



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

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

MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

MEETING SUMMARY
January 29, 2007
Accepted February 12, 2007

CALL TO ORDER

The Chair, Senator Mitchell, called the Government Oversight Committee to order at 1:05 p.m. in Room 202 of the Burton Cross Building.

ATTENDANCE

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

Absent: Sen. Raye

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

Legislative Officers and Staff: Beth Ashcroft, Director of OPEGA
Diana Stiles Friou, Principal Analysts, OPEGA
Susan Reynolds, Analyst, OPEGA
Etta Begin, Adm. Secretary

SUMMARY OF THE JANUARY 22ND MEETING

Motion: That the Meeting Summary of January 22, 2007 be accepted as written. (Motion by Sen. Dow, second by Rep. McLeod, PASSED, vote unanimous, 8-0).

COMMITTEE VOTE ON OPEGA FINAL REPORT

Director Ashcroft informed the Committee that OPEGA advertised in four weekend newspapers an announcement of the Public Hearing scheduled for today related to OPEGA's Review of Economic Development Programs in Maine.

• **Economic Development Programs in Maine**

- **Public Comment Period**

Director Ashcroft reported that no written comments had been received.

Chair Mitchell asked if there were public comments on the above Report to be heard at this meeting.

Attending and presenting public comment on the Report were:

- William Norbert, Governmental Affairs and Communication Manager, FAME

The following individuals presented public comment but did not provide a copy of their testimony:

- John Knox, affiliated with SCORE, but stated he was not necessarily representing SCORE for his comments of the Report; and
- Paul Brunetti, Assistant to the Commissioner, Department of Economic and Community Development.

- **Committee Work Session**

Director Ashcroft reviewed with the Government Oversight Committee the report recommendations.

- **Committee Vote**

Motion: That the Government Oversight Committee endorse OPEGA's final Report on Economic Programs in Maine. (Motion by Rep. Pendelton, second by Sen. Dow, PASSED; vote unanimous, 12-0.)

Following the Committee vote, the GOC discussed what action it should take to implement the report's recommendations. The discussion included the following:

- the GOC's authority to report out legislation and how that vehicle might be used to assure action is taken;
- how the in-depth reviews of programs recommended in the report would be accomplished and by whom;
- what action should be taken by the GOC versus the Joint Standing Committees of jurisdiction; and
- what action the GOC should take to help establish a statutory definition of economic development programs and what that definition should be.

The GOC entertained the idea of forwarding a draft definition of economic development programs to the Business, Research and Economic Development Committee for use in efforts that Committee would undertake to implement OPEGA's recommendations. In relation to that discussion, the GOC took the following action:

Motion: For the purpose of having a definition for economic development to forward to the Business, Research and Economic Development Joint Standing Committee, the Government Oversight Committee adopt the definition in the Report: “*Activities which distribute, impact or risk, State funds, where the primary purpose is to stimulate the economy, expand or maintain employment opportunities, or encourage the establishment and growth of commerce and industry.*” (Motion by Rep. McLeod, second by Rep. Pendleton, PASSED; vote unanimous, 9-0.)

Subsequent to the motion there was additional discussion and the GOC decided to wait until the next GOC meeting before finally deciding what action it would take regarding implementing the report’s recommendations.

NEW BUSINESS

• Review of OPEGA’s Budget

Director Ashcroft reviewed with the Government Oversight Committee OPEGA’s budget for FY 2008 and 2009. The Director noted changes in the proposed Budget that differed from the prior year’s budgets. The primary reason for these adjustments is that the prior year’s budgets were developed before OPEGA was operational and were based on best estimates of what OPEGA’s expenses would be. OPEGA now has had 2 years of actual experience on which to base the budget proposal for 2008-2009.

The Director also noted that the Legislative Council had recently approved an OPEGA request to bring forward to FY 07, a portion of unencumbered balances from prior years to cover certain expenses for technology that OPEGA had expected to expend in FY 06. The Legislative Council had also approved bringing forward unencumbered balances in the Highway Fund from FY 06 to, in part, cover FY 07 costs related to the Highway Fund Use by Department of Public Safety review.

The Director reported that after these transfers, OPEGA had \$630,414.23 in unencumbered balances remaining from prior years, \$302,285.00 of which is Personal Services and \$328,129.23 of which is All Other.

Sen. Courtney noted that OPEGA may be in a position to return unneeded funds back to the General Fund. The Director recommended that any discussion and decision on this be held until the GOC had determined what OPEGA’s work plan for the next two years would be since the available funds would increase OPEGA’s capacity to hire consultants if necessary.

UNFINISHED BUSINESS

• OPEGA’s Work Plan

a. Status of current reviews in progress

Director Ashcroft referred members to the status report material in their packet. The status of current reviews in progress is:

- **Economic Development Programs** is complete and the GOC voted on the Report at today's meeting.
- **Highway Fund Use by Public Safety** Report is complete and ready to be presented to the GOC.
- **Urban Renewal Initiative Program's** preliminary research work has been completed and documented. The scope for this review, which had been agreed upon by the GOC, is being revisited, and if OPEGA recommends any major changes to the scope, it will submit the recommendation for GOC approval.
- **Bureau of Rehabilitation Services** is nearing the end of the audit design phase.

Director Ashcroft told members that the scope statements for the reviews listed above are under the "Audits in Progress" tab in their notebooks.

b. Review of planned audits

The audits currently included in OPEGA's partial work plan for 2007 were decided by the 122nd GOC. Therefore no action will be taken on these audits until the 123rd GOC has had the opportunity to reconsider those reviews.

c. Review of On Deck topics

The Committee has a process where it votes to put topics "On Deck". This is a running list of topics that the Committee has expressed an interest in. The items currently "On Deck" were also voted on by the 122nd GOC.

One item still under consideration by the GOC is a citizen's request and will be presented at a future GOC meeting.

d. Review of other potential audit topics proposed by OPEGA or related to current events

As part of its GOC audit selection process, OPEGA is expected to bring forward to the GOC suggestions for potential audit topics arising from its past or current work. The Director reminded the GOC that several of these were currently included in planned audits and noted that OPEGA had several more suggestions for the GOC's consideration. Also included on the list were topics that had arisen from current events, i.e. release of the Brookings Report.

e. Decision on what other audits should be added to OPEGA's Work Plan

The GOC will need to review the information provided and decide what topics will be added to OPEGA's work plan for 2007-2008.

SCHEDULE NEXT COMMITTEE MEETING

The Committee confirmed Monday, February 12, 2007 at 1:00 p.m. for the next GOC meeting.

ANNOUNCEMENT

Director Ashcroft invited GOC members to attend the presentation of the Economic Development Programs in Maine Report before the Appropriations and Financial Affairs and Business, Research and Economic Development Joint Standing Committees on February 6, 2007 at 1:00 p.m. in Room 228 in the State House.

ADJOURNMENT

The Government Oversight Committee meeting was adjourned at 3:50 p.m.. (Motion by Rep. Pendleton, second by Rep. Vaughan, unanimous.)