecteau called the November 18, 2021 meeting of the 130th Legislative Council to order at 10:28 a.m. in State House Room 228.

ROLL CALL

Senators: President Jackson, Senator Vitelli, Senator Daughtry, Senator Timberlake and Senator Pouliot

Representatives: Speaker Fecteau, Representative Dunphy, Representative Talbot Ross,

Absent: Representative Dillingham, Representative Stetkis

Legislative Officers: Darek Grant, Secretary of the Senate
Robert Hunt, Clerk of the House
Suzanne M. Gresser, Executive Director
Edward Charbonneau, Revisor of Statutes
Christopher Nolan, Director, Office of Fiscal and Program Review
Nik Rende, Director, Office of Legislative Information Technology

Speaker Fecteau convened the meeting at 10:28 a.m. with a quorum of members present.

Speaker Fecteau expressed his intention to take items on the agenda out of order, without objection. The Speaker then moved to New Business, Item #2.

NEW BUSINESS

Item #2: Procedures for Deciding Appeals of Legislative Bill Requests and Consideration of Appeals of Bill Requests for the Second Regular Session.

Ms. Gresser reviewed the procedures for the review of Legislative Bill Requests and the proposed protocol for deciding those requests.

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Motion: That the Legislative Council approves the proposed protocol for deciding Appeals of Legislative Bill Requests. Motion by Senator Timberlake. Second by Rep. Talbot Ross. **Motion passed unanimously (8-0-0-2,** with Representative Dillingham and Representative Stetkis absent).

The Legislative Council proceeded to consider and vote on a number of appealed bill requests. During the consideration of appeals, Speaker Fecteau briefly turned the gavel over to President Jackson, who paused consideration of appeals and returned to the printed agenda to take up the summary of the October 25, 2021 meeting and reports of office directors.

SUMMARY OF OCTOBER 25, 2021 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for October 25, 2021 be accepted and placed on file. Motion by Senator Vitelli. Second by Senator Daughtry. **Motion passed unanimously (7-0-0-3,** with Speaker Fecteau, Representative Dillingham and Representative Stetkis absent).

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Fiscal Report

Chris Nolan, Director of the Office of Fiscal and Program Review, presented the following report.

1. General Fund Revenue Update

Total General Fund Revenue - FY 2022 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Change
October	\$357.5	\$421.8	\$64.2	18.0%	\$366.4	15.1%
FYTD	\$1,515.4	\$1,708.7	\$193.3	12.8%	\$1,387.0	23.2%

General Fund revenue was over budget by \$64.2 million (18.0%) for the month of October and over budget by \$193.3 million (12.8%) for the fiscal year to date.

Individual income tax revenue was over budget by \$24.8 million (16.2%) for the month and by \$53.1 million (7.9%) for the fiscal year to date. For the month of October, a negative variance in individual income tax withholding was offset by positive variances in the other individual income tax lines, and for the fiscal year to date, only individual income tax refunds (more refunds paid than budgeted) was experiencing a negative variance. Corporate income tax revenue was over budget by \$15.1 million (151.3%) for the month and by \$50.4 million (73.4%) for the fiscal year to date. Sales and use tax revenue for October (September sales) was over budget by \$21.9 million (13.3%) for the month and by \$91.6 million (13.2%) for the fiscal year to date.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2022 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Change
October	\$30.6	\$29.6	(\$0.9)	-3.1%	\$29.9	-1.0%
FYTD	\$117.9	\$121.4	\$3.5	3.0%	\$116.2	4.5%

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Highway Fund revenue was under budget by \$0.9 million (-3.1%) for the month of October but over budget by \$3.5 million (3.0%) for the fiscal year to date.

Fuel taxes were under budget by \$1.1 million for the month but over budget by \$1.4 million (1.8%) for the fiscal year to date. Motor vehicle registrations and fees were slightly below budget for the month but over budget by \$1.4 million (4.1%) for the fiscal year to date.

3. Cash Balances Update

The average balance in the cash pool for October was \$3,800.1 million, an increase from September's average of \$3,758.8 million. The increase was largely the result of increases in the General Fund and Independent Agency Funds balances partially offset by a decrease in Highway Fund balances. The average Highway Fund balance in October was \$38.2 million, a decrease from September's average of \$52.4 million, largely reflecting construction season spending.

4. Economic and Revenue Forecast Meetings

The Consensus Economic Forecasting Commission (CEFC) met on Friday, October 29th to review and update the economic forecast for its November 1st report. The CEFC made relatively minor changes to its April 2021 forecast. Of particular note, the CEFC forecast for personal income was revised up in all years - from 5.0% to 5.2% in 2021, from 0.2% to 0.5% in 2022, from 4.1% to 4.6% in 2023, from 4.3% to 4.8% in 2024 and from 4.5% to 4.6% in 2025. These revisions reflect stronger assumed wage growth for 2021 through 2024. The CEFC also revised its forecast for the Consumer Price Index (CPI) up for 2021 and 2022, from 2.4% to 4.4% in 2021 and from 2.2% to 3.5% in 2022, leaving 2022 through 2025 unchanged at 2.1% annually. This change reflects higher inflation in recent months due to several forces that the CEFC expects will continue through early 2022, including an uptick in consumer spending due to pent-up demand, supply bottlenecks and rising energy prices.

The CEFC summary of the major changes follows. The Revenue Forecasting Committee (RFC) is scheduled to meet November 23rd to review and update the revenue forecast to comply with its statutory reporting date of December 1st.

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November 2021 vs. April 21 CEFC Forecast

Calendar Years	2020	2021	2022	2023	2024	2025
Wage & Salary Employment (Annual Percentage Change)						
CEFC Forecast 02/2020	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%
CEFC Forecast 04/2021	-6.4%	4.0%	2.3%	0.7%	0.1%	0.1%
CEFC Forecast 11/2021	-6.4%	3.7%	2.3%	1.0%	0.7%	0.7%
Difference 11/21 vs. 4/21	0.0%	-0.3%	0.0%	0.3%	0.6%	0.6%
Personal Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1%	4.0%	3.7%	3.5%	3.5%	3.5%
CEFC Forecast 04/2021	7.6%	5.0%	0.2%	4.1%	4.3%	4.5%
CEFC Forecast 11/2021	7.9%	5.2%	0.5%	4.6%	4.8%	4.6%
Difference 11/21 vs. 4/21	0.3%	0.2%	0.3%	0.5%	0.5%	0.1%
Wage and Salary Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1%	3.7%	3.4%	3.2%	3.2%	3.2%
CEFC Forecast 04/2021	1.4%	5.0%	4.0%	4.0%	4.0%	4.0%
CEFC Forecast 11/2021	2.9%	5.5%	5.0%	5.0%	5.0%	4.0%
Difference 11/21 vs. 4/21	1.5%	0.5%	1.0%	1.0%	1.0%	0.0%
CPI (Annual Percentage Change)						
CEFC Forecast 02/2020	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
CEFC Forecast 04/2021	1.2%	2.4%	2.2%	2.1%	2.1%	2.1%
CEFC Forecast 11/2021	1.2%	4.4%	3.5%	2.1%	2.1%	2.1%
Difference 11/21 vs. 4/21	0.0%	2.0%	1.3%	0.0%	0.0%	0.0%

From CEFC October 29, 2021 Meeting

Studies Report

Danielle Fox, Director, Office of Policy and Legal Analysis, submitted the written studies report found in the agenda packet.

Following the reports of the Office Directors, President Jackson turned the gavel over to Speaker Fecteau, who returned to complete **New Business, Item #2, Consideration of Appeals for Bill Requests for the Second Regular Session.**

The Legislative Council proceeded to consider and vote on one hundred five (105) appealed bill requests in accordance with the adopted protocol, and using an electronic voting system. The Legislative Council authorized forty-six (46) bills for introduction in the Second Regular Session, tabled one (1) request, and declined to authorize fifty-three (53) bill requests. Five requests (5) bill requests were withdrawn by the sponsor. The Legislative Council's action on the bill requests is attached.

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Speaker Fecteau moved to Old Business, Item #1.

OLD BUSINESS

Item #1: Consideration of Tabled Bill Requests from the October 25, 2021 Legislative Council meeting

The Legislative Council proceeded to consider and vote on several of the bill requests that were tabled at its October 25, 2021 meeting. The Council authorized introduction of one (1) bill request, declined to authorize two (2) bill requests, and took no action on one (1) tabled bill request. The Legislative Council's action on the requests is attached.

NEW BUSINESS

Item #3: Acceptance of the Annual Report of the Loring Development Authority of Maine

The Loring Development Authority of Maine submitted its annual report for acceptance by the Legislative Council.

Motion: That the Legislative Council accepts the Annual Report of the Loring Development Authority of Maine and will place it on file. Motion by President Jackson. Second by Representative Dun. **Motion passed unanimously (8-0-2)** with Representative Dillingham and Representative Stetkis absent.

ANNOUNCEMENTS AND REMARKS

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 2:36 p.m.