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O.F.P.R.
MAR 27 PM 4: 00

STATE OF MAINE

ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE

COMMITTEE ON LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

MEMORANDUM

TO: Senator Richard W. Rosen, Senate Chair
Representative Patrick S. A. Flood, House Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Christopher W. Rector, Senate Chair *CR*
Representative Kerri L. Prescott, House Chair
Joint Standing Committee on Labor, Commerce, Research and Economic
Development

DATE: March 27, 2012

RE: LR 2847, An Act To Make Additional Supplemental Appropriations
and Allocations and To Change Certain Provisions of the Law for
Fiscal Years Ending June 30, 2012 and June 30, 2013

The Joint Standing Committee on Labor, Commerce, Research and Economic Development conducted a work session with the Commissioner of the Department of Economic and Community Development on March 20, 2012 and conducted two work session with the Commissioner of the Department of Labor on March 24, 2011 and on March 26, 2012 to consider LR 2847, the Governor's Second Supplemental Budget.

The Joint Standing Committee on Labor, Commerce, Research and Economic Development has the following unanimous recommendations:

- Rather than transferring funding in the amount of \$16,796.00 for indirect costs for Administration – Labor (line 0030, page A-74) in FY 2011-12 and in FY 2012-13 from Women, Work and Community (line 0132, page A-79), the committee supports the transfer of funds from the Governor's Training Initiative unencumbered balance forward (Part BB, page L-45);
- Rather than transferring funding in the amount of \$2,000.00 for funding to cover per diem Maine Labor Relation Board costs (line 0160, page A-79) in FY 2012-13 from Women, Work and Community (line 0132, page A-79), the committee supports the transfer of funds from the

Governor's Training Initiative unencumbered balance forward (Part BB, page L-45); and

- Amend the amount of unencumbered balance forward in the Governor's Training Initiative (Part BB, page L-45) from \$451,183.00 to \$415,591.00 to reflect the above proposed recommendations.

The Joint Standing Committee on Labor, Commerce, Research and Economic Development has the following divided reports:

- The majority report of the committee in attendance (8 – Senators Rector and Martin; Representatives Prescott, Newendyke, Volk, Dow, Wallace, and Gilbert) support the reorganization of a position from range 29-35 in Administration – Labor (line 0030, page A-74) being funded from Employment Services Activity (line 0852, p. A-78) in the amount of \$12,808.00 in FY 2011-12 and \$21,640.00 in FY 2012-13.*

The minority report of the committee in attendance (3 – Senator Jackson and Representatives Tuttle and Hunt) do not support the reorganization of a position from range 29-35 in Administration – Labor (line 0030, page A-74).*

- The majority report of the committee in attendance (7 – Senators Rector and Martin and Representatives Prescott, Newendyke, Volk, Dow, and Wallace) support the addition of the Director, Bureau of Unemployment Compensation in **Sec. D-4. 5 MRSA §943, sub-§1 (L)** as a major policy influencing position (page L-12).

The minority report of the committee in attendance (4 – Senator Jackson and Representatives Tuttle, Hunt, and Gilbert) do not support the addition of Director, Bureau of Unemployment Compensation in **Sec. D-4. 5 MRSA §943, sub-§1 (L)** as a major policy influencing position (page L-12).

- The majority report of the committee in attendance (7 – Senators Rector and Martin and Representatives Prescott, Newendyke, Volk, Dow, and Wallace) support the addition of the Director, Bureau of Unemployment Compensation in **Sec. D-7. 26 MRSA §1401-B, sub-§1(B)(8)** as a commissioner appointed position (page L-13).

The minority report of the committee in attendance (4 – Senator Jackson and Representatives Tuttle, Hunt, and Gilbert) do not support the

addition of Director, Bureau of Unemployment Compensation in **Sec. D-7. 26 MRSA §1401-B, sub-§1 (B)(8)** as a commissioner appointed position (page L-13).

*Please note that the budget has an error on page A-74 in the initiative that proposes to transfer funds to reorganize a position from range 29-35 in Administration – Labor (line 0030) in FY 2012-13. The amount should be for \$21,640.

Attached you will find the marked-up pages of the sections of the second supplementary budget that the Joint Standing Committee on Labor, Commerce, Research and Economic Development has recommended changes for your consideration.

Thank you.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
Members, Joint Standing Committee on Labor, Commerce, Research and Economic Development

ADMINISTRATION - LABOR 0030

Initiative: Adjusts funding to recognize additional information technology management fees not currently budgeted and transfers funding for other information technology management fees from various Federal Expenditures Fund and Other Special Revenue Funds programs to the Administration - Labor program, Other Special Revenue Funds as part of the implementation of an indirect cost allocation plan.

	2011-12	2012-13
OTHER SPECIAL REVENUE FUNDS		
All Other	288,224	288,224
Total	288,224	288,224

Initiative: Transfers funding for indirect costs from Blind and Visually Impaired - Division for the program, the Rehabilitation Services program and the Employment Services Activity program to the Administration - Labor program.

	2011-12	2012-13
GENERAL FUND		
All Other	107,268	107,268
Total	107,268	107,268

Initiative: Transfers funding for indirect costs to meet required percentage of the federal indirect cost rate from the ~~Maine Centers for Women, Work and Community program~~ to the Administration - Labor program.

GTI unencumbered funds

	2011-12	2012-13
GENERAL FUND		
All Other	16,796	16,796
Total	16,796	16,796

*11-0
unanimous
from
GTI*

Initiative: Transfers 9 positions currently allocated in the General Fund, Federal Expenditures Fund and Other Special Revenue Funds within the Administration-Labor program from Federal Expenditures Fund to Other Special Revenue Funds. In addition, the portion of the positions' costs currently funded in the Federal Expenditures Fund is reallocated to the Other Special Revenue Funds. Position allocation detail is on file in the Bureau of the Budget. Also adjusts All Other funding between several Other Special Revenue Funds and Federal Expenditures Fund programs related to implementing the federally-approved indirect cost allocation plan.

	2011-12	2012-13
FEDERAL EXPENDITURES FUND		
Positions - LEGISLATIVE COUNT	-9,000	-9,000
Personal Services	(662,790)	(668,993)
All Other	(2,481,072)	(2,480,296)
Total	(3,143,862)	(3,149,289)

	2011-12	2012-13
OTHER SPECIAL REVENUE FUNDS		
Positions - LEGISLATIVE COUNT	9,000	9,000
Personal Services	662,790	668,993
All Other	2,114,084	2,114,189
Total	2,776,874	2,783,182

Initiative: Reorganizes one Assistant to the Commissioner for Public Affairs position from range 29 to range 35 and one Office Associate II position to a Public Service Coordinator I position in the Administration - Labor program, transfers one Office Associate II position and one Customer Representative Associate I - Employment position from the Safety Education and Training Programs program, Other Special Revenue Funds to the Administration - Labor program and reallocates a portion of the cost of one Clerk IV position from the Safety Education and Training Programs program to the Administration - Labor program. Position details on file in the Bureau of the Budget.

*8 in favor
3 opposed*

	2011-12	2012-13
GENERAL FUND		
Personal Services	12,808	20,416*
Total	12,808	20,416

	2011-12	2012-13
OTHER SPECIAL REVENUE FUNDS		
Positions - LEGISLATIVE COUNT	2,000	2,000
Personal Services	112,097	154,584
Total	112,097	154,584

	2011-12	2012-13
Summary - GENERAL FUND		
Personal Services	12,808	20,416
All Other	124,064	124,064
Total	136,872	144,480

	2011-12	2012-13
Summary - FEDERAL EXPENDITURES FUND		
Positions - LEGISLATIVE COUNT	-9,000	-9,000

** should be
\$21,640.00*

LABOR RELATIONS BOARD 0160

GTI unencumbered funds

<p>Initiative: Transfers funding from the Maine Centers for Women, Work and Community program to the Labor Relations Board program to cover per diem payments to Maine Labor Relations Board members.</p> <p>GENERAL FUND Personal Services</p>	<table border="0"> <tr> <td style="text-align: center;">2011-12</td> <td style="text-align: center;">2012-13</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">2,000</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">2,000</td> </tr> </table>	2011-12	2012-13	0	2,000	Total		0	2,000
2011-12	2012-13								
0	2,000								
Total									
0	2,000								

11-0. Unanimous from GTI

<p>Summary - GENERAL FUND Personal Services</p>	<table border="0"> <tr> <td style="text-align: center;">2011-12</td> <td style="text-align: center;">2012-13</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">2,000</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">2,000</td> </tr> </table>	2011-12	2012-13	0	2,000	Total		0	2,000
2011-12	2012-13								
0	2,000								
Total									
0	2,000								

MAINE CENTERS FOR WOMEN, WORK AND COMMUNITY 0132

<p>Initiative: Transfers funding for indirect costs to meet required percentage of the federal indirect cost rate from the Maine Centers for Women, Work and Community program to the Administration - Labor program.</p> <p>GENERAL FUND All Other</p>	<table border="0"> <tr> <td style="text-align: center;">2011-12</td> <td style="text-align: center;">2012-13</td> </tr> <tr> <td style="text-align: center;">(16,796)</td> <td style="text-align: center;">(16,796)</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> </tr> <tr> <td style="text-align: center;">(16,796)</td> <td style="text-align: center;">(16,796)</td> </tr> </table>	2011-12	2012-13	(16,796)	(16,796)	Total		(16,796)	(16,796)
2011-12	2012-13								
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Total									
(16,796)	(16,796)								

GTI unencumbered funds

<p>Initiative: Transfers funding from the Maine Centers for Women, Work and Community program to the Labor Relations Board program to cover per diem payments to Maine Labor Relations Board members.</p> <p>GENERAL FUND All Other</p>	<table border="0"> <tr> <td style="text-align: center;">2011-12</td> <td style="text-align: center;">2012-13</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">(2,000)</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">(2,000)</td> </tr> </table>	2011-12	2012-13	0	(2,000)	Total		0	(2,000)
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Total									
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11-0 Unanimous from GTI

<p>Summary - GENERAL FUND All Other</p>	<table border="0"> <tr> <td style="text-align: center;">2011-12</td> <td style="text-align: center;">2012-13</td> </tr> <tr> <td style="text-align: center;">(16,796)</td> <td style="text-align: center;">(18,796)</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> </tr> <tr> <td style="text-align: center;">(16,796)</td> <td style="text-align: center;">(18,796)</td> </tr> </table>	2011-12	2012-13	(16,796)	(18,796)	Total		(16,796)	(18,796)
2011-12	2012-13								
(16,796)	(18,796)								
Total									
(16,796)	(18,796)								

	2011-12	2012-13
Summary - OTHER SPECIAL REVENUE FUNDS		
Personal Services	(228,359)	(234,096)
All Other	(632,914)	(466,471)
	(861,273)	(700,567)
Total	(861,273)	(700,567)

Total Agency/Department

All Funds	(1,252,400)	77,411,950
GENERAL FUND		(1,224)
FEDERAL EXPENDITURES FUND	(3,540,847)	(1,328,450)
OTHER SPECIAL REVENUE FUNDS	2,289,307	2,571,364
EMPLOYMENT SECURITY TRUST FUND		76,171,120
COMPETITIVE SKILLS SCHOLARSHIP FUND	(860)	(860)

** see
p. A-74
for balance*

E. Public Relations Representative.

Sec. D-4. 5 MRSA §943, sub-§1, as amended by PL 2007, c. 1, Pt. D, §2, is further amended to read:

1. Major policy-influencing positions. The following positions are major policy-influencing positions within the Department of Labor. Notwithstanding any other provision of law, these positions and their successor positions are subject to this chapter:

- A.
- B. Director, Bureau of Labor Standards;
- C. Executive Director, Maine Labor Relations Board;
- D.
- E. Assistant to the Commissioner for Public Affairs;
- F.
- F-1. Deputy Commissioner;
- G.
- G-1. Beginning April 15, 1996, Executive Director, Bureau of Employment Services;
- H.
- I.
- J. Executive Director, Office of Operations; ~~and~~
- K. Director, Bureau of Rehabilitation Services;
- L. Director, Bureau of Unemployment Compensation; and
- M. Director, Public Information

7 in favor
4 opposed
to highlighted
L.

Sec. D-5. 12 MRSA §10103, sub-§1-A, is enacted to read:

1-A. Appointment of public relations representative. The commissioner shall appoint to serve, at the commissioner's pleasure, a Public Relations Representative.

Sec. RR-5. 20-A MRSA §203, sub-§1, as amended by PL 2011, c.380, Part PPP §2, is further amended to read:

1. Commissioner's appointments. The following officials are appointed by and serve at the pleasure of the commissioner:

- A. Deputy Commissioner; ~~and~~
- B.
- C.
- D.
- E.
- F. Director, Policy and Programs; and
- G.
- H.
- I.
- J.
- K. Director of Communications.

Sec. D-7. 26 MRSA §1401-B, sub-§1, as amended by PL 2007, c. 1, Pt. D, §4, is further amended to read:

1. Duties. The commissioner has the following duties.

A. The commissioner shall prepare a budget for the department.

B. The commissioner shall appoint to serve at the commissioner's pleasure:

- (1)
- (2) Assistant to the Commissioner for Public Affairs;
- (3) Deputy Commissioner;
- (4) Director, Bureau of Labor Standards;
- (5) Beginning April 15, 1996, Executive Director, Bureau of Employment Services;
- (6) Executive Director, Office of Operations; ~~and~~
- (7) Director, Bureau of Rehabilitation Services;
- (8) Director, Bureau of Unemployment Compensation; and
- (9) Director of Public Information.

7 in favor
4 opposed
to highlighted
sub-#8

**SUMMARY
PART D**

This Part makes certain communications and other positions within the Department of Education, the Department of Inland Fisheries and Wildlife and the Department of Labor part of the unclassified service and subject to the appointment of the commissioners of the respective departments. It also clarifies that employees of the Governor's Office of Communications and the Governor's Energy Office are unclassified employees.

11-0 unanimous transfer from GTI account rather than women, work-force + community

PART BB

Sec. BB-1. Department of Labor; lapsed balances. Notwithstanding any other provision of law, ~~\$451,183~~ of unencumbered balance forward from the Department of Labor, Governor's Training Initiative, General Fund account, All Other line category, lapses to the General Fund no later than June 30, 2012.

↓ \$415,591.⁰⁰
**SUMMARY
PART BB**

This Part provides that the unencumbered balance forward of the Department of Labor, Governor's Training Initiative, General Fund account lapses to the General Fund in fiscal year 2011-12.

\$16,796. ⁰⁰	FY 2011-12	transfer to cover indirect costs for Administration-Labor (line 0300, p. A-74)
\$16,796. ⁰⁰	FY 2012-13	transfer to cover indirect costs for Administration-Labor (line 0030, p. A-74)
\$ 2,000	FY 2012-13	transfer to cover per diem Maine Labor Relations Board costs (line 0160, p. A-79)