



SEN. ELIZABETH H. MITCHELL, CHAIR
REP. MARILYN E. CANAVAN, CHAIR

**MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE**

MEMBERS:

SEN. PHILIP L. BARTLETT, II
SEN. JONATHAN T.E. COURTNEY
SEN. DANA L. DOW
SEN. JOSEPH C. PERRY
SEN. KEVIN L. RAYE
REP. ANDREA M. BOLAND
REP. SCOTT E. LANSLEY
REP. EVERETT W. MCLEOD, SR.
REP. PEGGY A. PENDLETON
REP. MICHAEL A. VAUGHAN

**MEETING SUMMARY
January 22, 2007
Accepted January 29, 2007**

CALL TO ORDER

The Chair, Senator Mitchell, called the Government Oversight Committee to order at 1:04 p.m. in Room 202 of the Burton Cross Building.

ATTENDANCE

Senators: Sen. Mitchell, Sen. Raye, Sen. Perry
Joining the meeting in progress: Sen. Dow
Absent: Sen. Bartlett and Sen. Courtney

Representatives: Rep. Canavan, Rep. Pendleton, Rep. Boland, Rep. McLeod,
Rep. Vaughan
Joining the meeting in progress: Rep. Lansley

Legislative Officers and Staff: Beth Ashcroft, Director of OPEGA
Diane Stiles Friou, Principal Analysts, OPEGA
Susan Reynolds, Analyst, OPEGA
Wendy Cherubini, Analyst, OPEGA
Jennifer Reichenbach, Analyst, OPEGA
Scott Farwell, Analyst, OPEGA
Etta Begin, Adm. Secretary, OPEGA

**INTRODUCTION OF GOVERNMENT OVERSIGHT COMMITTEE
MEMBERS**

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

Director Ashcroft introduced OPEGA staff and herself.

Director Ashcroft said each GOC member will have a notebook to keep with them as well as one that OPEGA will have prepared for each meeting. After each meeting, OPEGA will deliver the materials from the meeting to the members' State House mailboxes so they can put whatever information they wish to keep in the notebooks they keep with them.

ORIENTATION OF NEW MEMBERS

Director Ashcroft referred Committee members to tab 15 in their notebooks.

a. Review of OPEGA Legislation

The enacting statute for OPEGA is Title 3, §§ 991-997 and establishes what the office is intended to do, the duties of the GOC, and a description of how reviews are conducted and reports issued. Also included is a copy of a memo from the Attorney General clarifying the confidentiality provisions of the OPEGA statute.

b. Review of GOC Mission Statement

The Mission Statement was adopted by the 122nd GOC members. Director Ashcroft highlighted for members various sections of the Statement and explained the difference between the GOC and OPEGA. OPEGA is independent from the GOC, but it does report and receive direction from the GOC. The Director of OPEGA is appointed by the Legislative Council and can only be dismissed by a majority vote of Council members. The Director hires all staff for OPEGA.

c. OPEGA History

Rep. Pendleton, one of the original members of the Legislature who worked to establish OPEGA, said that the original intent in establishing the office was that it not only be non-partisan, but also that it not be judgmental. The intent was for OPEGA to help the Legislature find out information on programs and how to proceed to improve and save money regarding the programs.

d. OPEGA's Mission Statement and Values

Director Ashcroft reviewed OPEGA's Mission Statement and Values for the GOC and briefly discussed the additional value OPEGA brings to the Legislature from its independent perspective when conducting reviews.

e. How the GOC Differs From JSC's

Director Ashcroft said that the JSC's are focused on current and proposed legislation and follows the processes surrounding legislation. The GOC is about the government's oversight role, and while the GOC has the ability to initiate legislation from reports, the Committee is more focused on the way government is working, the way the legislation is being implemented and whether it is effective and efficient or could be done better another way.

Director Ashcroft explained the differences between public hearings for JSC's and OPEGA. After OPEGA issues a report there is a time period for the public to be able to comment on how OPEGA conducted the report, and the contents of the report. The public hearing is for the GOC members to hear the comments before it votes on the report. The vote is not on whether to release the report, but on the report itself. The vote on the report would be to either endorse, to not endorse, or to endorse in part. At public hearings in JSC's, legislators are receiving

information on how legislation that is before the Committee will affect stakeholders.

f. Review of GOC's and Director's Roles and Responsibilities

Director Ashcroft outlined the GOC's and the Director's roles and responsibilities. OPEGA is an independent office, but does receive its direction and oversight from the GOC. The GOC evaluates the OPEGA Director in that it provides input to the Legislative Council on reappointment. The GOC also establishes OPEGA's general policy direction; reviews and approves OPEGA's biennial budget; is responsible for reviewing and approving OPEGA's annual work plan; requests services on OPEGA's behalf; conducts public hearings to receive and vote on reports; has the authority to examine witnesses, administer oaths and issue subpoenas; and can initiate legislation to implement recommendations from reports.

Director Ashcroft said that OPEGA does not initiate any reviews without the approval of the GOC. She highlighted some of the responsibilities of OPEGA as being to: develop and present the biennial budget for approval; develop and present the work plan; contract with consultants as necessary; distribute draft reports to the evaluated agency; notify the GOC when reports are ready for presentation; follow the proper procedure for releasing reports; prepare and submit an annual report on OPEGA's activities; and ensure the confidentiality of materials and information. OPEGA's conducts its reviews independently from the GOC.

OPEGA contacts the State Auditor and other departments when starting a review to find out what work that office may have done so as to avoid duplication.

The GOC agreed that OPEGA's annual work plan should be changed from the fiscal year to a calendar year. Chair Mitchell further requested that the GOC and OPEGA consider a biennial plan.

g. Established GOC Processes and Procedures

Director Ashcroft went through OPEGA's review selection process and referred members to the chart in their notebooks and gave an overview of the review selection.

h. Summary of OPEGA Products and Services to Date

Director Ashcroft explained this information was designed to make it very clear how votes are taken and who needs to be present. The Director pointed out that voting protocol around motions that would affect how OPEGA uses its resources, as well as the vote on OPEGA reports is slightly different from voting in other situations and Committee members are encouraged to review it.

i. Lifecycle of an OPEGA Audit

Director Ashcroft gave an overview on this item. Sen. Dow emphasized that the GOC members receive draft reports prior to public release. The reports are marked confidential, and it is very important that Committee members keep the reports confidential. Release of a confidential report is a Class E crime.

j. Review of Audits Completed, In Progress, and Planned

Director Ashcroft encouraged both the new and returning members to review the information in their notebooks regarding the audit process. The information outlines what steps OPEGA takes when the Committee tells OPEGA to initiate a review.

Director Ashcroft summarized the performance audits and special reports completed, in progress and planned. The GOC will be reviewing in more detail all project scopes and OPEGA's 2007 Annual Work Plan at its next meeting.

RECESS

The Government Oversight Committee recessed at 2:20 p.m. on the motion of the Chair.

RECONVENED

The Chair reconvened the meeting at 2:40 p.m.

Sen. Dow explained to GOC members the report procedures and formats and the necessity for follow-up.

SUMMARY OF DECEMBER 4, 2006 MEETING

The GOC accepted the December 4, 2006 Meeting Summary as written.

RE-PRESENTATION OF FINAL REPORT

a. Economic Development Programs in Maine

Director Ashcroft recognized Susan Reynolds, OPEGA Analyst, who gave a presentation on the results of the Review of Economic Development Programs.

The Committee asked questions regarding the report and discussion ensued in the following areas:

- the definition of an economic development program;
- why tourism was excluded from the review;
- risk assessment model used;
- what portion of all the programs are in the tax incentive category;
- whether the State's tax incentives fall under Maine Revenue Services;
- whether there are any model programs across the country for tax incentives;
- at what point would it require a massive investment to investigate the effectiveness of economic development through tax credits;
- models for data collection on economic development programs;
- if there are findings in the report that the GOC embraces, would there be a Committee bill to implement those findings; and
- whether the Pine Tree Development Program was the only program that required DECD's assessment as required in statute.

The public hearing on the report will be held on Monday, January 29, 2007 at 1:00 p.m. and will have been advertised in four weekend newspapers as required. The GOC will vote on endorsement of the report at that meeting.

The GOC thanked OPEGA staff for their presentation of the Review of Economic Development Programs.

REVIEW AND ADOPT COMMITTEE RULES

Following discussion of the Government Oversight Committee's Rules the following motions were presented for consideration and vote:

Motion: Rule 6 is amended to read that Committee members may consume beverages during public hearings and work session. (Motion by Rep. Canavan, second by Sen. Dow, unanimous, 9-0).

Motion: Rule 9 is amended to include that if circumstances do not permit a member to vote in person, the member may vote by phone, fax or email with the permission of the Presiding Officer. (Motion by Sen. Ray, second by Rep. Pendleton, unanimous 9-0).

Motion: That with the inclusion of the two amendments stated in the above motions, the Government Oversight Committee adopts the Committee Rules for the 123rd Maine Legislature as proposed. (Motion by Sen. Mitchell, second by Rep. Canavan, unanimous, 9-0).

The amended changes will be incorporated into the GOC Committee Rules for the 123rd Maine Legislature and presented to the Chairs for signature.

SCHEDULE NEXT MEETING

Members were reminded that the next GOC meeting will be held on Monday, January 29, 2007 at 1:00 p.m.

The Committee set Monday, February 12, 2007 at 1:00 p.m. as a tentative meeting date.

ADJOURNMENT

The Government Oversight Committee meeting was adjourned at 4:42 p.m. (Motion of Sen. Raye, second by Rep. Pendleton, unanimous).