

REP. SARA GIDEON
CHAIR

SEN. MICHAEL D. THIBODEAU
VICE-CHAIR

EXECUTIVE DIRECTOR
GRANT T. PENNOYER



128TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. GARRETT P. MASON
SEN. ANDRE E. CUSHING
SEN. TROY D. JACKSON
SEN. NATHAN L. LIBBY
REP. ERIN D. HERBIG
REP. JARED F. GOLDEN
REP. KENNETH W. FREDETTE
REP. ELEANOR M. ESPLING

**128th Legislature
Legislative Council**

**August 16, 2017
10:30 AM**

REVISED AGENDA

| <u>Page</u> | <u>Item</u> | <u>Action</u> |
|--------------------|--|----------------------|
| | CALL TO ORDER | |
| | ROLL CALL | |
| 1 | SUMMARY OF THE JULY 19, 2017 MEETING OF THE LEGISLATIVE COUNCIL | Decision |
| | REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS | |
| 10 | <ul style="list-style-type: none">• Executive Director's Report (Mr. Pennoyer) | Information |
| 11 | <ul style="list-style-type: none">• Fiscal Report (Mr. Nolan) | Information |
| | REPORTS FROM COUNCIL COMMITTEES | |
| | <ul style="list-style-type: none">• Personnel Committee• State House Facilities Committee No report | |
| | NEW BUSINESS | |
| 16 | Item #1: Health Care Task Force Outside Funding | |
| | Item #2: Executive Session | |

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

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**LEGISLATIVE COUNCIL
MEETING SUMMARY
July 19, 2017**

CALL TO ORDER

Speaker Gideon called the July 19, 2017 meeting of the Legislative Council to order at 1:50 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Thibodeau, Senator Jackson and Senator Libby
Absent: Senator Mason and Senator Cushing
Representatives: Speaker Gideon, Representative Herbig, Representative Golden and Representative Espling
Absent: Representative Fredette
Legislative Officers: Heather Priest, Secretary of the Senate
Robert Hunt, Clerk of the House
Grant T. Pennoyer, Executive Director of the Legislative Council
Dawna Lopatosky, Legislative Finance Director
Jackie Little, Human Resources Director
Suzanne Gresser, Revisor of Statutes
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Chris Nolan, Director, Office of Fiscal and Program Review

Speaker Gideon convened the meeting at 1:50 p.m. with a quorum of members present.

SUMMARY OF MAY 25, 2017 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for May 25, 2017 be accepted and placed on file. Motion by President Thibodeau. Second by Representative Herbig. **Motion passed unanimous (6-0-0-4, with Senators Mason, Cushing and Libby and Representative Fredette absent).**

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

Grant Pennoyer, Executive Director, presented the following report.

1. RFP for MELD Bill Production System Replacement

We are still reviewing the 4 bids submitted for the MELD Bill Production System Replacement project. The plan is to invite the top 2 bidders to present and provide a demonstration of their proposed systems in mid-August. After these meetings, we will reach a final recommendation to submit to the Council.

2. RFP for State House Window Project

We are in the process of putting out an RFP to solicit bids to repair and paint State House windows. This interim's window maintenance project will focus on the South Wing of the State House and the south face of the West Wing. These windows have sustained more severe weathering from their exposure to the sun.

3. Copper Reuse Project – Artist Selection Process

The Artist Selection Committee met on June 15th and narrowed the field of proposals submitted by artists to four finalists. At its next meeting on September 12th, the committee will receive detailed presentations from the four finalists and make a final decision on the artist that will reuse the remaining copper removed from the State House Dome. Mr. Pennoyer noted that there no longer is any rough copper remaining for sale however there are still mementos available should anyone want a piece of history and a remembrance of their time at the State House.

4. Drone Day in Capitol Park

Drone Day in Capitol Park, which was recently approved for as an exception to the general policy prohibiting drones in Capitol Park, has been delayed. The State Library has decided to delay Drone Day until next summer. It was originally scheduled for late next month.

Fiscal Report

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

General Fund Revenue Update

| Total General Fund Revenue - FY 2017 (\$'s in Millions) | | | | | | |
|---|-----------|-----------|--------|--------|------------|----------|
| | Budget | Actual | Var. | % Var. | Prior Year | % Growth |
| June | \$363.1 | \$406.0 | \$42.9 | 11.8% | \$369.6 | 9.8% |
| FYTD | \$3,403.6 | \$3,450.0 | \$46.4 | 1.4% | \$3,366.2 | 2.5% |

General Fund revenue was over budget by \$42.9 million (11.8%) for the month of June and over budget by \$46.4 million (1.4%) for the fiscal year to date. It is important to note that these are **preliminary numbers** as the month of June has not been fully closed.

Individual income tax revenue was over budget for the month by \$24.0 million and over budget for the fiscal year to date by \$14.5 million (1.0%). Withholding and estimated payments both appear to have been over budget for the month. Sales and use taxes for June (May sales) were

under budget by \$0.8 million for the month but over budget by \$4.9 million (0.4%) for the fiscal year to date. Corporate income tax revenue was over budget by \$5.8 million in June and over budget by \$11.1 million (6.8%) for the fiscal year to date.

Highway Fund Revenue Update

| Total Highway Fund Revenue - FY 2017 (\$'s in Millions) | | | | | | |
|---|---------|---------|-------|--------|------------|----------|
| | Budget | Actual | Var. | % Var. | Prior Year | % Growth |
| June | \$25.3 | \$29.7 | \$4.3 | 17.0% | \$25.7 | 15.5% |
| FYTD | \$327.3 | \$334.3 | \$7.0 | 2.1% | \$327.4 | 2.1% |

Highway Fund revenue was over budget by \$4.3 million (17.0%) for the month of June and over budget for the fiscal year to date by \$7.0 million (2.1%). It is important to note that these are also **preliminary numbers** as the month of June has not been fully closed. Fuel taxes were over budget for the month by \$3.1 million, some of which could be timing as last month fuel taxes were slightly under budget. Motor vehicle registrations and fees were over budget by \$0.9 million for the month and over budget by \$2.8 million for the fiscal year to date.

Cash Balances Update

The average balance in the cash pool for June was \$992.7 million, down from May's average of \$1,010.7 million but well above both last year's average balance for June and the ten-year average for the month. General Fund internal borrowing from other funds was not needed in June and not needed for all of FY 2017. The average Highway Fund balance of \$27.8 million in June decreased from May's average of \$42.8 million. This is likely a seasonal impact reflecting the increased activity during the construction season.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

1. SOMER New HR System – Extent of Legislative Participation

Pursuant to previous instructions, Mr. Pennoyer reported back to the committee with additional information about the SOMER time and attendance module. The committee granted authority to Mr. Pennoyer, Mr. Hunt and Ms. Priest to decide for their respective employees regarding whether to proceed with the time and attendance module. The committee further instructed Mr. Pennoyer to provide regular updates at future meetings.

Motion: That upon the unanimous recommendation of the Personnel Committee, the Legislative Council authorizes the executive director to explore the functionality of the workforce management module of the new SOMER system and implement this system for nonpartisan staff if he deems it appropriate to meet the timekeeping, accrual and leave time request needs for nonpartisan staff as long as it does not incur additional costs; and further, authorizes the Executive Director to implement the workforce management module of the SOMER system if deemed appropriate by the Clerk and Secretary to meet the timekeeping, accrual and leave time request needs with respect to House and Senate employees respectively and sufficiently addresses access and security concerns as long as it does not incur additional costs; and further, directs the Executive Director to provide regular updates on this project at future Personnel Committee meetings. **Motion passed**

unanimous (7-0-0-3, with Senators Mason and Cushing, and Representative Fredette absent).

2. Collective Bargaining

Mr. Pennoyer and Ms. Little briefed the committee about upcoming collective bargaining negotiations with MSEA and IANLP. This item will be discussed further at a future meeting. No Legislative Council action required.

2. **State House Facilities Committee**

No Report

OLD BUSINESS

Item #1: Council Actions Taken by Ballot

Requests for Introduction of Legislation:

LR 2358 An Act to Allow Municipalities to Establish Ordinances Banning or Moratoria on Marijuana Caregivers within 500 feet of a School

Submitted by: Representative Seth Berry
Date: May 31, 2017
Vote: 10-0-0-0 Passed

LR 2392 An Act to Allow the Issuance of Open Burn Permits through Private Online Services

Submitted by: Senator Thomas Saviello
Date: June 14, 2017
Vote: 8-2-0-0 Passed (with Representatives Fredette and Espling opposed)

LR 2394 An Act to Clarify Licensing Provisions for the Manufacture and Sale of Liquor

Submitted by: Representative Louis Luchini
Date: June 19, 2017
Vote: 9-1-0-0 Passed (with Representative Espling opposed)

Decision by Legislative Council Ballot:

Motion: That the Legislative Council authorize legislative budget adjustments that total \$5,000,000 to be implemented by lapsing unspent balances in legislative accounts to the General Fund with \$2,500,000 lapsing no later than June 30, 2018 and \$2,500,000 no later than June 30, 2019. And further, that the Legislative Council direct the Executive Director to prepare and submit implementing language reflecting this decision of the Legislative Council to the Office of the Revisor of Statutes on behalf of the Legislative Council for inclusion in a floor amendment to the Governor's budget bill, LD 390.

Motion by: President Michael Thibodeau Second by: Speaker Sara Gideon
Date: June 14, 2017
Vote: 8-2-0-0 Passed (with Representatives Fredette and Espling opposed)

NEW BUSINESS

Item #1: Consideration of After Deadline Bill Requests

The Legislative Council considered and voted on the bill requests in accordance with the established protocol. Of the 4 new bill requests, the council authorized 1 request for introduction in the 1st Regular Session of the 128th Legislature, 1 failed and the council took no action on the remaining 2 and the 3 bill requests previously tabled. The council also took no action on the 3 joint resolutions previously tabled. The Legislative Council's actions on the requests are included on the attached list.

Item #2: Consideration of Legislative Study Requests

The Legislative Council considered and voted on the legislative study requests in accordance with the established protocol. Of the 21 studies listed, the council authorized 8 studies, 6 failed, 3 were held for carryover and 4 were informational only. The Legislative Council's actions on the legislative studies are included on the attached list.

ANNOUNCEMENTS AND REMARKS

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

**128th Maine State Legislature
Legislative Council Action Taken on
Requests to Introduce Legislation
First Regular Session
As of: 7/19/2017**

AFTER DEADLINE BILL REQUESTS

SPONSOR: Rep. Kent Ackley

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|---|---------------|
| 2379 | An Act To Bring Maine's Ranked-choice Voting Law into Constitutional Compliance | PASSED |

SPONSOR: Rep. Seth A. Berry

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|--|-----------------|
| 2380 | Resolve, To Name the Bridge over the Kennebec River between Richmond and Dresden on Route 197 the Sgt. Kevin B. Balduf Memorial Bridge | No Action Taken |

SPONSOR: Rep. John L. Martin

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|--|-----------------|
| 2393 | An Act To Allow Municipalities To Regulate Pesticide Use | No Action Taken |

SPONSOR: Sen. David R. Miramant

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|---|---------------|
| 2387 | Resolve, Directing the Department of Environmental Protection To Develop a Plan for Meeting the Standards Set in the Paris Climate Accord | FAILED |

TABLED BY THE LEGISLATIVE COUNCIL

AFTER DEADLINE BILL REQUESTS

SPONSOR: Rep. Henry John Bear

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|---|-----------------|
| 2278 | An Act To Encourage Support of the Tribal Government of the Houlton Band of Maliseet Indians through On-reservation Business Activity | Tabled 03/24/17 |

SPONSOR: Rep. Janice E. Cooper

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|---|-----------------|
| 2330 | An Act To Allow Nonresidents To Serve on Volunteer Boards in Island Communities | Tabled 04/27/17 |

SPONSOR: Rep. Nathan J. Wadsworth

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|--|-----------------|
| 2209 | An Act To Make Performing Arts Centers Exempt from Sales Tax | Tabled 01/31/17 |

JOINT RESOLUTIONS

SPONSOR: Rep. Seth A. Berry

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|--|-----------------|
| 1255 | JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO ALLOW DRUGS TO BE IMPORTED FROM CANADA | Tabled 01/31/17 |

SPONSOR: Rep. Heidi E. Brooks

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|---|-----------------|
| 1554 | JOINT RESOLUTION MEMORIALIZING THE UNITED STATES SENATE TO RATIFY THE UNITED NATIONS CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN | Tabled 02/14/17 |

SPONSOR: Sen. Troy D. Jackson

| <u>LR #</u> | <u>Title</u> | <u>Action</u> |
|-------------|--|-----------------|
| 2201 | JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO ENDORSE THE AMERICAN RECOVERY AND REINVESTMENT ACT | Tabled 01/31/17 |

**LEGISLATIVE COUNCIL ACTION ON
REQUESTS FOR LEGISLATIVE STUDIES
FIRST REGULAR SESSION, 128th LEGISLATURE
July 19, 2017**

| | | Action: |
|----------------------------|---|---|
| LD 214 | Commission to Streamline Veterans' Licensing and Certification | PASSED as nonconforming study |
| LD 309 | Working Group to Restore Judicial Discretion | FAILED |
| LD 390 PL c.284 UUUU-17 | Working Group to Improve the Provision of Indigent Legal Services | PASSED as nonconforming study |
| LD 523 | Commission to Review the Laws Governing Domestic Violence | FAILED CJPS Directed to Study in January |
| LD 642 | Task Force to Identify Special Education Cost Drivers and Innovative Approaches to Services | PASSED as nonconforming study |
| LD 1015 | Commission to Study the Student Transfer Process | FAILED |
| LD 1021 | Study Committee to Develop a Disposition Plan for Future Surplus State Property in York County | CARRYOVER |
| LD 1128 | Committee to Study the Processing of Evidence from Sexual Assault Test Kits | FAILED |
| LD 1143 | Maine Bicentennial Commission | PASSED with Emergency Preamble and as nonconforming study |
| LD 1260 | Commission to Create a Plan to Enhance the Efficiency and Effectiveness of the Probate Court System | PASSED as nonconforming study |
| LD 1466 | Commission to Study Long-term Care Workforce Issues | CARRYOVER |
| LD 243 PL c278 HP 96 | Joint Select Committee on Marijuana Legalization Committee | Previously Passed Informational Only |

| | | |
|----------------------|---|---|
| LD 1006 | Advisory Council on Senior Housing | CARRYOVER |
| LD 1008 | Permanent Commission on the Status of Racial and Ethnic Populations | FAILED |
| SP 210 | Task Force to Address the Opioid Crisis in the State | Previously Passed Informational Only |
| SP 294 | Task Force on Maine's 21 st Century Economy and Workforce | Previously Passed Informational Only |
| LD 390 c.284 TT-2 | Joint Standing Committee on Agriculture, Conservation and Forestry Study of Conserved Lands Owned by Nonprofit Conservation Organizations | PASSED as nonconforming study |
| LD 1150 | Commission to Study Transportation Funding Reform | FAILED |
| SP 592 | Task Force on Health Care Coverage for All of Maine | PASSED as nonconforming study with outside funding only |
| LD 512 | Committee to Study the State's Response to the Commercial Sexual Exploitation of Youth | PASSED as nonconforming study |
| Resolve 2017 c.18 | Legislative Staff Recodification and Revision of Title 28-A | Informational Only |

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Executive Director's Report August 16, 2017

1. RFP for MELD Bill Production System Replacement

We are meeting with the top 2 bidders this week to review their proposals and receive presentations and will make a decision shortly after these demonstrations. After these meetings, we will reach a final recommendation to submit to the Council.

2. RFP for State House Window Project

We held a bidder conference to review the bid documents and the State House Window Project with potential bidders last week. Bid opening is set for September 6th.

3. Copper Reuse Project – Artist Selection Process

The Artist Selection Committee will meet on September 12th to receive detailed presentations from the four finalists to reuse the copper from the State House dome. The committee will make a final decision at that meeting.

4. NCSL Job Classification Project

NCSL will visit Maine as part of its job classification project from September 13th to the 15th. We will be working with them and various offices to schedule interviews with selected staff.

Fiscal Briefing

August 16, 2017

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached)

Total General Fund Revenue - FY 2017 (\$'s in Millions)

| | Budget | Actual | Var. | % Var. | Prior Year | % Growth |
|------|-----------|-----------|--------|--------|------------|----------|
| June | \$373.1 | \$410.9 | \$37.9 | 10.2% | \$369.6 | 11.2% |
| FYTD | \$3,413.5 | \$3,454.9 | \$41.4 | 1.2% | \$3,366.2 | 2.6% |

General Fund revenue was over budget by \$37.9 million (10.2%) for the month of June and over budget by \$41.4 million (1.2%) for the fiscal year. Individual income tax revenue was over budget for the month by \$19.0 million and over budget for the fiscal year by \$9.5 million (0.6%). Strong withholding payments and a large second estimated payment both contributed to the positive variance. To the extent the now repealed surtax contributed to both these positive variances, this should be considered a one-time revenue impact that will likely need to be refunded later in FY 2018. Sales and use taxes for June (May sales) were under budget by \$0.8 million for the month but over budget by \$4.9 million (0.4%) for the fiscal year. May taxable sales increased by 7.5% over last year, led by auto/transportation and lodging sales. A large refund budgeted in May but paid in June contributed to the June negative revenue variance. Corporate income tax revenue was over budget by \$5.8 million in June and over budget by \$11.1 million (6.8%) for the fiscal year.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2017 (\$'s in Millions)

| | Budget | Actual | Var. | % Var. | Prior Year | % Growth |
|------|---------|---------|-------|--------|------------|----------|
| June | \$25.3 | \$29.7 | \$4.3 | 17.0% | \$25.3 | 17.0% |
| FYTD | \$327.3 | \$334.3 | \$7.0 | 2.1% | \$323.9 | 3.2% |

Highway Fund revenue was over budget by \$4.3 million (17.0%) for the month of June and over budget by \$7.0 million (2.1%) for the fiscal year. Fuel taxes were over budget for the month by \$3.1 million and by \$4.2 million (1.9%) for the fiscal year. Some of this positive variance is attributable to payments expected in July that were received the final day of June. Motor vehicle registrations and fees were over budget by \$0.9 million for the month and by \$2.8 million (3.2%) for the fiscal year.

3. Cash Balances Update

The average balance in the cash pool for June was \$992.7 million, down from May's average of \$1,010.7 million but well above both last year's average balance for June and the ten-year average for the month. General Fund internal borrowing from other funds was not needed in June and not needed for all of FY 2017. The average Highway Fund balance of \$27.8 million in June decreased from May's average of \$42.8 million. This is likely a seasonal impact reflecting the increased activity during the construction season.

4. FY 2017 Year-End Cascade Transfers

The FY 2017 closing General Fund balance totaled \$111.0 million, \$57.1 million of which was budgeted and \$53.9 million was unbudgeted. The \$53.9 million not budgeted included \$41.4 million in General Fund revenue surplus, \$8.7 million in unbudgeted lapsed program balances and \$3.8 million in other accounting adjustments. Under the current distribution rules for the year-end

“cascade” of funds from the unappropriated surplus of the General Fund (5 MRSA §1507, §1511, §1519 and §1536), after all fixed dollar transfers were distributed; 80% (\$36.8 million) was distributed to the Maine Budget Stabilization Fund and 20% (\$9.2 million) was distributed to the Tax Relief Fund for Maine Residents. The table below summarizes the sources and uses of FY 2017 uncommitted funds.

FY 2017 General Fund Year-End Summary

| | |
|--|------------------------------|
| Sources of General Fund Year-end Surplus: | |
| General Fund Revenue Variance | \$41,434,906 |
| Unbudgeted Lapsed Balances | \$8,662,771 |
| Other Accounting Adjustments Increasing (Decreasing) Balance | \$3,798,603 |
| Total Increase in Uncommitted Unappropriated Surplus | <u>\$53,896,280</u> |
| Uses of General Fund Year-end Surplus: | |
| Fixed Dollar Transfers | |
| Replenish Contingent Account up to \$350,000 (5 MRSA §1507) | (\$350,000) |
| Transfer to Loan Insurance Reserve up to \$1,000,000 (5 MRSA §1511) | (\$1,000,000) |
| Transfer to General Fund Operating Capital (5 MRSA §1536) | (\$2,500,000) |
| Transfer to Retiree Health Insurance UAL (5 MRSA §1519) | (\$4,000,000) |
| Total Fixed Dollar Transfers | <u>(\$7,850,000)</u> |
| Percentage Transfers - Remaining Surplus after Fixed Dollar Transfers | \$46,046,280 |
| Maine Budget Stabilization Fund | 80.0% (\$36,837,024) |
| Tax Relief Fund for Maine Residents | 20.0% (\$9,209,256) |
| Total Closing Transfers | <u>(\$53,896,280)</u> |

The Highway Fund also has a statutory year-end transfer provision that transfers all but \$100,000 of the increase in the unallocated surplus above the budgeted amount to the Department of Transportation for highway and bridge improvement projects in the next fiscal year. The amounts that transferred and are available in FY 2018 are \$8.5 million. In addition to a \$7.0 million revenue surplus, unexpended Highway Fund allocations that lapsed back to the unallocated surplus totaled \$1.3 million and other net accounting adjustments equaled \$0.3 million.

FY 2017 Highway Fund Year-End Summary

| | |
|--|---------------------------|
| Sources of Highway Fund Year-end Surplus: | |
| Highway Fund Revenue Variance | \$7,027,134 |
| Unbudgeted Lapsed Balances | \$1,269,773 |
| Other Accounting Adjustments Increasing (Decreasing) Balance | \$307,323 |
| Total Increase in Uncommitted Unallocated Surplus | <u>\$8,604,230</u> |
| Uses of Highway Fund Year-end Surplus: | |
| Required Increase to Budgeted Balance | \$100,000 |
| Net Unallocated Transferred to Transportation | <u>\$8,504,230</u> |

**General Fund Revenue
Fiscal Year Ending June 30, 2017 (FY 2017)**

June 2017 Revenue Variance Report

| Revenue Category | June '17 | | | June '17 | | | Fiscal Year-To-Date | | | FY 2017 Budgeted Totals | |
|---|--------------------|--------------------|-------------------|----------------------|----------------------|-------------------|----------------------|-------------------|-------------|-------------------------|--------------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance | | % Change from Prior Year |
| Sales and Use Tax | 114,215,288 | 113,443,533 | (771,755) | 1,332,011,722 | 1,336,944,791 | 4,933,069 | 1,332,011,722 | 1,336,944,791 | 0.4% | 4.9% | 1,332,011,722 |
| Service Provider Tax | 4,879,955 | 6,545,949 | 1,665,994 | 59,149,448 | 61,211,051 | 2,061,603 | 59,149,448 | 61,211,051 | 3.5% | 36.3% | 59,149,448 |
| Individual Income Tax | 152,785,503 | 171,834,062 | 19,048,559 | 1,514,348,976 | 1,523,852,981 | 9,504,005 | 1,514,348,976 | 1,523,852,981 | 0.6% | -1.2% | 1,514,348,976 |
| Corporate Income Tax | 31,062,145 | 36,820,794 | 5,758,649 | 164,093,471 | 175,239,114 | 11,145,643 | 164,093,471 | 175,239,114 | 6.8% | 27.5% | 164,093,471 |
| Cigarette and Tobacco Tax | 11,512,207 | 17,846,472 | 6,334,265 | 139,179,000 | 144,243,207 | 5,064,207 | 139,179,000 | 144,243,207 | 3.6% | 2.0% | 139,179,000 |
| Insurance Companies Tax | 26,417,610 | 28,092,587 | 1,674,977 | 76,700,000 | 76,553,592 | (146,408) | 76,700,000 | 76,553,592 | -0.2% | -5.8% | 76,700,000 |
| Estate Tax | 943,061 | (220,631) | (1,163,692) | 16,378,323 | 11,717,686 | (4,660,637) | 16,378,323 | 11,717,686 | -28.5% | -56.9% | 16,378,323 |
| Other Taxes and Fees * | 13,636,956 | 16,805,927 | 3,168,971 | 141,032,892 | 148,183,240 | 7,150,348 | 141,032,892 | 148,183,240 | 5.1% | 3.3% | 141,032,892 |
| Fines, Forfeits and Penalties | 2,522,132 | 1,656,651 | (865,481) | 19,375,448 | 19,589,175 | 213,727 | 19,375,448 | 19,589,175 | 1.1% | -5.0% | 19,375,448 |
| Income from Investments | 470,609 | 853,339 | 382,730 | 3,128,076 | 3,592,268 | 464,192 | 3,128,076 | 3,592,268 | 14.8% | 142.1% | 3,128,076 |
| Transfer from Lottery Commission | 4,223,069 | 6,835,082 | 2,612,013 | 54,900,000 | 58,219,690 | 3,319,690 | 54,900,000 | 58,219,690 | 6.0% | 2.2% | 54,900,000 |
| Transfers to Tax Relief Programs * | (68,340) | (88,900) | (20,560) | (64,448,340) | (63,961,530) | 486,810 | (64,448,340) | (63,961,530) | 0.8% | 1.2% | (64,448,340) |
| Transfers for Municipal Revenue Sharing | (8,276,721) | (8,319,031) | (42,310) | (65,208,251) | (65,228,793) | (20,542) | (65,208,251) | (65,228,793) | 0.0% | 3.2% | (65,208,251) |
| Other Revenue * | 18,727,739 | 18,839,092 | 111,353 | 22,828,191 | 24,747,389 | 1,919,198 | 22,828,191 | 24,747,389 | 8.4% | -7.1% | 22,828,191 |
| Totals | 373,051,213 | 410,944,928 | 37,893,715 | 3,413,468,956 | 3,454,903,862 | 41,434,906 | 3,413,468,956 | 41,434,906 | 1.2% | 2.6% | 3,413,468,956 |

* Additional detail by subcategory for these categories is presented on the following page.

**General Fund Revenue
Fiscal Year Ending June 30, 2017 (FY 2017)**

June 2017 Revenue Variance Report

| Revenue Category | June '17 | | June '17 | | Fiscal Year-To-Date | | | % Change from Prior Year | FY 2017 Budgeted Totals |
|--|-------------------|-------------------|------------------|----------|---------------------|---------------------|------------------|--------------------------|-------------------------|
| | Budget | Actual | Actual | Variance | Budget | Actual | Variance | | |
| Detail of Other Taxes and Fees: | | | | | | | | | |
| - Property Tax - Unorganized Territory | 1,741,580 | 2,077,715 | 336,135 | | 14,513,169 | 13,578,696 | (934,473) | -6.4% | 14,513,169 |
| - Real Estate Transfer Tax | 1,297,930 | 1,646,113 | 348,183 | | 17,144,043 | 17,059,116 | (84,927) | -0.5% | 17,144,043 |
| - Liquor Taxes and Fees | 2,149,670 | 2,287,507 | 137,837 | | 21,415,688 | 22,888,443 | 1,472,755 | 6.9% | 21,415,688 |
| - Corporation Fees and Licenses | 1,956,625 | 2,041,828 | 85,203 | | 9,538,649 | 10,540,087 | 1,001,438 | 10.5% | 9,538,649 |
| - Telecommunication Excise Tax | 0 | 0 | 0 | | 6,250,000 | 6,248,478 | (1,522) | 0.0% | 6,250,000 |
| - Finance Industry Fees | 2,196,090 | 3,366,800 | 1,170,710 | | 26,900,870 | 30,019,796 | 3,118,926 | 11.6% | 26,900,870 |
| - Milk Handling Fee | 586,414 | 437,193 | (149,221) | | 4,806,382 | 4,613,496 | (192,886) | -4.0% | 4,806,382 |
| - Racino Revenue | 670,990 | 849,842 | 178,852 | | 8,424,243 | 8,624,011 | 199,768 | 2.4% | 8,424,243 |
| - Boat, ATV and Snowmobile Fees | 835,909 | 1,261,833 | 425,924 | | 4,523,561 | 4,712,468 | 188,907 | 4.2% | 4,523,561 |
| - Hunting and Fishing License Fees | 1,874,990 | 2,093,422 | 218,432 | | 15,878,217 | 16,268,782 | 390,565 | 2.5% | 15,878,217 |
| - Other Miscellaneous Taxes and Fees | 326,758 | 743,674 | 416,916 | | 11,638,070 | 13,629,868 | 1,991,798 | 17.1% | 11,638,070 |
| Subtotal - Other Taxes and Fees | 13,636,956 | 16,805,927 | 3,168,971 | | 141,032,892 | 148,183,240 | 7,150,348 | 5.1% | 141,032,892 |
| Detail of Other Revenue: | | | | | | | | | |
| - Liquor Sales and Operations | 9,819,752 | 9,822,468 | 2,716 | | 9,845,500.00 | 9,860,579 | 15,079 | 0.2% | 9,845,500 |
| - Targeted Case Management (DHHS) | 90,367 | 124,288 | 33,921 | | 1,800,000 | 1,820,831 | 20,831 | 1.2% | 1,800,000 |
| - State Cost Allocation Program | 1,983,919 | 1,732,162 | (251,757) | | 18,296,832 | 19,459,021 | 1,162,189 | 6.4% | 18,296,832 |
| - Unclaimed Property Transfer | 5,767,234 | 5,767,234 | 0 | | 5,767,234 | 5,767,234 | 0 | 0.0% | 5,767,234 |
| - Tourism Transfer | 0 | 0 | 0 | | (14,601,204) | (14,590,665) | 10,539 | 0.1% | (14,601,204) |
| - Transfer to Maine Milk Pool | (883,486) | (1,181,454) | (297,968) | | (15,308,547) | (15,233,744) | 74,803 | 0.5% | (15,308,547) |
| - Transfer to STAR Transportation Fund | 0 | 0 | 0 | | (7,900,000) | (7,908,006) | (8,006) | -0.1% | (7,900,000) |
| - Other Miscellaneous Revenue | 1,949,953 | 2,574,393 | 624,440 | | 24,928,376 | 25,572,140 | 643,764 | 2.6% | 24,928,376 |
| Subtotal - Other Revenue | 18,727,739 | 18,839,092 | 111,353 | | 22,828,191 | 24,747,389 | 1,919,198 | 8.4% | 22,828,191 |
| Detail of Transfers to Tax Relief Programs: | | | | | | | | | |
| - Me. Resident Prop. Tax Program (Circuitbreaker) | 0 | (72,669) | (72,669) | | 0 | (60,303) | (60,303) | N/A | 0 |
| - BETR - Business Equipment Tax Reimb. | 0 | (18,891) | (18,891) | | (30,500,000) | (31,511,125) | (1,011,125) | -3.3% | (30,500,000) |
| - BETE - Municipal Bus. Equip. Tax Reimb. | (68,340) | 2,661 | 71,001 | | (33,948,340) | (32,390,102) | 1,558,238 | 4.6% | (33,948,340) |
| Subtotal - Tax Relief Transfers | (68,340) | (88,900) | (20,560) | | (64,448,340) | (63,961,530) | 486,810 | 0.8% | (64,448,340) |
| Inland Fisheries and Wildlife Revenue - Total | 2,788,089 | 3,398,599 | 610,510 | | 21,499,761 | 22,015,827 | 516,066 | 2.4% | 21,499,761 |

**Highway Fund Revenue
Fiscal Year Ending June 30, 2017 (FY 2017)**

June 2017 Revenue Variance Report

| Revenue Category | June '17 | | | June '17 | | | Fiscal Year-To-Date | | | FY 2017 Budgeted Totals |
|---|-------------------|-------------------|------------------|--------------------|------------------|--------------------------|---------------------|--------------------|------------------|-------------------------|
| | Budget | Actual | Variance | Actual | Variance | % Change from Prior Year | Budget | Actual | Variance | |
| Fuel Taxes: | | | | | | | | | | |
| - Gasoline Tax | 17,116,524 | 17,318,764 | 202,240 | 201,581,952 | 1,380,752 | 0.7% | 200,201,200 | 201,581,952 | 1,380,752 | 1.8% |
| - Special Fuel and Road Use Taxes | 3,591,417 | 6,797,927 | 3,206,510 | 50,364,054 | 3,277,354 | 7.0% | 47,086,700 | 50,364,054 | 3,277,354 | 9.3% |
| - Transcap Transfers - Fuel Taxes | (1,520,993) | (1,776,270) | (255,277) | (18,589,483) | (418,372) | -2.3% | (18,171,111) | (18,589,483) | (418,372) | -3.5% |
| - Other Fund Gasoline Tax Distributions | (428,031) | (493,090) | (5,059) | (5,065,081) | (58,649) | -1.2% | (5,006,432) | (5,065,081) | (58,649) | -2.1% |
| Subtotal - Fuel Taxes | 18,758,917 | 21,907,330 | 3,148,413 | 228,291,442 | 4,181,085 | 1.9% | 224,110,357 | 228,291,442 | 4,181,085 | 3.2% |
| Motor Vehicle Registration and Fees: | | | | | | | | | | |
| - Motor Vehicle Registration Fees | 7,458,404 | 7,941,443 | 483,039 | 68,345,517 | 1,249,730 | 1.9% | 67,095,787 | 68,345,517 | 1,249,730 | -0.3% |
| - License Plate Fees | 303,778 | 309,048 | 5,270 | 3,709,500 | 250,790 | 7.3% | 3,458,710 | 3,709,500 | 250,790 | 1.0% |
| - Long-term Trailer Registration Fees | 280,906 | 658,274 | 377,368 | 11,768,669 | 884,146 | 8.1% | 10,884,523 | 11,768,669 | 884,146 | 1.7% |
| - Title Fees | 1,304,096 | 1,582,756 | 278,660 | 14,298,502 | 932,238 | 7.0% | 13,366,264 | 14,298,502 | 932,238 | 2.4% |
| - Motor Vehicle Operator License Fees | 810,507 | 782,589 | (27,918) | 8,956,575 | 57,030 | 0.6% | 8,899,545 | 8,956,575 | 57,030 | 2.9% |
| - Transcap Transfers - Motor Vehicle Fees | (4,544,619) | (4,781,900) | (237,281) | (16,101,245) | (530,831) | -3.4% | (15,570,414) | (16,101,245) | (530,831) | -0.9% |
| Subtotal - Motor Vehicle Reg. & Fees | 5,613,072 | 6,492,210 | 879,138 | 90,977,518 | 2,843,103 | 3.2% | 88,134,415 | 90,977,518 | 2,843,103 | 0.5% |
| Motor Vehicle Inspection Fees | | | | | | | | | | |
| Other Highway Fund Taxes and Fees | 75,209 | 337,481 | 262,272 | 3,410,700 | 428,200 | 14.4% | 2,982,500 | 3,410,700 | 428,200 | -3.0% |
| Fines, Forfeits and Penalties | 134,263 | 145,098 | 10,835 | 1,378,535 | 98,306 | 7.7% | 1,280,229 | 1,378,535 | 98,306 | -17.0% |
| Interest Earnings | 37,524 | 57,925 | 20,401 | 719,555 | (19,484) | -2.6% | 739,039 | 719,555 | (19,484) | -9.1% |
| Other Highway Fund Revenue | 18,398 | 58,748 | 40,350 | 348,432 | (15,682) | -4.3% | 364,114 | 348,432 | (15,682) | 36.4% |
| Totals | 25,337,619 | 29,655,963 | 4,318,344 | 334,318,123 | 7,027,134 | 2.1% | 327,290,989 | 334,318,123 | 7,027,134 | 2.1% |

REP. SARA GIDEON
CHAIR

SEN. MICHAEL D. THIBODEAU
VICE-CHAIR

EXECUTIVE DIRECTOR
GRANT T. PENNOYER



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MEMO

To: Members, Legislative Council

From: Grant T. Pennoyer *GP*

Date: August 16, 2017

Re: Outside Funding for Task Force on Health Care Coverage

The Task Force on Health Care Coverage authorized by SP 592 is currently in the process of raising the outside funding required in order for the task force to proceed with its work. The Office of the Executive Director has been receiving numerous checks in amounts of \$200 or less, most are less. The checks so far have come from individuals, many are physicians or involved in the health care industry. The task force has not collected sufficient funding yet, but I am seeking your guidance on a couple of issues related to this task force.

The work of this task force and its funding continues across two fiscal years, which is unusual for previously approved studies that must be funded from outside sources. The usual requirement is that the studies must raise the full amount of the estimated costs of the study before they can meet and begin their work, so as to avoid General Fund costs. With this being a two-fiscal year study, would the Council authorize them to begin their work this fiscal year, if they raise the full estimated costs of the current fiscal year costs? This still poses the risk that they may wind up incurring costs in the next fiscal year that may affect the General Fund. To address this, the Council could authorize them to operate only through the end of the fiscal year and require the task force to suspend activities in next fiscal year until the full amount of that year's estimated costs are raised and approved.

In addition to this unusual issue, the broad appeal method of this task force's fund raising efforts could result in excess collections above the total estimated costs. In the past, funding collected and approved by the Legislature has not been refunded to anyone. The checks are usually held and not processed for deposit until approved by the Council. If not approved by the Council or if insufficient funds are raised, the checks are returned to the contributors and the study does not go forward. We have not been faced with a situation where we have had excess contributions. If we receive excess contributions, we will hold and then return the checks above the required amount based on the order in which they were received.