



SEN. ROGER J. KATZ, CHAIR
REP. DAVID C. BURNS, CHAIR

MEMBERS:

SEN. MARGARET M. CRAVEN
SEN. EARLE L. MCCORMICK
SEN. NANCY B. SULLIVAN
SEN. DAVID TRAHAN
REP. DONALD E. PILON
REP. ANDREA M. BOLAND
REP. JOYCE A. FITZPATRICK
REP. LESLIE T. FOSSEL
REP. STEPHEN D. LOVEJOY

**MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE**

**MEETING SUMMARY
May 5, 2011
Accepted 11-15-11**

CALL TO ORDER

The Chair, Sen. Katz, called the Government Oversight Committee to order at 8:10 a.m. in the Burton Cross Building.

INTRODUCTION OF GOVERNMENT OVERSIGHT COMMITTEE MEMBERS

The members of the Government Oversight Committee introduced themselves for the benefit of the listening audience.

ATTENDANCE

Senators:	Sen. Katz and Sen. Trahan Joining the meeting in progress: Sen. Sullivan Absent: Sen. Craven and Sen. McCormick
Representatives:	Rep. Burns, Rep. Pilon, Rep. Fossel, Rep. Fitzpatrick, and Rep. Boland Absent: Rep. Lovejoy
Legislative Officers and Staff:	Beth Ashcroft, Director of OPEGA Etta Begin, Adm. Secretary, OPEGA
Executive Branch Officers and Staff Providing Information to the Committee:	Peter Mills, Interim Executive Director, Maine Turnpike Authority

SUMMARY OF FEBRUARY 4, 2011 MEETING

Chair Katz asked if there were any changes to or comments on the Summary. The GOC members had no changes.

NEW BUSINESS

None

UNFINISHED BUSINESS

• Work Session on Maine Turnpike Authority Report

- Status of items sent to Transportation Committee

Chair Katz reminded the GOC members of the letter sent to the Transportation Committee on March 3, 2011 suggesting areas that Committee may want to pursue as follow-up to recommendations in the OPEGA Report. He asked Director Ashcroft for a status update.

Director Ashcroft said Rep. Cebra, Chair of the Transportation Committee, had introduced LD 1538 that substantially implements the recommendations from OPEGA's Report and deals with many of the items the GOC had forwarded to the Transportation Committee. The bill is scheduled for public hearing on May 10, 2011 at 1:00 p.m. in Room 126, State House.

She noted the bill did not deal with the matter of sponsorships and donations, however, because the Transportation Committee believed the GOC was still discussing whether to do something more global on that for all the quasi-independent agencies. MTA has already begun to reduce sponsorships and donations and has reported back to the GOC on the status of those.

GOC members discussed at length what actions, if any, the GOC should take as a Committee with regard to the bill. Some members were interested in proposing amendments to the bill, particularly to shorten the length of Board terms. There was also concern, however, about whether the GOC as a Committee should propose an amendment on something that was clearly a policy matter. There was additional discussion about possibly introducing legislation governing all quasi-State agencies that would deal with Board terms instead.

The GOC ultimately decided that the Committee would send a letter to the Transportation Committee recommending that Committee consider amending the bill to reduce MTA Board terms to four years. In addition, GOC members would testify at the public hearing on the bill as individual legislators, not representing the GOC, if they desired to see other changes to the bill.

Motion: That the Government Oversight Committee draft a letter to the Committee of jurisdiction to recommend that the MTA Board members' terms be changed to four years. (Motion by Rep. Pilon, second by Rep. Burns, passed 5-3 – Sen. Katz, Sen. Sullivan and Sen. Craven opposed).

- Report back schedule for MTA action items

Director Ashcroft reminded the GOC that Director Mills had provided a written status update on actions MTA had taken to date at the last GOC meeting. She asked whether the GOC wanted to set a specific report back schedule for the MTA and proposed a report back schedule of June 10, 2011, September 30, 2011 and January 15, 2012. If all planned actions have not been completed by then, additional dates could be added.

Chair Katz recognized Director Mills and asked for his comments on the proposed report back schedule.

Director Mills referred members to the updated progress report he had distributed at today's meeting and described the new format MTA had recently used in presenting its budget to the Transportation Committee. He thinks it presented a much clearer picture of the operations of MTA.

With regard to sponsorships and donations, Mr. Mallar sent out a survey to all of MTA's managers and asked which organizations were important to MTA. The new policy is substantially more conservative than the one before and limits memberships, sponsorships and donations to those organizations where MTA receives a value back for its participation in the organization. Director Mills will give Director Ashcroft a copy of MTA's policy.

He did not see any problems with the proposed report back schedule.

Chair Katz asked Director Mills also to report back to the GOC, consistent with State Law, on whatever disciplinary actions have been taken. Director Mills agreed to report on any final actions that had been taken, but said he could not report on any that may be appealed.

- Consideration of possible GOC communications/directives to MTA on strengthening internal Controls

Director Ashcroft reminded members that, at a prior work session on MTA, the Committee had discussed some specific ideas members had about actions MTA could take to strengthen their internal controls and how best to communicate the GOC's desire that such action be taken. She referred members to the document in their material titled "Suggestions for strengthening MTA internal controls and policies" which she had developed in consultation with Rep. Lovejoy. Since that time, however, it seems MTA has dealt with a lot of the internal control issues and she does not think the GOC needs to go any further with communicating these suggestions to MTA.

GOC members agreed no further action was necessary.

- Consideration of need for legislation to establish expectations for all quasi-state entities in particular areas

Chair Katz noted that the most obvious areas for legislation that would cover all quasi-State entities would be the propriety of hiring outside lobbyists, a travel and expense policy and a donations policy. He does not think legislation can be drafted and introduced in a thoughtful way before the end of this session. He suggested the GOC work to develop legislation on statewide policies over the interim to have something ready for introduction in the next session.

Director Ashcroft explained she would draft a bill for the GOC's consideration by the fall so the GOC could be ready to move it forward in January. The bill would affect quasi governmental entities such as FAME, Housing Authority, etc. as well as MTA. Chair Katz asked if it was the pleasure of the Committee to proceed in that direction. GOC members agreed.

Chair Katz asked if Committee members had any other comments regarding MTA.

Rep. Fossil expressed his concern that one of MTA's problems was that the Executive Director ran the Board and that is not how it is supposed to work. While he is sure Director Mills will do an extraordinarily good job at MTA, he feels there are still Board issues that are unaddressed. He was extremely displeased with responses from some Board members during the April 15th GOC hearing, particularly regarding financial oversight. He would like a report back from the Board on how they plan to address the issues going forward.

Sen. Trahan and Chair Burns also expressed concerns about the potential culpability or negligence of Board members in this situation. Chair Burns and Chair Katz expressed surprise that some Board members had not resigned given what has come to light about things that were going on while they were in the position of oversight. Chair Burns suggested the Board should do some serious introspection and take action as appropriate.

Director Ashcroft suggested that in addition to a report back from MTA management, the Committee may also want a report back from the MTA Board about what they are going to do to ensure the Board exercises enough financial oversight in the future so the Executive Director is not essentially running the entire Authority. The GOC could consider sending a letter to the Board asking they report back on these matters.

Chair Katz asked if the Director could draft a letter to the MTA Board outlining the GOC's concerns for their review at the next meeting.

• Review of Refined Focus/Scope Questions for Projects in Progress

- Child Development Services

Not discussed.

- Cost Per Prisoner in the Department of Corrections

Not discussed.

• Discussion on Continuing Project on BETR, BETE and TIF

Not discussed.

REPORT FROM OPEGA DIRECTOR

• Project Status Report

Not discussed.

SCHEDULE NEXT COMMITTEE MEETING

Chair Katz noted the next meeting is scheduled for May 13, 2011, 9:30 a.m. He also reminded members of the Transportation Committee's public hearing on May 10th at 1:00 for those who wanted to attend.

ADJOURNMENT

The Government Oversight Committee meeting was adjourned at 9:05 a.m. (Motion by Rep. Fossel, second by Chair Burns, unanimous).