



SEN. CRAIG V. HICKMAN, SENATE CHAIR
REP. ANNE-MARIE MASTRACCIO, HOUSE CHAIR

MEMBERS:

SEN. MIKE TIPPING
SEN. JILL C. DUSON
SEN. JEFF TIMBERLAKE
SEN. RICK BENNETT
SEN. BRADLEE T. FARRIN
REP. ANN HIGGINS MATLACK
REP. ADAM R. LEE
REP. MICHAEL H. LEMELIN
REP. CHAD R. PERKINS
REP. JOHN M. EDER

MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

MEETING SUMMARY
May 9, 2025

Call to Order

The Chair, Senator Hickman, called the Government Oversight Committee to order at approximately 9:39 a.m.

ATTENDANCE

Senators: Senator Hickman, Senator Bennett, Sen. Farrin (attended via Zoom),
Senator Tipping, and Senator Timberlake

Representatives: Representative Mastraccio, Representative Eder, Rep. Lee,
Representative Lemelin, and Representative Matlack

Legislative Staff: Peter Schleck, Director, OPEGA
Jennifer Henderson, Senior Analyst
Kari Hojara, Senior Analyst
Jennifer Greiner, OPEGA Administrative Secretary/GOC Clerk

Others: Matt Dunlap, State Auditor
Daniel Brennan, Director of MaineHousing
Erik Jorgensen, MaineHousing's Senior Director of Communications and
Government Relations

Introduction of Committee Members

The members of the Committee introduced themselves.

New Business

(To watch this meeting - the recorded Live Stream can be viewed here: [May 9, 2025, GOC Meeting](#))

Meeting Summary – April 25, 2025

(A copy of this Meeting Summary can be found here: [April 25, 2025, GOC Meeting Summary](#))

The Committee accepted and approved this meeting summary.

Single Audit Results for Fiscal Year 2024

Sen. Hickman invited State Auditor Matt Dunlap for a discussion with the Committee of his findings arising out of the Single Audit of the State of Maine for the fiscal year ending June 30, 2024.

A copy of this report may be found here: [State of Maine Single Audit FY 2024](#)

Mr. Dunlap stated there has been great interest this year in the results of the Single Audit Report. Mr. Dunlap stated the Report is incredibly important work and welcomes the opportunity to discuss the work of the Office of State Auditor and explain some of the process.

Mr. Dunlap noted there were 76 Discrete Findings included in the Single Audit Report.

Mr. Dunlap said the Office of State Auditor work is divided primarily into two components; the Financial Audit of the state's financial documents for the previous fiscal year which is usually completed by the middle of December, and Compliance work. Mr. Dunlap noted the Office of State Auditor, OSA, was established in 1907, with an audit function existing in the state government since the 1870's. Mr. Dunlap stated that since the 1930's the office's work has revolved around helping governmental entities become more efficient and more compliant with regulations.

Mr. Dunlap stated the work of the OSA is very different than the work of OPEGA, which evaluates the effectiveness of programs and agencies, whereas OSA evaluates compliance. Mr. Dunlap stated that as the federal government has become more involved in governmental affairs at the state level, a lot of money now flows to the states through various departments and those departments have to follow the rules set by the federal departments in using the federal funds.

Mr. Dunlap then presented to the Committee a document OSA supplies to auditees when going through the entrance conference. Mr. Dunlap also noted the agencies OSA selects to audit are mostly done through a formula of major programs, based on how much agencies spend in federal dollars, and the current threshold is \$750,000.

The document shared with the Committee may be found here: [Steps of the Federal Compliance Audit and Finding Process](#)

Mr. Dunlap stated it is up to OSA to point out a compliance problem, but it is up to the custodians of the programs and their federal partners to decide if the problem(s) found is significant enough to act on or not.

Mr. Dunlap added the worst that can happen from an audit is the federal government can determine there is material noncompliance and questioned costs which could result in the federal government taking back funds, however Mr. Dunlap noted this has not happened for over 10 years.

Sen. Hickman asked Mr. Dunlap, if on a scale of 1 to 10, what is the cooperation threshold of getting information needed from the auditees to perform the audit.

Mr. Dunlap answered the cooperation from auditees is over a 9, adding OSA depends on the cooperation of the agencies in order to do the work.

Rep. Mastraccio asked Mr. Dunlap what is the role of the Legislature with the Single Audit, as well as what is the role of the Legislature with the follow up after the findings are released, particularly with the standing committees.

Mr. Dunlap stated the role of the Legislature depends on what the Legislature wants to do, or how active an oversight committee is. Mr. Dunlap stated the Legislature is now in possession of the Single Audit Report, and in terms of fixing issues, the Legislature has a prominent role as the branch of government that writes the budget and provides oversight and guidance to agencies. Mr. Dunlap stated it is the duty of the executive to execute the mandates, and when accepting federal funds, the state is also accepting all the rules of compliance associated with the funds.

Mr. Dunlap stated the oversight committees can also ask the affected agency questions about what they are doing to correct the problems, and what assistance the agency would need from the Legislature.

Rep. Mastraccio asked Mr. Dunlap if he has received requests from committees of oversight to attend a meeting to discuss the findings of interest to their committee.

Mr. Dunlap stated he has not heard from committees of oversight as of today, however he believes once the OSA transmits the report of individual findings by policy committee noting the disagreements between OSA and the auditee there will be more interest from the policy committees.

Sen. Timberlake asked Mr. Dunlap to explain the process of deciding what is audited and what is not, how the sample size of documents from an agency are determined, and how OSA's process compares to a private company audit.

Mr. Dunlap stated OSA eventually touches everything and performs the Audit and Comprehensive Financial Reports. Mr. Dunlap stated that in terms of how OSA selects what is audited, some programs are automatically part of the audit due to the size of the program. Mr. Dunlap added that sometimes OSA performs audits on smaller projects, for example procurement cards. In terms of the sample size looked at during an audit, Mr. Dunlap stated there is a formula of non-statistical random samples that is followed. Mr. Dunlap stated the sample size of Procurement Services for the current report was 45, adding Procurement Services has contracts totaling about \$2.1 billion with the sample size of 45 representing less than \$8 million. Mr. Dunlap stated OSA found material weaknesses and some pervasive things that if this were to be extrapolated out to the total contracts, there is significant risk.

Sen. Timberlake asked Mr. Dunlap how he should communicate with the public that the Procurement Services contracts of \$2.1 billion are being handled correctly by the state, and have the public trust the state government in this matter after this Report's findings, adding he hears concerns from the public.

Mr. Dunlap stated the short answer is the Legislature and the Committee can exercise an oversight role, adopt legislation, work with the agencies and make sure they take corrective action. Mr. Dunlap added the longer answer is more complex, involving digging into the findings.

Sen. Timberlake stated OSA has identified there is a problem with Procurement Services, however, how does the Legislature build trust in the general public in what the state government is doing, and what does the GOC or the Legislature do as the next step to correct the identified problems to make sure they do not continue to happen.

Mr. Dunlap suggested working with the agencies and asking questions such as "why was this out of compliance". Mr. Dunlap stated the OSA cannot consider that the agency might be short staffed, or have a hard time finding qualified supervisors which may be a reason for some of the findings.

Sen. Farrin asked Mr. Dunlap if this Report contains the worst or most inefficiencies or concerns, and how would he compare this Report to previous years' reports.

Mr. Dunlap stated every report is different and it is difficult to compare from year to year. Mr. Dunlap stated the previous Report had 92 findings and this Report had 76 findings, adding this does not typify a trend. Mr. Dunlap also stated in recent years there has been a lot of federal funding due to the pandemic, and he believes that is one of the reasons there has been an increase in findings in recent years.

Sen. Farrin asked Mr. Dunlap about the Report findings, where the report had about 45 significant program deficiencies, and did Mr. Dunlap find anything in the Report where he really felt the committees of jurisdiction, the administration, or the attorney general needed to be aware of.

Mr. Dunlap stated all the findings in the Report are important, adding OSA finds the problems, but it is up to committees of jurisdiction, the administration, and the Legislature to fix the problems. Mr. Dunlap added it is instructive to say what the findings represent, and what they do not represent. Mr. Dunlap stated the report findings are serious, and whether there is legislative oversight or not, it is up to the agency directors or commissioner to make sure the problems are addressed as the problems involve federal compliance for federal funds. Mr. Dunlap also stated there could be disagreements on the findings, or even disagreements over who has the responsibility for compliance for a certain area from the agencies involved. Mr. Dunlap added the federal partners who supply the resources do look at these reports, adding OSA has already received some inquiries from federal agencies with questions about this Report, which OSA typically tries to answer but mostly refers to the agency to answer these questions.

Rep. Lemelin asked Mr. Dunlap whether there were repeating violations found from the previous Report, and if repeat violations were found, what is done about it.

Mr. Dunlap stated out of the 76 findings, there were about 51 repeat findings, not necessarily year after year, some findings were also found in other recent years' audits, adding OSA has not observed agencies willfully ignoring compliance areas.

Mr. Dunlap also stated OSA is not suggesting Procurement Services spent any money improperly or that any money was misspent or misappropriated but there was risk that it could happen due to the findings of the Report. Mr. Dunlap stated OSA tested 45 contracts and found material weaknesses, including a lack of supervisory oversight, existing policies and procedures were not enforced and recommended that the Office of State Procurement Services increase oversight to enforce federal and state regulations, standards, and existing policies and procedures regarding review and approval of procurement documents.

Sen. Timberlake asked Mr. Dunlap if the same findings, with regard to Procurement Services, were found the previous year.

Mr. Dunlap stated that the same auditor does not necessarily do the same work year after year in the same agency in order for each year's audit to have fresh eyes, and if repeat findings are found it is done honestly.

Sen. Hickman asked Mr. Dunlap if there have been more findings in previous years, before this year's Report, of allowing departments to engage vendors for work prior to approved signatures on a contract, or if that is a new finding.

Mr. Dunlap answered Sen. Hickman and stated there were no prior year findings, so he would say that is new.

Sen. Hickman asked Mr. Dunlap his emotional response to departments engaging vendors for work before approved signatures on a contract.

Mr. Dunlap stated the auditing work goes through significant vetting before the findings are sent to the auditee, therefore he knows the work has been thoroughly done and that people have reviewed the work, finding the deficiency significant enough to report. Mr. Dunlap stated that his own emotional response or impression is not relevant, adding questions are best put to the agency including what do they think people will think of the finding, and what are they doing to correct it, if anything, or is it simply a misunderstanding. Mr. Dunlap also stated there are risks involved in doing audits, risks of missing something or misinterpreting something.

Sen. Hickman asked if the findings of the Report presume that payments were made to vendors before approved signatures on contracts were obtained.

Mr. Dunlap stated that in the sections of findings in Procurement Services it was demonstrated that vendors were paid before approved signatures were on contracts in some cases.

Sen. Farrin asked Mr. Dunlap about the section of the report about "Corrective Action" and some of the repeat of previous year findings, and whether any of the agencies submitted corrective actions and is there a way to measure whether the corrective actions were followed.

Mr. Dunlap stated there should be corrective action plans submitted in the Single Audit document in a separate section as they are not always tied together before the document is sent to the federal clearinghouse. Mr. Dunlap added in regards to Procurement findings, there was a Corrective Action Plan identified and is in the Single Audit at number F-11, noting the agency did agree with some of the findings, but not all.

Sen. Farrin stated that the Legislature's role now is follow up which includes the Corrective Action Plan and whether there is correction and progress.

Rep. Lee asked if the follow up work is to be done by the committee of oversight of the agency that has the deficiency.

Mr. Dunlap agreed with Rep. Lee, and also stated that every department commissioner answers to the chief executive, which is the first line of compliance defense, and the oversight committees follow up on issues they are concerned with.

Sen. Timberlake asked Mr. Dunlap, as a certified auditor, if he had gone into a private company and found the same results as with Procurement Services, how would he report the irregularities and what concerns would he have brought to upper management in this situation, adding the findings are very concerning and that at some point a company would go out of business.

Mr. Dunlap stated that "going out of business" is a question that OSA addresses in this context, is state government equipped to continue. In response to the private business questions from Sen. Timberlake, Mr. Dunlap stated he is a certified internal auditor, which happens in the private sector and is required by federal law of publicly traded companies. Mr. Dunlap stated an internal auditor does not work for management but the board of directors. Mr. Dunlap explained in public compliance auditing, the shareholders are the taxpayers of Maine, the board of directors is the Legislature, and the management is the executive. Mr. Dunlap added that OSA is not trying to catch people, rather they are trying to help them improve by helping agencies operate more efficiency and with transparency and get better information to the people who depend on them.

Sen. Timberlake stated the problem he is beginning to see is when he looks at an \$11.3 billion budget with the concern that the \$2.1 billion is in question, but noted that in Mr. Dunlap's private business example, the board of directors is the Legislature, Sen. Timberlake stated he believes this is where the GOC can be involved and look at the Report as a whole to determine if there is really a problem or not.

Mr. Dunlap stated that it is up to the Legislature to ask questions, noting there are experts who work in the state agencies and the experts should be relied on to do their work and explain the work so the Legislature can give assurance to people of the state the programs are being conducted in accordance with law, procedure and rule.

Sen. Timberlake asked Mr. Dunlap what is his solution to this problem, which has grown in the last six years, and do we need to change the way things function at DAFS, adding that he understands the job of the auditor is not to give solutions. Sen. Timberlake stated there is something wrong with the system and DAFS today, and asked what needs to be changed.

Mr. Dunlap stated the answer to Sen. Timberlake's questions is having these discussions. Mr. Dunlap also stated that a lot of work goes into things like the Comprehensive Financial Report and the Single Audit Report, but does anyone read it. Mr. Dunlap stated the agencies that are audited read the report and are responsible for making the corrections needed. In terms of when to intervene with a large system, Mr. Dunlap stated it can start with any citizen asking questions.

Rep. Lemelin stated his concern is accountability. Rep. Lemelin noted that since the Report was released, Mr. Dunlap has been before the State and Local Government Committee as well as Appropriations. Rep. Lemelin stated that he has had conversations with colleagues on those committees that they were not allowed to ask Mr. Dunlap the questions they wanted to. Rep. Lemelin added that as he is not on the Committee of State and Local Government or the Appropriations Committee, he may not know the right questions to ask about the Report.

Mr. Dunlap stated he was a Committee Chair for several years and is sure people could have found plenty wrong with the way he ran his committee, and so he did not speak about those committee's chairs decision to not allow questions.

Sen. Hickman stated that Mr. Dunlap just spoke about the need for people to ask questions, and that is the process to discover what may need to be fixed. Sen. Hickman asked Mr. Dunlap if he has been asked questions in the hallways or a committee room that he would like to answer before this Committee.

Mr. Dunlap stated he has been asked a lot of questions, especially in the hallways, adding he has been able to answer questions he would like to answer. Mr. Dunlap noted one of the questions that did come up which he was able to answer privately and publicly was the issue of redacted findings. Mr. Dunlap stated the reason some findings of the Report are redacted are that they involve very sensitive information. Mr. Dunlap added the unredacted versions are made available to the agency involved.

Rep. Lee stated that it seems like this is the worst time of the session for important questions to be asked because of the amount of committee work and lack of time. Rep. Lee stated he wonders if it's a better time to ask these questions of the auditor by the committees after the session.

Sen. Hickman stated he appreciates Rep. Lee's thoughts but committees of jurisdiction do not control the approval needed to meet during the interim in order to ask those questions, adding the Maine Legislature is a part-time Legislature.

Rep. Mastraccio stated she believes committee work should continue year-round. Rep. Mastraccio added that the Legislature has a role in assuring the taxpayers of the state that reports such as this Single Audit Report are followed through. Rep. Mastraccio stated that the Legislature now requires quasi government agencies to report back on a report of their agency, noting maybe a report back on how the Legislature follow through on this Audit Report should be done. Rep. Mastraccio stated that perhaps a recommendation the GOC can make is to the committees of oversight to meet more frequently during the interim.

Rep. Lee stated the discussion is perhaps iterating a possible process, adding the idea is similar to what Appropriations and Financial Affairs does with Legislative committees by bringing in them into budget work meetings. Rep. Lee stated perhaps the GOC could have meetings *with* policy committees that have the oversight function of the agencies noted in the Single Audit Report.

Sen. Tipping stated as he reviewed sections of the Report, he noticed staffing issues and turnover issues in some of the departments, noting that has been happening in many areas of state government. Sen. Tipping asked if there was a centralized accounting and compliance staff that can help out in different areas as is done with IT across state government.

Mr. Dunlap stated that many agencies have their own audit offices, but as to what happens within state agencies it depends on the size of the agency and what resources they have. Mr. Dunlap noted the staff turnover issue is a systemic issue, adding it is difficult for agencies to offer competitive pay. Mr. Dunlap also stated that once people begin working in the government, they usually look for a way to advance into other jobs. Mr. Dunlap stated OSA looks into compliance only, not other issues such as staffing.

Sen. Farrin stated the deficiencies that stood out to him were the evasion of competitive bidding of contracts by some agencies stacking the low service contracts. Sen. Farrin acknowledged it is the role of OSA to identify this. Sen. Farrin asked if OSA discovered if there were any ties of those stacked low service contracts to someone within the agency or any other irregularities other than just not following the competitive bidding process, and did OSA dig any deeper to find the root cause of where those contracts went to.

Mr. Dunlap stated the cause of the deficiency is not properly documenting procedures or following procedures and that is what OSA focuses on. Mr. Dunlap stated as far as what is in the work papers for specific contracts and specific vendors, that is confidential information and belongs to the agency. Mr. Dunlap stated the smaller contracts that are apparently stacked is a documentation issue. Mr. Dunlap added the sole source contracting issue was in many cases a lack of review and is up to the agency to answer as to why that happened.

Sen. Hickman asked if the vendors who received contracts outside of the competitive bidding process are confidential to the people of the state of Maine.

Mr. Dunlap stated that OSA does not release that information, adding it is in OSA's work papers which are not public. Mr. Dunlap stated that information is in the custody of the agency.

Sen. Hickman asked if an agency could be compelled to produce the information regarding contracts outside of the competitive bidding process.

Mr. Dunlap stated that the agency could be asked for that information but does not know what the ability is to compel anyone to do anything.

Sen. Hickman stated he understands that OSA's work papers are confidential, adding he would have Director Schleck look into the law to make sure that things like contracting outside of the competitive bidding process are not the kinds of information that cannot be compelled to be provided.

Sen. Hickman asked Mr. Dunlap if he could confirm or deny or take no position on whether or not the material weakness findings regarding the Office of the State Procurement Services in the Report represents any evidence of potential cronyism or corruption.

Mr. Dunlap answered Sen. Hickman stating "the answer is no".

Sen. Hickman thanked Mr. Dunlap for being at the meeting today.

Sen. Hickman noted that during the 131st Session, the GOC did have a joint meeting with the Criminal Justice and Public Safety Committee held in the Appropriations Committee room so both committees could meet to discuss an issue that had come before the GOC. Sen. Hickman stated he is always in favor of joint public hearings, or joint committee work sessions, noting the Joint Rules allow for this, and perhaps it is not utilized enough. Sen. Hickman suggested the Committee work towards joint meetings going forward, stating he believes it would be more efficient for some matters.

Response to Committee Questions – Home Energy Assistance Program

Sen. Hickman next welcomed back Director Daniel Brennan of the MaineHousing Authority and Erik Jorgensen, MaineHousing’s Senior Director of Communications and Government Relations to provide follow up on the prior discussion on March 28th of this year, including some questions from the Committee on the administrative costs associated with the Home Energy Assistance Program.

Director Brennan stated during the March 28th GOC Meeting, he was asked to provide the Committee a more global picture of the administrative and program delivery costs of the Home Energy Assistance Program, also known as LIHEAP, and today he was able to present more detailed information that he hopes will answer the Committee’s questions.

Director Brennan provided four charts detailing the LIHEAP Program Year 2025 Budget and Allocated funds. These charts may be found here: [LIHEAP Program Year 2025 Charts](#)

Director Brennan then went over each chart with the Committee.

Director Brennan stated in summary, around 24% of the LIHEAP grant is spent on administrative costs and program delivery costs. Director Brennan stated that despite the relatively high percentage, he noted that the requests from the Community Action Programs to cover administrative and delivery costs would have been over 40% of the grant, which Director Brennan stated he could not approve. Director Brennan stated he does not blame the CAPs for requesting the amount of funds they have as they were simply stating what it would cost to serve the demand for assistance they expected. Director Brennan added there are not enough funds to properly staff the CAPs so they can meet the demand in a timely manner which results in delays of the program.

Director Brennan stated that despite delays in processing applicants, an average of just under \$700,000 a week has been distributed by LIHEAP, helping thousands of households with heating costs.

Director Brennan stated that currently the CAPs and MaineHousing are working on a revised model of program delivery for next year, allowing for streamlining of backroom operations among the CAPs, with partnerships forming between the larger and more urban CAPs with the small and more rural CAPs.

Director Brennan stated he believes next year will see an improvement with LIHEAP, however he fears, even with these improvements that without an increase in the grant allowing for more administrative and program delivery funds, MaineHousing will need to look at some significant changes to meet the crunch that happens every year. Director Brennan stated this may mean reducing the number of households LIHEAP is able to serve so the funds can be used in a more meaningful way.

Director Brennan noted that the program has been slated for elimination in the President's budget, however Congress can act to fund the program in the coming weeks and months. Director Brennan stated this also happened during the President's first term and Congress voted to fund the program. Director Brennan stated he expects the program to be funded, though the amount is uncertain. Director Brennan added this is a national program and serves both heating and cooling states and has a lot of support in Congress from both parties.

Rep. Mastraccio stated she was surprised, when looking at the numbers on the document provided, of the need for this program, noting almost 5,000 households that were served in Aroostook County alone, and if these programs are cut there will be a lot of people affected.

Director Brennan stated MaineHousing takes this very seriously, and for next year's program they have to wait for Congress to do its work, noting if the Board of Commissioners decides to continue the program as it has been, without changes, MaineHousing will work to improve efficiency with the administrative side as much as possible.

Rep. Mastraccio stated her concern is the federal budget may not be finalized until October, and the application process for LIHEAP benefits begin in July and people may not understand this gap.

Director Brennan stated MaineHousing will have to work on messaging to the public as Congress does its work, adding it is very common to take applications for the program beginning in July with federal funds not arriving until mid-November. Director Brennan stated this is something they have dealt with in the past and they strive to make sure people are aware of the situation as well as advocate for Congress to do its work.

Mr. Jorgensen stated the Maine federal delegation is very aware of this and Senator Susan Collins is a great leader for this program and has brought up this issue publicly. Mr. Jorgensen stated they have received guidance already to keep working on the plan for next year, adding he thinks the people who are administering the federal program do not want this program to go away.

Sen. Hickman thanked Director Brennan and Mr. Jorgensen for coming to the meeting today.

Sen. Hickman stated normally at this time the chair would inquire whether the Committee wanted to move forward with any further requests for review for OPEGA to look into, however the original requestor, Rep. Perkins, was unable to be at today's meeting, so, without objection, the Committee will take no further action on this item at this time and return to this matter in a future meeting.

OPEGA Tax Team Update

Sen. Hickman next welcomed OPEGA Senior Analysts Jen Henderson and Kari Hojara to provide the Committee an update on a range of tax-related matters.

Ms. Henderson stated she and Ms. Hojara have some brief updates for the Committee today, and are happy to explore any topics in further detail if the Committee would like.

Ms. Henderson stated the Committee had asked the OPEGA tax team to bring an update on a couple of new provisions that went into statute in the 131st Legislature in the Tax Expenditure review process, which included the 30-Day (“Limited Analysis”) Projects that were enacted to allow the Taxation committee to request OPEGA to conduct a very limited review of a particular topic area subject to GOC approval, and the process via which some bills that enact or amend tax expenditures must now be reviewed by the Tax Committee to assess whether they adequately set up the expenditure and which also allows for a consultation with OPEGA.

Ms. Henderson stated neither of these new processes has occurred yet during this session. Ms. Henderson stated OPEGA has been coordinating with fellow nonpartisan staff in OPLA and OFPR to have a plan to stay in communication as needed about these new provisions.

Rep. Matlack stated the Tax Committee, of which she is a Member, has hesitated to ask OPEGA for a 30-Day Review because the process of requesting that review takes too long. Rep. Matlack stated the Tax Committee would need to request permission from the GOC for OPEGA to do a 30-Day Review, noting the Tax Committee believes it would involve a longer timeline than is necessary.

Sen. Hickman thanked Rep. Matlack for that insight and asked Mr. Henderson if she had a response.

Ms. Henderson stated the process, as outlined in statute, is the Tax Committee makes the request, which takes time for that committee to formulate what they are requesting, then the request comes to the GOC to be considered and if approved, then OPEGA would begin working on it. Ms. Henderson noted there is some time involved before it gets to OPEGA.

Rep. Mastraccio asked Rep. Matlack if there was a matter the Tax Committee considered might be appropriate for the 30-Day Review but decided not to do, or was it a general decision not to ask for a 30-Day Review.

Rep. Matlack stated the Tax Committee had a couple of issues that might fit in the 30-Day Review process, however they decided it would take too long.

Rep. Mastraccio asked if the Tax Committee has meetings during the Interim.

Rep. Matlack stated the Tax Committee can meet in the Interim if the meeting is about tax expenditures, but she believes the Tax Committee does not have the authority to meet on a regular basis during the Interim.

Sen. Tipping, who is also on the Tax Committee, stated he believes the only ability for that committee to meet during the Interim is to meet about tax conformity.

Rep. Mastraccio stated she believes the 30-Day Review process is not something that should be done in the immediacy of the moment, but something the tax committee identifies as an issue and that would benefit from this process. Rep. Mastraccio added if this process is not going to work, perhaps it should be looked at further.

Ms. Henderson stated the process of the 30-Day Review also requires that the requested topics be related to a bill that is before the Tax committee. Ms. Henderson believes the intent of the 30-Day Review is to be supplemental information to inform the discussion of legislation.

Rep. Mastraccio stated if the Tax Committee thought it was important, they could hold over a bill to the second session, have the 30-Day Review done and then review that information with the bill during the second session.

Sen. Tipping stated using the 30-Day Review for a hold over bill is a good thought, or having a better plan around specific carryover bills.

Ms. Henderson next updated the Committee concerning the annual reporting on the shipbuilding credit and the paper manufacturing facility credit. Ms. Henderson stated when OPEGA presented the reports on these past evaluations in 2024, OPEGA had made the recommendation in both of the reports for strengthening of DECD's annual reporting on these credits.

Ms. Henderson provided the Committee with the DECD reports on these credits with highlighted areas of the changes from the previous reports, noting the changes seem to be connected to the recommendations made for improvements to annual reporting. These reports may be found here:

[DECD Report CY2024 Tax Credit for Maine Shipbuilding Facility Investment Program](#)
[DECD Report CY2024 Paper Manufacturing Facility Investment Program](#)

Ms. Henderson next provided a quick update on the tax expenditure evaluations that are currently in process, that includes the Major Business Headquarters Expansion Credit, which OPEGA plans to complete later this year.

Next, Ms. Hojara updated the Committee on the project for the Food Manufacturing Facilities Investment Credit, stating in August of 2023, the GOC approved evaluations parameters for four credit evaluations that were next on the Approved Tax Expenditure Review Schedule. This review schedule may be found here:

[Approved Tax Expenditure Review Schedule](#)

Ms. Hojara stated OPEGA began field work in 2024 on the Food Manufacturing Investment Credit, however the project was put on pause due to learning that while the certificate of approval for the credit has been issued, there has not been a certificate of completion at this time. Ms. Hojara stated this means that an applicant has received approval from DECD to claim a particular amount of credit for an investment and in this case, it appears one user has been approved for all the credits, however the final details of the investment and the credit the user will be able to claim are not final. The evaluation parameters for this evaluation may be found here:

[Credit for Major Food Processing & Manufacturing Facilities Expansion_Evaluation Parameters](#)

Ms. Hojara shared with the Committee LD 1951: An Act to Promote Food Processing and Manufacturing Facility Expansion and Create Jobs. Ms. Hojara noted this bill would make changes to the requirements for the certified user to be able to claim this credit. Ms. Hojara stated OPEGA would be tracking this bill to see

if it is enacted, and if it is enacted, whether a certificate of completion is filed. Ms. Hojara stated this evaluation will be on pause until OPEGA has the final data needed on the investment that was eligible and the credit that can be claimed. This bill may be found here: [LD 1951](#)

Ms. Hojara next shared with the Committee a memo from OPEGA to the GOC regarding the next tax expenditure up for review. That memo may be found here: [Memo to GOC from OPEGA RE GOC Action on Tax Expenditure Up Next for Parameter Establishment](#)

Ms. Hojara stated the next item for review is the Student Loan Repayment Tax Credit, however during the preliminary research to gain a basic understanding of the tax expenditure and in consultation with MRS, OPEGA is proposing moving this evaluation until at least 2027. Ms. Hojara noted the first year the credit was claimed was in 2023, therefore there are only two years of data available to understand the performance.

Ms. Hojara stated OPEGA has begun initial work on the next two items on the Approved Tax Expenditure Review Schedule which are: Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax, and Deduction for Interest and Dividends on U.S., Maine State and Local Securities- Corporate Income Tax. Ms. Hojara also stated work has begun on the next item which is on Earned Income Credit.

Sen. Hickman asked Ms. Hojara if OPEGA is requesting authorization from the Committee to delay until 2027, the Student Loan Repayment Tax Credit.

Ms. Hojara stated yes, OPEGA is requesting the delay so there will be additional data to evaluate.

Sen. Tipping stated he would be against moving the Student Loan Credit Evaluation, noting it is a large credit, \$75 million dollars. Sen. Tipping stated the Tax Committee has received some disturbing testimony from MRS and others that this credit is being used more as a business worker retention and recruitment credit rather than the intended purpose of this credit. Sen. Tipping stated he realizes there are only two years of data on this credit, however he believes a review of this credit would be very important as there are concerns regarding it now.

Rep. Mastraccio asked if OPEGA could do a very directed evaluation on the Student Loan Credit that could address the issues Sen. Tipping raised.

Ms. Hojara stated OPEGA could explain the changes from the previous credit, provide data on the previous credit, as well as provide a snapshot of what the data is for the past two years, however it might be difficult to understand the performance of the new credit with the limited data. Ms. Hojara stated providing information is something OPEGA can always do.

Rep. Mastraccio stated the more information a standing committee has when evaluating legislation, the better it is, even if it is not the complete picture.

Ms. Hojara suggested, if the Committee is interested, the full evaluation could still remain on the schedule and perhaps be moved to 2027, and the Committee could assign OPEGA with a special project which would be prioritized ahead of other work being done.

Sen. Tipping stated Ms. Hojara's suggestion would address some of his concerns. Sen. Tipping stated he is less interested in the change of data from the previous credit, and more interested in the idea that the credit was originally meant to be about accessibility and degree attainment, and how that has worked, in whatever version of the credit, over the years. Sen. Tipping stated this is an income contingent loan repayment scheme, based on your ability to pay over time. Sen. Tipping stated it is a back-end credit, adding that in higher education policy these are usually not helping people to access college. Sen. Tipping stated in order for this credit to work as an accessibility measure to college, it must be heavily promoted and the guarantee has to be made to students that they can afford to go to college. Sen. Tipping stated he is interested in ways that the Committee can make sure the fundamental goals of the credit are being fulfilled and more people are able to go to college.

Motion and Committee Vote

Sen. Tipping made a Joint Motion to 1. Delay the Full Tax Expenditure Evaluation of the Student Loan Repayment Tax Credit until at least 2027 to await more program data; and 2. Assign OPEGA with a Special Project on the Student Loan Repayment Tax Credit to provide information on known program performance to date and assessment of design compared to possible credit goals.

The Motion was seconded by Rep. Matlack.

The motion was approved unanimously by all Committee Members who voted (Eight members were present for the vote, and four members were absent).

Rep. Lee asked when the full evaluation of this credit would be put on the work schedule.

Ms. Hojara stated this evaluation would likely be done after the evaluation of Deduction for Social Security Benefits Taxable at Federal Level, which would place it 8th on the list, however noted there are variables to all the evaluations that could affect when it is actually started.

OPEGA Director Refresher Briefing – Oversight of Child Protective Services

Sen. Hickman next invited the OPEGA Director, Peter Schleck, to provide the Committee a refresher briefing on the range of work performed by the Committee and OPEGA in recent years to evaluate aspects of Child Protective Services. Sen. Hickman stated this briefing is intended to lay the foundation for Committee consideration of whether to endorse, endorse in part, or decline to endorse, five OPEGA Reports which the Director will include in the discussion. Final Committee action on these reports was held in abeyance, pending first the litigation at the Law Court on Committee access to underlying records of DHHS, and in more recent times, pending legislative action on LD 127, "An Act to Strengthen Legislative Oversight of Government Agencies and Programs by Reaffirming the Legislature's Access to Confidential Records". It was the Chair's understanding that this bill remained tabled in Judiciary.

Sen. Hickman stated the Committee will want to soon consider whether to proceed with final action on the OPEGA Reports.

Director Schleck began by stating he would move through this material as efficiently as possible, adding any shorthand on his part was not intended to be disrespectful to the memories of the children who died or the seriousness of this process. Director Schleck stated he is always available to the members individually for conversations as well as having as many sessions publicly on record as the Committee would like. Director Schleck stated he is mindful that there are six new members on the Committee, who did not live through the whole process of the public hearings and meetings on these matters. Director Schleck stated that per statute, there is no requirement for any members of the Committee to agree with any, some, or all parts of the OPEGA Reports.

Director Schleck then reviewed a slide presentation with the Committee. This slide presentation may be found here: [OPEGA Refresher Briefing on Work by the GOC and OPEGA in Recent Years on Child Protective Services](#)

Director Schleck informed the Committee there is a distinction between the Information Brief regarding Kendall Chick and Marissa Kennedy done by OPEGA in 2018 and the four, more recent Case Review Reports regarding Hailey Goding, Maddox Williams, Jaden Harding, and Sylus Melvin, which are the four Reports the Committee will consider to endorse, endorse in-part, or not endorse. Director Schleck noted the four more recent Reports were done after the criminal proceedings were concluded which allowed more of what is usually very confidential information, to be available for a fuller accounting of what happened.

Director Schleck highlighted for the Committee that there are reoccurring themes throughout these cases in OPEGA's work, public memos, and the Committee's Frontline Perspectives Report, including Caseload issues, Compliance with Policy and Procedures issues, Lack of Information Sharing among schools, law enforcement health care providers, counselors and therapists.

Director Schleck also stated OCFS has an internal Quality Assurance Program they are required to do in order to be compliant with federal funding. Director Schleck stated their own QA reviews indicated a lack of overall thoroughness and completeness in investigations.

Director Schleck stated that the Centers for Disease Control talk about how it takes an application of three phases to help prevent child abuse and neglect, which are: Primary Prevention, directed to the whole population, Secondary Prevention, which is targeted to families experiencing risk factors, and Tertiary prevention, for families in which child abuse or neglect has already occurred. Director Schleck stated OCFS is primarily engaged at the level of tertiary prevention, and Federal and State Child Welfare experts recommend that states invest in and coordinate efforts at all three levels of prevention.

Director Schleck stated all of these cases were reviewed with the same standards of evidence, with the same processes and are available publicly on the OPEGA Reports page which may be found here: [OPEGA Reports](#)

Director Schleck stated OPEGA is hopeful these reports add to the work already done that shows all is not well in Child Protection, adding no child should suffer an outcome such as this, and noted there is always something that can be learned.

Director Schleck stated again, regarding the OPEGA Report on Reunification, there is a federal requirement of the state to self-assess, which is a very structured process. Director Schleck noted that during this review,

OPEGA received a total of 400 foster care cases, of which 235 had reunification as a goal at any point during the case. Director Schleck stated OPEGA focused on the 235 cases, and all 235 cases were rated as needing improvement on at least one of the six reviewing criteria.

Director Schleck also noted the Committee held its own series of intensive work sessions in which they heard from caseworkers, guardians ad litem, and foster (resource) parents. Director Schleck stated the Committee ended up making numerous recommendations in their Report which can be found here: [Frontline Perspectives in Child Protection as Catalysts for Reform](#)

Director Schleck stated that at some point, either the HHS Committee or this Committee, or both, may want to check in with OCFS to be updated on the progress on the recommendations.

Director Schleck stated that during this Committee's work sessions, unknown to OPEGA and the Committee, there was a federal audit of DHHS by the federal DHHS Office of Inspector General that was published in November of 2024. That report may be found here: [Maine Did Not Comply With Screening, Assessment, and Investigation Requirements for Responding to Reports of Child Abuse and Neglect](#)

Rep. Lee stated he was troubled that DHHS did not disclose to OPEGA or the GOC that they were under a federal audit. Rep. Lee asked what the reasoning was that DHHS did not disclose of the federal audit.

Director Schleck stated his opinion of this, based on the fact he used to work for the office that performed the audit, noting there is a difference between when you send a draft report to an agency for comment instructing that agency the draft report is not final, so please don't talk about the draft which may change; and disclosing that the agency is under an audit and disclosing the general topic of the audit.

Rep. Lee asked Director Schleck if he asked DHHS why they did not inform him of the federal audit.

Director Schleck stated some members of the Committee did inquire into why DHHS did not disclose this information.

Sen. Hickman stated that the Committee did inquire and stated that the Committee did not get a satisfactory answer from DHHS.

Director Schleck noted, from the federal audit of DHHS, the Federal Office of Inspector General for the Department of Health and Human Services, in their summary stated "On the basis of our sample results, we estimated that 94 percent of child abuse and neglect reports reviewed were not in compliance with 1 or more requirements related to immediate screening, risk and safety assessment, and investigation."

Director Schleck ended the Refresher Briefing with noting the Blue Ribbon Commission Report, which recommended the Legislature should support the recommendations from the Committee's Frontline Perspectives report. The Blue Ribbon Report may be found here: [Blue Ribbon Commission to Study the Organization of and Service Delivery by the Department of Health and Human Services](#)

Sen. Hickman stated he appreciated the Refresher Briefing and encouraged all new members to especially read the Committee's Frontline Perspectives Report as it includes a compendium of all the previous work

regarding this issue. Sen. Hickman also encouraged the Committee to read the OPEGA Reports which they may or may not ever take a position on as a Committee.

Rep. Mastraccio stated DHHS is using the Committee's Report when they report back to the HHS Committee, providing information about how they are implementing the recommendations from the report.

Sen. Timberlake stated he appreciated the briefing however, he is still very concerned about Child Protection today. Sen. Timberlake acknowledged that the Department is trying to make some corrections, however he is still hearing about the work load problems, problems with Katahdin, problems with reunification, problems with follow-ups and problems with the court system. Sen. Timberlake is not sure there is further work for the Committee on this issue, noting the Committee has tried to find a solution to the problem but the solution has not been found yet, and that bothers him.

Sen. Hickman stated, to the Committee and the full Legislature, that he believes LD 127 will be considered by the Legislature and he added the bill must be passed.

Rep. Lemelin stated he believes the problem with Child Protection still exists, and that he believes it is a management issue. Rep. Lemelin also stated he believes staffing issues are, most of the time, related to management issues.

Sen. Hickman stated the Committee may still have some administrative work to do, in transmitting a vote to the full Legislature about the five reports that the Committee has held in abeyance pending further information they may possibly get if LD 127 is enacted.

Sen. Tipping also recommended that the new Committee Members read the letter signed by DHHS caseworkers in December 2024.

Director Schleck stated, regarding the process of approving or endorsing the OPEGA reports, another option for the Committee would be to write an opinion of the reports, to be published alongside the reports.

OPEGA Director's Report

Next, Sen. Hickman invited Director Schleck to present his Director's Report to the Committee.

Update on Relevant Legislation

Director Schleck next presented to the Committee updated Legislation Tracking that OPEGA put together for the Committee which includes bills involving the GOC, bills related to current GOC/OPEGA Work, bills relating to State Audit, bills related to Procurement, bills that contain a reference to OPEGA, and bills related to past OPEGA report topics. This document may be found here: [GOC 132nd Legislation Tracking Update](#)

Director Schleck noted that LD 1541, An Act to Provide Property Tax Relief for Senior Residents, though it appears to not relate to the Committee, it includes the requirement that OPEGA conduct a review of the program in the bill in the year 2030.

Sen. Hickman highlighted LD 1893, an Act to Establish an Independent Office of the Child Advocate, as a bill the Committee members might be interested in following.

Meeting Dates and Planning

Director Schleck next reviewed July dates proposed by DHHS for a Committee tour of the Riverview Psychiatric Center.

After Committee discussion, the Committee narrowed the list of possible dates to four: July 21st, July 23rd, July 24th, and July 30th. Sen. Hickman asked the clerk to send an email to poll the Members to see which date worked for the most Members, which would replace the July Committee Meeting.

Director Schleck next addressed the request by Rep. Perkins to move the Interim Meeting Date to the 2nd Wednesdays of the month instead of the 3rd Wednesdays of the month.

After Committee discussion, Sen. Hickman asked the clerk to include moving the interim meeting date question in the email to the Members regarding the Riverview tour.

Director Schleck stated the Chairs discussed not having a June Committee Meeting as the Session work will be intense. There was no objection.

Adjourn

Rep. Mastraccio adjourned the Government Oversight Committee, without objection, at approximately 12:45 pm.