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STATE OF MAINE

ONE HUNDRED AND TWENTY-THIRD LEGISLATURE

COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

**TO:** Margaret Rotundo, Senate Chair  
Jeremy Fischer, House Chair  
Joint Standing Committee on Appropriations & Financial Affairs

**FROM:** John M. Nutting, Senate Chair *JMN*  
Wendy Pieh, House Chair *WP*  
Joint Standing Committee on Agriculture, Conservation and Forestry

**DATE:** February 28, 2008

**SUBJECT:** Policy Committee Recommendations on the Supplemental Budget, LD 2173

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The Agriculture, Conservation and Forestry Committee has met several times with the Department of Conservation and the Department of Agriculture, Food, and Rural Resources to review the proposed supplemental budget. We are ready at this time to convey our recommendations on LD 2173 as presented in public hearing on January 30<sup>th</sup>. We are continuing to discuss how to reach the target reductions requested in your memo dated February 5 and to develop alternatives to proposals in 2173, which we as the policy committee of oversight do not accept. This memo states the decisions we have made to date and the options we are developing to meet the target reductions.

~~Department of Agriculture, Food, and Rural Resources – LD 2173 as printed~~

The Joint Standing Committee on Agriculture, Conservation and Forestry accepts all items in LD 2173 pertaining to the Department of Agriculture, Food, and Rural Resources with 3 exceptions.

**1. The committee unanimously and strongly opposes Part G, the proposal to reorganize administrative functions of the State Harness Racing Commission and the Gambling Control Board.** Our concerns with this proposal were presented to AFA in a memo dated December 11, 2007. At that point this idea was being discussed as item #108 in the package of streamlining initiatives. We were disappointed to see a revised version of this proposal in LD 2173 and ask that Part G be removed from the Supplemental Budget.

Please be aware that members of ACF and people within the harness racing industry are very close to finalizing a proposal to fund the Harness Racing Commission entirely from dedicated revenue. We believe this proposal has merit, providing a stream of revenue to the commission and freeing up General Fund money.

**2. Undecided on the elimination of match funds for the Soil and Water Conservation Districts with contracts under the Watershed Improvement Program.** LD 2173 proposes eliminating the match for the 319 grants and instead distributing \$40,000 of the savings as an additional \$2,500 per district. The committee is still undecided on accepting this proposal.

**3. The committee unanimously and strongly opposes Sec. YY-2, the proposed merger of natural resources departments.** Again, we expressed our opposition to this proposal when it was listed among the streamlining initiatives. The first sentence in Part YY, Sec –YY2 unambiguously states the objective that the 4 departments “shall merge into not more than 2 natural resources departments.” We encourage the departments to cooperate and working together to achieve efficiencies. Mandating an outcome for such discussion, however, thwarts a meaningful process and is not in the best interest of the constituencies these departments serve or the State. ACF will be presenting alternative language for the directive in YY-2.

Department of Conservation – LD 2173 as printed

The Joint Standing Committee on Agriculture, Conservation and Forestry accepts all items in LD 2173 pertaining to the Department of Department of Conservation with the exception of Sec. YY-2. (see comments in #3 above)

Reduction Targets

The ACF Committee has taken straw polls on a number of actions to meet the budget targets. As members of AFA well know, this is very difficult. Neither of the departments that we oversee brought us an acceptable plan for making the reductions. We have proceeded to make numerous information requests and review the functions and priorities of programs within each department. We have not finished our task. Please accept the following summary of our actions to date as a progress report. We hope this will be helpful to AFA as you continue your work and want to emphasize that ACF has every intention of delivering final recommendations that meet the targets. We are happy to discuss the alternatives listed below with AFA today. Account information and final numbers are being worked and will be provided to your staff as soon as possible.

Department of Agriculture, Food, and Rural Resources: The reduction target for the department is \$296,191. Commissioner Bradstreet is proposing the elimination of 2 positions in the marketing division and the elimination of the Maine Meat and Poultry Program, its entire 3 positions, to meet the target. ACF rejects both of these proposals. We are exploring the following as an alternative.

- A. Removal of General Fund support to the State Harness Racing Commission. An alternate funding mechanism is being developed. We are waiting to review final language and numbers; and
- B. Increased revenue from harmonizing licensee fees for food establishments. ACF is very pleased with progress already taking place to eliminate dual food licensing and implement Part F of LD 2173. The fee schedules in place under DHHS and DAFRR for licensing food establishments are very different. Harmonizing the fees will result in a net gain for the General Fund. A statutory change will be needed to remove caps on license fees charged by the Department of Agriculture. These changes are not proposed strictly as revenue enhancers. Consistency, fairness and other benefits to businesses will be realized by implementing Part F.

Department of Conservation: The reduction target for the department is \$868,084. Commissioner McGowan is proposing position eliminations, lapsing \$356,200 of the balance in the Forest Fire Protection account, and other measures to approach the target. In a straw poll with not all members present, members reluctantly agreed to the following proposals from the Commissioner:

- A. Accept the proposal to lapse \$356,200 from the forest fire suppression account. This money was being saved to purchase a new helicopter;
- B. Eliminate the Chief Planner position within the Forest policy and Management Program. This position is currently vacant;
- C. Transfer 50% of a hydrogeologist position from the General Fund to Other Special Revenue;
- D. Eliminate one vacant Environmental Specialist III position in LURC; and
- E. Reduce printing and office supplies and funds for IT associated with positions that have been eliminated.

ACF is divided on other proposals brought forth by the department. Alternatives are being developed but consensus has not been reached and we may, in fact, present a divided report to AFA. Items below are being discussed:

Proposals with support but not unanimous support are:

- F. Eliminate 6 staff positions in the Allagash Wilderness Waterway ( 5 assistant park rangers and one customer representative assistant. These positions are among the cuts proposed by the Department;
- G. Eliminate 2 positions in the Commissioner's Office, the Assistant to the Commissioner and the Assistant to the Commissioner for Public Information. One of these positions is funded entirely by DICAP, the other is currently funded 50% by DICAP. To meet the targets, Commissioner McGowan has proposed moving the 2<sup>nd</sup> position to full funding from through the department's indirect cost allocation plan (DICAP). Some members of ACF support moving the ½ position to DICAP. Other members support eliminating the 2 positions using the DICAP savings to help fund the Commissioner and Deputy Commissioner's positions, thereby realizing savings for the General Fund.

Proposals initiated by ACF moving towards consensus

- H. Raise camping fees at our state parks for non-residents. This will bring the fees closer to those charged by private campgrounds and reflect the improved amenities at our parks. Maine residents are supporting improvement to our State Parks through a recent bond issue. Restricting the increase to non residents only is justified. We are awaiting estimates of the increased revenue associated with this proposal.
- I. Charge the 7% lodging tax above the stated camping fees. The Bureau of Parks and Lands has been charging "even" dollar fees and deducting the tax from gross revenue for deposit with Maine Revenue Services. Including the tax in the receipt is the preferred bookkeeping practice for businesses and will generate additional revenue estimated at \$75,000 per year.

J. Reduce All Other appropriations by a total of \$70,000 with the department determining the distribution among its bureaus.

Please be assured that we are diligently working to provide you with a plan or plans to meet the targets for each department and are confident that we can do so. We anticipate delivering this product complete with account numbers, position titles and necessary statutory language by March 12<sup>th</sup>.

cc: Grant Pennoyer, Director, Office of Fiscal and Program Review  
Patrick T. Norton, Director, Office of Policy and Legal Analysis