



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
April 30, 2007
Accepted July 30, 2007

CALL TO ORDER

The Chair, Sen. Mitchell, called the Government Oversight Committee meeting to order at 1:13 p.m. in Room 202 of the Burton Cross Building.

ATTENDANCE

Senators: Sen. Mitchell, Sen. Bartlett, and Sen. Courtney
Absent: Sen. Perry, Sen. Raye and Sen. Dow

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

Legislative Officers and Staff: Beth Ashcroft, Director of OPEGA
Etta Begin, Adm. Secretary, OPEGA

Introduction of the Government Oversight Committee Members

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

SUMMARY OF APRIL 9, 2007 MEETING

Motion: That the Meeting Summary of April 23, 2007 be accepted as written. (Motion by Sen. Courtney, second by Sen. Bartlett, PASSED, unanimous, 9-0).

REPORT OF OPEGA DIRECTOR

• Status of OPEGA's 2007-2008 Work Plan

At the April 23rd GOC meeting Director Ashcroft was asked to give an update on projected timelines on OPEGA's projects. In response to that request she drafted a status report set up by sections indicating the status of each review. The sections are: Completed; In Progress; Planned-First Level Priority; and Planned-Second Level Priority.

The Director gave a brief summary of the reviews in progress.

- **Bureau of Rehabilitation Services** – fieldwork is being finished and OPEGA will be making its recommendations and working with management at the Department of Labor and the Bureau of Rehabilitation Services on the findings. It is uncertain how long this process will take, but the final report should be completed, at the latest, by the end of June, 2007.
- **Contracting for Health and Social Services** – OPEGA has issued its memo of initiation to the Department of Health and Human Services. The review is in the planning and preliminary research phase and OPEGA Analyst Jennifer Reichenbach will be the lead on this review. In the preliminary research, OPEGA will be looking at all arrangements that the DHHS is engaging in to get third parties to deliver services in the health and social services area. OPEGA will provide different ideas to the GOC on how it may want to divide up this review into more discrete segments.
- **Requests for Admission to Riverview Psychiatric Center** – due to the amount of data collected and the information that may be gleaned from it, OPEGA is drafting the results of this work as an Analytical Study Report for the GOC which will be completed before the end of June, 2007.
- **Urban Rural Initiative Program** – fieldwork is being done and the final report will be completed before the end of June.

Also included on the status report is an expected start date for the Planned-First Level Priority. The reviews in Planned-Second Level Priority are all listed to begin in 2008 unless some projects listed in the First Level appear not to be fruitful to pursue in which case some Second Level priorities may be moved to the First Level. Director Ashcroft will continue to provide the budgeted hours, hours spent, hours used above budgeted amount, and hours remaining on the work in progress.

Director Ashcroft reported that OPEGA is proceeding with the RFP's on the three Information Technology reviews and will be presenting the bids received to the GOC for its decision on how to proceed. If the GOC decides to contract out the reviews, they can be done parallel to OPEGA's other work. She is also considering hiring a couple of temporary employees for approximately a year to assist OPEGA in some of the reviews on its 2007-2008 work plan.

Chair Mitchell asked if any members of the Committee had questions for Director Ashcroft. Rep. McLeod asked that when scoping the Revenue Collected Through Courts review that OPEGA include what the procedure is for disposal of items confiscated by the Courts. Sen. Courtney asked for clarification on what reviews would be contracted out. Director Ashcroft said the three Information Technology reviews will be and there may be an opportunity to contract out part of the Revenue Collected Through Courts review.

Director Ashcroft asked the GOC if they had any recommendations for changes to the new format of the status report. Sen. Courtney and other members said they liked the new format and found it helpful.

Director Ashcroft reported OPEGA's new web site was up and running although some parts are still under construction, and thanked OPEGA Analyst, Susan Reynolds, for her work on designing and posting the new site.

UNFINISHED BUSINESS

• Process for Handling Requests for OPEGA Audits

As requested by the GOC, Director Ashcroft drafted a Revised OPEGA and GOC Process for Handling Requests for OPEGA Audits.

The new process is as follows:

1. Those wishing to request an OPEGA audit or review will be directed to complete the OPEGA Audit Request Form or prepare a written statement that provides the same information. The requestor will submit the Form or statement to the OPEGA Director and may ask for their identity to be kept confidential. OPEGA will assist the requestor in completing the Form if necessary.
2. OPEGA will acknowledge receipt of the Audit Request and will advise the requestor of the process that will be followed.
3. OPEGA will determine whether the subject matter fits within the GOC's mission and OPEGA's statutory authority. OPEGA will also determine whether another party would be more appropriate, or has jurisdiction by law, to handle the concerns expressed in the request. If so, OPEGA will forward those concerns to the appropriate party. Receipt of the request and actions taken or decisions made by OPEGA will be documented. The requestor will be notified of OPEGA's determinations and actions.
4. If OPEGA has determined the subject matter is within its authority and the GOC's mission and has not forwarded the request to another party, OPEGA will add the Audit Request to a running list of potential topics for the GOC's consideration. OPEGA may seek additional information from the requestor if needed to properly capture the topic and related concerns.
5. Generally, OPEGA will present requests it has received to the GOC on a quarterly basis. Audit Requests that involve alleged illegal acts, theft, fraud or conflicts of interest by state employees; misuse and abuse of state property including employees' time; or waste, abuse, gross misconduct, incompetence or inefficiency on the part of state employees will be brought to the attention of the GOC Chairs and Minority Leads immediately. They will decide on the gravity of the request and whether to call an emergency meeting of the GOC to deal with it.
6. All requestors will be notified of the quarterly GOC meeting where their request will be considered. Agency heads and liaisons will be notified as appropriate of topics on the quarterly list related to them.
7. At the quarterly meeting where the GOC will consider Audit Requests, the GOC will receive an organized list of all Audit Requests received in that quarter with a brief summary of Potential Areas of Focus and related dollar amounts for each topic. Any themes that emerge from the received requests will also be brought to the GOC's attention.
8. After reviewing all the information presented, the GOC will vote on how to respond to the audit requests. The potential outcomes are:
 - a. No Further Action At This Time – If the GOC believes that the review does not meet the Committee's criteria for placing it in one of the categories below, they will give no further consideration to the audit request at this time.
 - b. Refer Audit Request to the JSC of Jurisdiction or Other Appropriate Oversight Body - If the GOC finds that the nature of the request is such that it should first be reviewed by another body, it will refer the concerns to that body with a request that the entity report back on actions taken by the body and any related findings and recommendations.

- c. Preliminary Inquiry Only At This Time – The GOC may want additional background information on the topic before making a determination on what to do with the Audit Request. The GOC may instruct OPEGA to gather more information and report back.
 - d. Place Audit Request Topic “On Deck” – The “On Deck” category is for audit requests that the GOC believes would be a potentially valuable use of OPEGA resources. Topics are placed in the “On Deck” category by majority vote of the GOC. Topics “On Deck” will be considered further for inclusion in OPEGA’s future biennial work plans. If the number of topics “On Deck” exceeds 25, the Committee will vote on which topics to remove.
 - e. Place Audit Request on OPEGA’s Current Work Plan – Topics that the GOC wants OPEGA to review within the current biennium, but do not need to begin immediately, will be placed on OPEGA’s active work plan and scheduled as appropriate.
 - f. Initiate Rapid Response Review – Rapid Response is for topics where credible information suggests that a situation meeting the Committee’s criteria for an immediate review exists (see GOC’s Review Selection Process and Criteria). These reviews begin directly, and receive priority in OPEGA’s current work plan.
9. OPEGA will notify the requestor of the final outcome of their request. OPEGA will also notify the management of the responsible agency, and the applicable Joint Standing Committee(s) of jurisdiction of any topics that the GOC places On Deck, or on OPEGA’s current work plan. Parties will also be notified as appropriate if the GOC directs OPEGA to begin an immediate review.
10. All documents related to audit requests are considered “working papers” under the OPEGA statute and will be treated as confidential.

As Director Ashcroft summarized the changes, they were discussed by the GOC and included:

- #3 - the GOC agreed it wanted the quarterly list prepared by OPEGA to include all reviews requested with a notation of what has been done by OPEGA on the request.
- #4 - the only work that OPEGA will do, is obtain the additional information needed that was not included on the requestor’s form that will allow OPEGA to be able to determine what the potential areas of focus are.
- #5 - makes it more specific the kinds of issues that might be immediately brought forward to the Chairs and Leads.
- #6 - the requestor and agency will not be asked to address the GOC. The requestors, agency heads and liaisons will be notified of the meeting date and, as appropriate, the topics on the quarterly list that may be related to them. None will address the GOC.
- #7 - Director Ashcroft designed 2 different templates that could be used for the quarterly list of reviews. The GOC will decide at a later meeting once the process has started, which template to be used.
- #8 - “c” was added.
- #9 - as an outcome of the quarterly process, OPEGA will be notifying the Committee(s) of jurisdiction and the agencies on topics the GOC votes to place “On Deck”, on OPEGA’s work plan or to start a review immediately.

Sen. Courtney requested that “Minority Leads” be changed to “Leads” in number 5 and offered the following motion:

Motion: That the Government Oversight Committee accept the new OPEGA and GOC Process for Handling Requests for OPEGA Audits with the amendment to delete “Minority” in number 5. (Motion by Sen. Courtney, second by Rep. Lansley, PASSED unanimous, 10-0).

Director Ashcroft said she spoke with State Auditor Douglass regarding the status of a hot line and although legislation was passed to establish the framework for her office to be able to have a hot line, they do not have sufficient funds available to implement it this year. Auditor Douglass said she checked on using a third-party

vendor, the estimated cost for the first year was approximately \$11,000, but funding has not materialized. The State Auditor's Office does receive complaints, but does not have a formal process. Many of the complaints received involve municipalities and the Auditor's Office is in a position to refer the complaint to the managing agency to look into, or confers with the Attorney General's Office.

Director Ashcroft also reminded the GOC that requests are still pending "On Deck" and action has not been taken on other topics the GOC had interest in. Chair Mitchell asked that the item be put on the next GOC meeting agenda.

NEW BUSINESS

• Update on Management Action Items From Economic Development Report

Director Ashcroft reported that she has been working with Catherine Renault, Director, Department of Economic and Community Development. They attended the Business, Research and Economic Development work session on the proposed legislation involving some of the findings in the Economic Development Report and Director Ashcroft had a general discussion of what was in the report regarding tax incentives with the Taxation Committee at a work session.

Director Ashcroft referred the Committee to the revised Summary of Economic Development Programs in Maine: Findings and Action Plans. Revisions reflect new actions, and the management actions DECD agrees to in the report findings, but DECD wanted it noted that the ability to complete all of the actions would be dependent on their funding. The Director reminded the GOC that OPEGA had acknowledged in its Report, that while DECD was thought to be the central agency that had responsibility for many of the economic development programs, it had not been specifically tasked through legislation to do so.

Director Ashcroft summarized the changes in action items from what had been included in the Report.

Finding 1: Existing Programs May be Ineffective or Inefficient

Previously OPEGA had only legislative recommendations related to Finding 1 which stated the State may currently have programs that are not as effective or efficient as they could be. DECD proposed, if resources are available, doing a complete evaluation of all programs that fit within the defining criteria. Director Ashcroft expressed her support of DECD's recommended addition to this finding, and although it would take resources to implement, it would result in the State receiving, on an annual or biennial basis, a very good report on the State's economic development strategy and what the outcomes of the strategies are producing.

Finding 2: Insufficient Definition of Economic Development

This finding basically stayed the same; however there was a recognition that getting a definition for economic development may be a problem. The BRED Committee instead liked the idea of establishing specific criteria, a check list for example, and if a program meets the criteria on the check list, it would be considered an economic development program for the State's purposes. DECD is to develop a draft proposal, present it to BRED, and BRED will take the necessary action to get it into legislation.

Finding 3: Lack of Statewide Coordination and Oversight

DECD will prepare a proposal of the role it will take for statewide coordination and oversight. DECD has indicated in legislation that if resources are provided, it would work with the Maine Development Foundation, or a similar organization, to develop the economic development program inventory or map similar to the workforce map.

Finding 4: Inadequate Mechanisms to Assure Program Controls

There is an additional management action for DECD to work with the BRED Committee to identify the changes to statute that would be necessary if the other actions go forward to assure the right reporting and evaluation requirements are in place for each program when appropriate.

DECD agreed previously to start reviewing all new economic development proposals against specific criteria that is included in the statute. DECD continues to agree to the reviewing of proposals they are putting forth themselves, but do not believe there is a good mechanism currently in place to make them aware of all the different proposals. It is expected that the Legislature will establish a process for ensuring that all new economic development proposals are forwarded to DECD and the BRED Committee. At the time that process is set up, DECD will begin reviewing all new economic development proposals that fit the criteria.

Sen. Courtney suggested that the GOC may want to consider submitting legislation that new economic development programs be reviewed by the committee of jurisdiction and the BRED Committee. The Committee discussed whether that action would be better addressed in the Joint Rules or by the GOC and will discuss it further at a future meeting.

Finding 5: Data Collected Does Not Provide Clear Picture of Results

DECD believes a plan and a detailed evaluation process has to be developed to address accountability and reporting of individual programs. DECD has proposed a macro level evaluation of all economic development programs but more detailed evaluation would also be needed to help the Legislature identify individual programs that may either be dropped or expanded based on the results of the evaluations. Director Renault said DECD is unsure at this point, to what degree they will be able to get that evaluation to do both things. DECD would also like information on what resources are going into a program, including staffing, administrative costs, etc. and what is being returned by those costs. The Director believes some of the work listed in the detailed evaluation could be done by the joint standing committees of jurisdiction, or OPEGA, to some degree.

Sen. Mitchell believes the information regarding oversight of economic development programs is very important and should be included at the orientations at the beginning of each new Legislature. Director Ashcroft thought a Legislative Oversight Guide should be done on this topic and be widely distributed.

Director Ashcroft said that in the event DECD or Legislative Committees were having difficulty collecting information because of confidentiality provisions related to beneficiaries of any economic development program, OPEGA could be asked to obtain such information.

Sen. Courtney thanked Director Ashcroft for her work with the Taxation Committee and commented that he always receives positive feedback on her presentations to joint standing committees.

SCHEDULE NEXT COMMITTEE MEETING

A Government Oversight Committee will be scheduled when OPEGA has a final report to present to the Committee.

ADJOURNMENT

The Government Oversight Committee meeting was adjourned at 2:06 p.m. (Motion by Sen. Bartlett, second by Rep. McLeod, unanimous).