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VICE-CHAIR

EXECUTIVE DIRECTOR
GRANT T. PENNOYER



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SEN. ELOISE A. VITELLI
SEN. DANA L. DOW
SEN. JEFFREY L. TIMBERLAKE
REP. MATTHEW W. MOONEN
REP. RYAN M. FECTEAU
REP. KATHLEEN R.J. DILLINGHAM
REP. HAROLD TREY STEWART III

129TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

129th Legislature
Legislative Council

February 28, 2019

REVISED AGENDA

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	ROLL CALL	
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**LEGISLATIVE COUNCIL
MEETING SUMMARY
January 24, 2019**

CALL TO ORDER

President Jackson called the January 24, 2019 meeting of the 129th Legislative Council to order at 1:46 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Jackson, Senator Libby, Senator Vitelli, Senator Dow and Senator Timberlake

Representatives: Speaker Gideon, Representative Moonen, Representative Fecteau, Representative Dillingham and Representative Stewart

Legislative Officers: Darek Grant, Secretary of the Senate
Robert Hunt, Clerk of the House
Grant T. Pennoyer, Executive Director of the Legislative Council
Dawna Lopatosky, Legislative Finance Director
Jackie Little, Human Resources Director
Suzanne Gresser, Revisor of Statutes
Chris Nolan, Director, Office of Fiscal and Program Review
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
John Barden, Director, Law and Legislative Reference Library
Nik Rende, Director, Legislative Information Technology

President Jackson convened the meeting at 1:46 p.m. with a quorum of members present.

SUMMARY OF DECEMBER 6, 2018 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for December 6, 2018 be accepted and placed on file. Motion by Speaker Gideon. Second by Senator Libby. **Motion passed unanimously (10-0).**

President Jackson asked if there was any objection to taking items out of order. There was no objection. The Chair then moved to **Reports from Council Committees.**

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

President Jackson reported that the Personnel Committee met on Tuesday, January 22nd to consider the following matters:

1. Workday Maine (formerly SOMER) Update

Ms. Little provided the committee with background information and updates regarding the Workday Maine HR System project.

2. Harassment Prevention Update

Ms. Little provided updates about harassment prevention training for staff, supervisors, legislators and lobbyists. The committee reviewed the draft policy. No action is required. This item will be discussed at a future meeting.

3. Vacation Policy and Use of Accrued Leave

Mr. Pennoyer updated the committee with background information and his implementation of guidance from the previous Personnel Committee. No action is required. This item will be discussed at a future meeting.

4. New Member Orientation/Pre-Legislative Conference

This item was tabled for a future meeting.

5. Personnel Committee Orientation

Ms. Little provided a brief orientation to the committee and reviewed past discussion items and upcoming agenda items.

6. Electronic Communication Guidelines for Legislators and Legislative Staff.

This item was tabled for a future meeting.

7. Request for Temporary Disability from a Nonpartisan Staff

The committee considered a request by the legislative employee for temporary disability income benefits. The request was consistent with the provisions for temporary disability income benefits under the Legislative Council's personnel policies and guidelines. Upon the recommendation of the Executive Director, the committee voted unanimously to approve the request up to an amount not to exceed 100% of the employee's pre-disability earnings. No Legislative Council action is required.

8. Request for Temporary Disability from a Partisan Staff

The committee considered a request by the legislative employee for temporary disability income benefits. The request was consistent with the provisions for temporary disability income benefits under the Legislative Council's personnel policies and guidelines. Upon the

recommendation of the Executive Director, the committee voted unanimously to approve the request. No Legislative Council action is required.

9. Performance Evaluation and Step Increase – Suzanne Gresser

The committee voted unanimously to approve the step increase for Suzanne Gresser, Revisor of Statutes. The committee will review her performance at the next meeting.

10. Performance Evaluation – John Barden

This item was tabled for the next meeting.

2. State House Facilities Committee

Representative Moonen reported that the State House Facilities Committee met on Tuesday, January 22nd, to consider the following items.

1. Potential Uses of the State House Cafe

Mr. Pennoyer presented an overview of the difficulties that Mr. Desjardins, operator of Cross Café and State House Café, faced in trying to staff the State House Café. He also summarized the other options of uses of the State House Café space that were presented to the Facilities Committee of the 128th Legislature. The committee asked Mr. Pennoyer to research some additional questions and explore some other local vendors to operate the Café as a satellite facility and report back to the committee at its next meeting.

2. Press Access through the Connector

Mr. Pennoyer presented an overview of the issue that raised complaints from the press organizations that lease space in the Cross Office Building, not being able to access the State House after hours. Mr. Pennoyer indicated that he was exploring an additional programming option in the updated security system that might allow the press organizations to access the State House through the Connector even if the Cross Office Building and the Connector door are locked after 5PM. Mr. Pennoyer will report back to the committee at its next meeting.

3. Plaque Honoring the 100th Anniversary of the American Legion

Mr. Pennoyer reviewed the design of the plaque and what was presented as the best option for placing the plaque in the Hall of Flags. The committee voted unanimously to recommend approval of the plaque and its proposed location in the Hall of Flags. This recommendation is included under new business later in today's agenda.

4. Fee Waiver – Staff Member in each of Maine Congressional Delegation.

Mr. Pennoyer explained that a staff member of one of the Congressional Delegation Offices complained about having to pay the application fee to get access to the State House through the priority screening lane. Mr. Pennoyer explained that an amendment to the State House Security Screening Policy would need to be approved by the Council to avoid paying the fee. A proposed amendment was presented to do that and the committee voted unanimously that the Council approve the proposed amendment. This recommendation is included under new business later in today's agenda.

5. State House Items in Storage

Mr. Pennoyer presented a list of the items in storage at PRO Moving. He also explained that he, the Clerk of the House and the former Secretary of the Senate had a chance to tour the storage facility and inspect many of the items. Mr. Pennoyer and Mr. Hunt explained that many of the items will not be used again and the Legislature should consider some other possible options for selling or donating many of the items. The current Secretary of the Senate hoped to have a chance to review the many items that came from the Senate Chamber as part of the chamber renovation in 1999. The committee directed the Secretary to report back at a future meeting once he has had a chance to visit the facility.

6. Request for a Virtual Online Tour of the State House

Mr. Pennoyer indicated that he was approached about implementing a virtual online tour of the State House. He explained that there were any number of ways to implement the option and indicated the Massachusetts had a very nice online tour produced by the same vendor that the Legislature is currently using to implement the replacement bill production system. Several other options were discussed including the use of students to help produce the tour. The Clerk of the House indicated that there was a YouTube tour of the State House produced by the former State House tour guide. The committee will review some of the many options again at a future meeting.

7. Status of Current Facilities Projects

Mr. Pennoyer summarized the on-going maintenance and major improvement projects that were approved as part of the last long-range facilities plan adopted by the Legislative Council. He also noted several projects that had to be deferred in 2018 to be finished in 2019. These projects and any new projects will be reviewed at the next committee meeting when the long-range plan is updated.

President Jackson asked if there was any objection to taking items out of order. There was no objection. The Chair then moved to **New Business**.

NEW BUSINESS

Item #1: Consideration of After Deadline Requests

The Legislative Council proceeded to consider and vote on seventeen (17) after deadline bill requests and eight (8) Joint Resolutions. The Legislative Council authorized nine (9) bills for introduction in the Second Regular Session, six (6) bills tabled, two (2) bills were withdrawn by the sponsor and the Council tabled all eight (8) Joint Resolutions. The Legislative Council's action on the bill requests is attached.

Item #2: Plaque Honoring the 100th Anniversary of the American Legion

Speaker Gideon provided some background information about the plaque to the Legislative Council as this item was discussed and voted on by the 128th Legislative Council.

Motion: That upon the recommendation of the State House Facilities Committee, the Legislative Council approve the design and the location in the Hall of Flags of the plaque honoring the 100th Anniversary of the American Legion. Motion by Representative Moonen. Second by Senator Libby. **Motion passed unanimously (10-0).**

Item #3: Amendment to the Legislative Council Policy on Security Screening Protocols for the Maine State House

Mr. Pennoyer reviewed the circumstances surrounding this requested change to the policy.

Motion: That upon the recommendation of the State House Facilities Committee, the Legislative Council approve the revision to the *Legislative Council Policy on Security Screening Protocols for the Maine State House* effective immediately. Motion by Representative Moonen. Second by Senator Libby. **Motion passed unanimously (10-0).**

Item #4: Acceptance of the Thirteenth Annual Report of the Right to Know Advisory Committee

The Right to Know Advisory Committee submitted its Thirteenth Annual Report for acceptance by the Legislative Council.

Motion: That the Legislative Council accept the Thirteenth Annual Report of the Right to Know Advisory Committee and place it on file. Motion by Representative Moonen. Second by Representative Fecteau. **Motion passed unanimously (9-0-0-1, with Speaker Gideon absent).**

The Legislative Council then returned to the other items on its agenda.

OLD BUSINESS

Item #1: Council Actions Taken by Ballot

Requests for Introduction of Legislation:

LR 2247 JOINT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS TO SUPPORT FEDERAL EMPLOYEES IN MAINE AFFECTED BY THE GOVERNMENT SHUTDOWN AND TO TAKE IMMEDIATE CONGRESSIONAL ACTION

Submitted by: Representative Catherine Nadeau
Date: January 15, 2019
Vote: 10-0-0-0 Passed

LR 2242 Resolve, To Name the Route 7 Bridge in Corinna in Honor of PFC Paul Earl Sudsbury

Submitted by: Senator Paul Davis
Date: January 23, 2019
Vote: 9-0-0-1 Passed (with Senator Libby absent)

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

Grant Pennoyer, Executive Director, presented the following report.

1. Committee Room Microphone Replacements

All of the committee room microphones have now been updated. Only the Legislative Council Chamber still is using the old microphones. Replacement microphones have been ordered and when they arrive, we will schedule the upgrade. The Senate Chamber also needs to be updated. That work will be scheduled for the upcoming interim.

2. MELD Replacement Project

The information system project to replace the outdated bill production system, MELD, is progressing well. We are on track to do some parallel production testing of bills and amendments during the 1st Regular Session of the 129th Legislature beginning in April with the complete switch over to the new Bill Production System by the 2nd Regular Session.

3. Blood Drive at the State House

On Wednesday, January 30, there will be a Red Cross blood drive in the Hall of Flags. To donate, register online in advance. Limited opportunity for walk-ins may be available.

4. Benefits Fair

Representatives from Employee Health & Benefits, Maine Public Employees Retirement System, WellStarME (Health Screening), and representatives of the Deferred Compensation Plans will be in the Hall of Flags on the morning of Tuesday, February 12, for a Benefits Fair. The WellStarME staff will also be scheduling appointments for Health Screenings on Wednesday, February 13 to help meet the requirements of the Health Credit Premium Program.

Fiscal Report

Chris Nolan, Director, Office of Fiscal and Program Review, presented the following report.

1. General Fund Revenue Update

Total General Fund Revenue - FY 2019 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$299.4	\$309.3	\$9.9	3.3%	\$277.6	11.4%
FYTD	\$1,891.2	\$1,904.2	\$13.0	0.7%	\$1,784.9	6.7%

General Fund revenue was over budget by \$9.9 million (3.3%) for the month of December and by \$13.0 million (0.7%) for the fiscal year to date. These positive variances are in addition to the December 2018 revenue forecast, which increased budgeted revenue by \$99.2 million for FY 2019. Individual income tax revenue was under budget by \$4.1 million for the month. Individual estimated income tax payments were \$11.7 million under budget for December but are still expected to remain within budgeted levels when January's estimated payments are made. Individual withholding income tax payments were \$11.1 million over budget for December, part of which could also be a timing issue. Corporate income tax revenue was over budget by \$17.6 million for the month, with most of the positive variance resulting from increased corporate estimated payments. Sales and use tax revenue (November sales) was over budget by \$2.4 million for December. Partially offsetting these

positive variances, BETE reimbursements to municipalities were \$10.2 million greater (negative impact on revenue) than budgeted for December and may exceed current budget levels for the fiscal year.

2. Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2019 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$23.9	\$24.1	\$0.2	0.9%	\$23.6	2.1%
FYTD	\$177.8	\$177.5	(\$0.3)	-0.2%	\$171.1	3.7%

Highway Fund revenue was over budget by \$0.2 million (0.9%) for the month of December but under budget by \$0.3 million (0.2%) for the fiscal year to date. These variances are in addition to the December 2018 revenue forecast, which increased budgeted revenue by \$4.9 million for FY 2019. Fuel taxes were under budget by \$0.4 million for the month and by \$1.4 million for the fiscal year to date. Motor vehicle registrations and fees were over budget for the month by \$0.2 million and over budget for the fiscal year to date by \$1.0 million. Motor vehicle inspection fees were over budget by \$0.3 million for the month but under budget by \$0.1 million for the fiscal year to date.

3. Cash Balances Update

The average balance in the cash pool for December was \$1,371.4 million, down from November's average of \$1,411.9 million but above both last December's average balance and the ten-year average for the month. General Fund internal borrowing from other funds was not needed in December (has not been needed since April of 2016). The average Highway Fund balance of \$25.3 million in December was down from November's average of \$36.2 million but above last December's average balance. This normal December decrease was the result of the annual payment to the Local Road Assistance program being made in December.

ANNOUNCEMENTS AND REMARKS

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 2:34 p.m.

**129th Maine State Legislature
Legislative Council Action Taken on
Requests to Introduce Legislation
First Regular Session
January 24, 2019**

AFTER DEADLINE BILL REQUESTS

SPONSOR: Rep. Kent Ackley

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2258	An Act To Establish "Ballad of the 20th Maine" as the Official State Ballad	PASSED

SPONSOR: Rep. Seth A. Berry

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2231	Resolve, To Rename the Richmond-Dresden Bridge	WITHDRAWN BY SPONSOR
2232	RESOLUTION, Proposing an Amendment to the Constitution of Maine To Require Transportation Funding Come from the Highway Fund	WITHDRAWN BY SPONSOR

SPONSOR: Sen. Russell Black

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2269	An Act To Increase the Number of Recipients under the Tuition Waiver Program for Participants in Foster Care	PASSED

SPONSOR: Sen. Michael E. Carpenter

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2253	An Act To Provide Fair Contracts in the Logging Industry	PASSED

SPONSOR: Rep. Benjamin Thomas Collings

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2235	An Act To Continue Authorization of Seaplane Landings on Katahdin Lake	PASSED

SPONSOR: Pres. Troy Dale Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2260	An Act To Promote the Use of Wood Pellet Central Heating Systems	PASSED

2261 An Act To Provide Relief to Federal Workers Affected by the Government Shutdown PASSED

2266 An Act To Ban Use of Aerial Herbicide Spraying for the Purpose of Deforestation TABLED

2267 An Act To Establish Clear Standards for Outcome-based Forestry TABLED

SPONSOR: Rep. Erik C. Jorgensen

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2234	An Act To Create an Endowment Fund for the State	TABLED

SPONSOR: Rep. Dennis L. Keschl

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2238	An Act To Improve State Park Facilities	TABLED

SPONSOR: Sen. Dave Miramant

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2243	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	PASSED

2251 An Act To Provide Consistency in the Laws Governing Culvert Replacement TABLED

SPONSOR: Rep. Richard A. Pickett

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2257	An Act To Require Doctors To Provide Patients Detailed Information on the Risks Associated with the Use of Schedule II Drugs Prior to Their Initial Prescription	PASSED

SPONSOR: Rep. Rachel Talbot Ross

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2236	An Act To Establish the 400 Years of African-American History Commission	PASSED

SPONSOR: Sen. David Woodsome

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2268	An Act To Require That Certain Motor Vehicles Be Clear of Snow and Ice When Operated on Public Ways	TABLED

JOINT RESOLUTIONS

SPONSOR: Sen. Shenna Bellows

<u>LR #</u>	<u>Title</u>	<u>Action</u>
223	JOINT RESOLUTION MEMORIALIZING MAINE'S CONGRESSIONAL DELEGATION TO SUPPORT THE SOCIAL SECURITY FAIRNESS ACT OR OTHER LEGISLATION TO REPEAL BOTH THE WINDFALL ELIMINATION PROVISION AND THE GOVERNMENTAL PENSION OFFSET PROVISIONS OF THE FEDERAL SOCIAL SECURITY ACT	TABLED

SPONSOR: Rep. Seth A. Berry

<u>LR #</u>	<u>Title</u>	<u>Action</u>
248	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO ALLOW DRUGS TO BE IMPORTED FROM CANADA	TABLED

SPONSOR: Sen. Brownie Carson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2254	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO EXPRESS THE STATE'S OPPOSITION TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S REVISED SUPPLEMENTAL COST FINDING FOR THE MERCURY AND AIR TOXICS STANDARDS	TABLED

SPONSOR: Rep. Donna R. Doore

<u>LR #</u>	<u>Title</u>	<u>Action</u>
452	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS TO SUPPORT ELIMINATING THE WINDFALL ELIMINATION PROVISION FROM THE FEDERAL SOCIAL SECURITY ACT	TABLED

SPONSOR: Rep. Jeffrey Evangelos

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1339	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO SUPPORT THE PLEDGES MADE BY THE UNITED STATES IN THE PARIS AGREEMENT	TABLED

SPONSOR: Sen. Geoff Gratwick

<u>LR #</u>	<u>Title</u>	<u>Action</u>
887	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO LEAD A GLOBAL EFFORT TO PREVENT NUCLEAR WAR	TABLED

SPONSOR: Pres. Troy Dale Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1141	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES INTERNAL REVENUE SERVICE TO GRANT EVERY POSSIBLE CONSIDERATION TO THE OFFER IN COMPROMISE SUBMITTED BY OUR KATAHDIN	TABLED

SPONSOR: Rep. Chloe Sophia Maxmin

<u>LR #</u>	<u>Title</u>	<u>Action</u>
801	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO SUPPORT THE REFORM OF THE SOCIAL SECURITY OFFSETS OF THE GOVERNMENT PENSION OFFSET AND THE WINDFALL ELIMINATION PROVISION	TABLED

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Executive Director's Report February 28, 2019

1. Committee Room Micorphone Replacements

New microphones were installed in the Legislative Council Chamber on Monday, February 25th. With this replacement completed, only the Senate Chamber microphones remain to be replaced. We will be working with the Senate to schedule the upgrade.

2. MELD Replacement Project

The information system project to replace the outdated bill production system, MELD, continues to progress well. While some of the more complex system development has fallen slightly behind schedule, we are still on track to do some parallel production testing of bills and amendments during the 1st Regular Session of the 129th Legislature beginning in April with the complete switch over to the new Bill Production System by the 2nd Regular Session.

3. Legislators' Tax Packages

A packet of tax information prepared by the Legislative Finance Director was released to current Legislators and mailed to former Legislators on Tuesday, January 22nd. This year's tax package included more information than previous years about all income, reimbursements and allowances from the Legislature in an effort to preempt frequently asked questions. We also included some guidance from the Maine Society of CPA's and NCSL to help with recent federal tax changes.

4. New Employee Orientation

On Friday, January 25th, we held an additional new employee orientation session for those that were not able to make the first one scheduled in December or that were hired after the first orientation session. 33 staff attended this session.

Fiscal Briefing

February 28, 2019

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached)

Total General Fund Revenue - FY 2019 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$383.7	\$378.8	(\$4.9)	-1.3%	\$367.6	3.0%
FYTD	\$2,274.9	\$2,283.0	\$8.1	0.4%	\$2,152.5	6.1%

General Fund revenue was under budget by \$4.9 million (1.3%) for the month of January but over budget by \$8.1 million (0.4%) for the fiscal year to date. Individual income tax revenue was under budget by \$14.7 million for the month and by \$18.8 million for the fiscal year to date. Individual estimated income tax payments were \$10.2 million under budget for January and are \$21.9 million under budget for the fiscal year to date. It is still possible that once April's returns are processed, actual payments will be closer to budgeted levels. Individual withholding income tax payments were \$10.5 million under budget for January but are still slightly above budget for the fiscal year to date. Corporate income tax revenue was over budget by \$1.4 million for the month and by \$19.1 million for the fiscal year to date. Sales and use tax revenue (December sales) was under budget by \$2.2 million for January but is still slightly above budget for the fiscal year to date. BETE reimbursements to municipalities continue to exceed budget levels for the fiscal year to date (negative impact on revenue) while BETR reimbursements continue to lag behind budgeted levels.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2019 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$27.1	\$29.4	\$2.3	8.4%	\$28.2	4.3%
FYTD	\$204.9	\$206.8	\$2.0	1.0%	\$199.3	3.8%

Highway Fund revenue was over budget by \$2.3 million (8.4%) for the month of January and by \$2.0 million (1.0%) for the fiscal year to date. Fuel taxes were over budget by \$0.6 million for the month but under budget by \$0.8 million for the fiscal year to date. Motor vehicle registrations and fees were over budget for the month by \$1.9 million and over budget for the fiscal year to date by \$2.9 million.

3. Cash Balances Update

The average balance in the cash pool for January was \$1,434.4 million, an increase from December's average of \$1,371.4 million and above both last January's average balance and the ten-year average for the month. General Fund internal borrowing from other funds was not needed in January (has not been needed since April of 2016). The average Highway Fund balance of \$27.7 million in January was up from December's average of \$25.3 million and well above last January's average balance.

**General Fund Revenue
Fiscal Year Ending June 30, 2019 (FY 2019)**

January 2019 Revenue Variance Report

Revenue Category	Fiscal Year-To-Date				FY 2019 Budgeted Totals
	January '19 Budget	January '19 Actual	January '19 Variance	% Change from Prior Year	
	Budget	Actual	Variance	%	
Sales and Use Tax	138,906,878	136,684,965	(2,221,913)	0.0%	1,502,180,767
Service Provider Tax	4,570,669	4,915,549	344,880	2.0%	59,222,124
Individual Income Tax	223,250,000	208,531,981	(14,718,019)	-1.8%	1,680,158,151
Corporate Income Tax	6,411,500	7,827,792	1,416,292	16.7%	209,750,000
Cigarette and Tobacco Tax	10,960,044	11,625,976	665,932	-0.2%	137,088,615
Insurance Companies Tax	52,261	147,776	95,515	-0.4%	74,450,000
Estate Tax	600,000	654,633	54,633	-32.8%	9,140,409
Other Taxes and Fees *	11,256,856	12,296,919	1,040,063	1.9%	143,259,126
Fines, Forfeits and Penalties	1,173,644	1,321,709	148,065	1.3%	17,583,176
Income from Investments	799,463	1,032,431	232,968	10.0%	8,721,242
Transfer from Lottery Commission	4,258,745	3,594,659	(664,086)	7.2%	57,000,000
Transfers to Tax Relief Programs *	(15,500,000)	(6,593,359)	8,906,641	3.9%	(68,368,623)
Transfers for Municipal Revenue Sharing	(5,625,291)	(6,037,194)	(411,903)	-1.0%	(72,683,336)
Other Revenue *	2,601,361	2,802,207	200,846	16.3%	9,874,430
Totals	383,716,130	378,806,043	(4,910,087)	0.4%	3,767,376,081

* Additional detail by subcategory for these categories is presented on the following page.

**General Fund Revenue
Fiscal Year Ending June 30, 2019 (FY 2019)**

January 2019 Revenue Variance Report

Revenue Category	January '19			January '19			Fiscal Year-To-Date			FY 2019 Budgeted Totals
	Budget	Actual	Variance	Actual	Variance	% Change from Prior Year	Budget	Actual	Variance	
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	0	0	0	12,431,431	12,769,543	338,112	2.7%	14,694,831	4.5%	14,694,831
- Real Estate Transfer Tax	1,248,882	1,694,740	445,858	12,472,756	12,916,729	443,973	3.6%	17,767,433	29.4%	17,767,433
- Liquor Taxes and Fees	2,022,144	1,516,131	(506,013)	13,981,711	13,739,535	(242,176)	-1.7%	22,220,860	-2.0%	22,220,860
- Corporation Fees and Licenses	349,211	473,248	124,037	2,021,695	2,426,552	404,857	20.0%	9,838,649	11.2%	9,838,649
- Telecommunication Excise Tax	0	0	0	9,559	0	(9,559)	-100.0%	6,000,000	-100.0%	6,000,000
- Finance Industry Fees	2,819,324	3,156,900	337,576	16,495,268	16,645,350	150,082	0.9%	27,891,990	0.4%	27,891,990
- Milk Handling Fee	202,098	689,404	487,306	2,626,904	3,143,896	516,992	19.7%	4,580,022	55.5%	4,580,022
- Racino Revenue	672,388	613,628	(58,760)	4,944,294	4,883,036	(61,258)	-1.2%	8,167,875	1.2%	8,167,875
- Boat, ATV and Snowmobile Fees	472,063	420,470	(51,593)	2,209,526	2,053,614	(155,912)	-7.1%	4,523,561	5.5%	4,523,561
- Hunting and Fishing License Fees	2,248,227	2,239,690	(8,537)	10,007,548	10,462,422	454,874	4.5%	15,999,151	-2.7%	15,999,151
- Other Miscellaneous Taxes and Fees	1,222,519	1,492,709	270,190	5,805,011	5,523,660	(281,351)	-4.8%	11,574,754	5.1%	11,574,754
Subtotal - Other Taxes and Fees	11,256,856	12,296,919	1,040,063	83,005,703	84,564,336	1,558,633	1.9%	143,259,126	6.0%	143,259,126
Detail of Other Revenue:										
- Liquor Sales and Operations	2,565	0	(2,565)	16,815,000	23,050	6,235	37.1%	28,500	-2.0%	28,500
- Targeted Case Management (DHHS)	101,018	19,745	(81,273)	747,272	164,819	(582,453)	-77.9%	1,200,000	-63.8%	1,200,000
- State Cost Allocation Program	1,411,242	1,786,168	374,926	10,010,260	10,591,934	581,674	5.8%	17,196,059	3.0%	17,196,059
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	6,200,000	N/A	6,200,000
- Tourism Transfer	0	0	0	(18,109,058)	(17,171,837)	937,221	5.2%	(18,109,058)	-6.8%	(18,109,058)
- Transfer to Maine Milk Pool	(642,840)	(1,336,027)	(693,187)	(10,263,555)	(10,956,743)	(693,188)	-6.8%	(13,220,037)	-44.9%	(13,220,037)
- Transfer to STAR Transportation Fund	0	0	0	(9,440,000)	(9,439,886)	114	0.0%	(9,440,000)	-6.1%	(9,440,000)
- Other Miscellaneous Revenue	1,729,376	2,332,320	602,944	13,951,150	15,841,242	1,890,092	13.5%	26,018,966	33.6%	26,018,966
Subtotal - Other Revenue	2,601,361	2,802,207	200,846	(13,087,116)	(10,947,421)	2,139,695	16.3%	9,874,430	-10.4%	9,874,430
Detail of Transfers to Tax Relief Programs:										
- Me. Resident Prop. Tax Program (Circuitbreaker)	0	537	537	0	4,099	4,099	N/A	0	11.0%	0
- BETR - Business Equipment Tax Reimb.	(10,500,000)	(6,489,580)	4,010,420	(22,590,734)	(15,163,097)	7,427,637	32.9%	(27,600,000)	0.4%	(27,600,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	(5,000,000)	(104,316)	4,895,684	(37,718,623)	(42,824,276)	(5,105,653)	-13.5%	(40,768,623)	-21.1%	(40,768,623)
Subtotal - Tax Relief Transfers	(15,500,000)	(6,593,359)	8,906,641	(60,309,357)	(57,983,274)	2,326,083	3.9%	(68,368,623)	-14.6%	(68,368,623)
Inland Fisheries and Wildlife Revenue - Total	2,788,134	3,316,893	528,759	12,731,369	13,238,867	507,498	4.0%	21,482,520	0.0%	21,482,520

Highway Fund Revenue Fiscal Year Ending June 30, 2019 (FY 2019)

January 2019 Revenue Variance Report

Revenue Category	January '19		January '19		Fiscal Year-To-Date			FY 2019 Budgeted Totals
	Budget	Actual	Actual	Variance	Budget	Actual	Variance	
Fuel Taxes:								
- Gasoline Tax	17,127,312	16,879,995	(247,317)		127,394,622	126,252,677	(1,141,945)	-0.9%
- Special Fuel and Road Use Taxes	3,333,824	4,215,659	881,835		29,435,906	29,665,545	229,639	0.8%
- Transcap Transfers - Fuel Taxes	(1,507,120)	(1,550,515)	(43,395)		(11,521,592)	(11,457,077)	64,515	0.6%
- Other Fund Gasoline Tax Distributions	(428,303)	(422,118)	6,185		(3,185,761)	(3,157,201)	28,560	0.9%
Subtotal - Fuel Taxes	18,525,713	19,123,020	597,307		142,123,175	141,303,945	(819,230)	-0.6%
Motor Vehicle Registration and Fees:								
- Motor Vehicle Registration Fees	4,707,225	5,409,596	702,371		36,603,243	37,930,083	1,326,840	3.6%
- License Plate Fees	17,328	75,739	58,411		1,954,868	2,118,302	163,434	8.4%
- Long-term Trailer Registration Fees	1,172,315	2,028,843	856,528		6,472,300	7,393,888	921,588	14.2%
- Title Fees	1,008,224	1,218,441	210,217		7,732,275	8,717,415	985,140	12.7%
- Motor Vehicle Operator License Fees	732,462	798,653	66,191		5,622,989	5,533,069	(89,921)	-1.6%
- Transcap Transfers - Motor Vehicle Fees	0	0	0		(7,767,947)	(8,158,961)	(391,014)	-5.0%
Subtotal - Motor Vehicle Reg. & Fees	7,637,554	9,531,272	1,893,718		50,617,728	53,533,796	2,916,068	5.8%
Motor Vehicle Inspection Fees								
Other Highway Fund Taxes and Fees	216,876	259,729	42,853		2,168,126	2,080,040	(88,086)	-4.1%
Fines, Forfeits and Penalties	86,828	103,315	16,487		756,810	848,066	91,256	12.1%
Interest Earnings	49,071	26,735	(22,336)		461,505	375,665	(85,840)	-18.6%
Other Highway Fund Revenue	15,403	46,177	30,774		263,975	350,895	86,920	32.9%
Subtotal - Other Highway Fund Revenue	549,984	260,361	(289,623)		8,502,341	8,356,508	(145,833)	-1.7%
Totals	27,081,429	29,350,609	2,269,180		204,893,660	206,848,915	1,955,255	1.0%
								3.8%

**Legislative Council Actions
Taken by Ballot Since the
January 24, 2019 Council Meeting**

Requests for Introduction of Legislation:

**LR 2271 An Act To Perform a Comprehensive Review of Emergency Medical Services
in the State**

Submitted by: Representative Kathleen Dillingham
Date: January 31, 2019
Vote: 10-0-0-0 Passed

LR 2272 An Act To Create a Task Force to Address and Improve Tribal Relations

Submitted by: Representative Kathleen Dillingham
Date: January 31, 2019
Vote: 10-0-0-0 Passed

**LR 2271 An Act To Support E-9-1-1 Dispatchers and Corrections Officers Diagnosed
with Post-traumatic Stress Disorder**

Submitted by: Representative Kathleen Dillingham
Date: January 31, 2019
Vote: 10-0-0-0 Passed

**LR 2386 An Act To Clarify That Food and Food Products Containing Hemp-derived
Cannabidiol Produced and Sold within the State Are Not Adulterated**

Submitted by: Representative Craig Hickman
Date: February 5, 2019
Vote: 10-0-0-0 Passed

**LR 2295 An Act To Allow Maine Clean Election Act Funds To Be Used for Election
Recounts**

Submitted by: Representative Kent Ackley
Date: February 7, 2019
Vote: 7-2-1-0 Passed (with Senator Timberlake and Representative Dillingham
opposed and Representative Moonen abstaining)

**LR 2413 An Act to Exempt Holders of Gold Star Family Registration Plates from
Vehicle Registration Fees**

Submitted by: Representative Justin Fecteau
Date: February 21, 2019
Vote: 10-0-0-0 Passed

**LR 2414 An Act To Allow Holders of Gold Star Family Registration Plates To Be
Issued Complementary Licenses To Hunt, Trap and Fish**

Submitted by: Representative Justin Fecteau
Date: February 21, 2019
Vote: 10-0-0-0 Passed

**129th Maine State Legislature
Legislative Council
Requests to Introduce Legislation
First Regular Session
REVISED As of: 2/27/2019**

AFTER DEADLINE BILL REQUESTS

SPONSOR:

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2409	An Act To Amend Certain Laws Related to Members of the Military and Maine's National Guard	

2410	An Act To Amend the Laws Governing Veterans' Services	
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2411	An Act To Amend the Laws Governing Military Services	
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SPONSOR: Rep. Michael F. Brennan

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2424	An Act To Support Infrastructure Improvements in Schools	

SPONSOR: Sen. Michael E. Carpenter

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2412	An Act To Amend the Charter of the Fort Fairfield Utilities District	

SPONSOR: Rep. Fran M. Head

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2294	An Act Authorizing the Deorganization of Magalloway Plantation	

SPONSOR: Sen. Erin Herbig

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2270	An Act To Exempt Auctioneers from Certain Record-keeping Requirements	

2423	An Act To Strengthen the School Transportation Workforce	
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SPONSOR: Pres. Troy Dale Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2422	An Act To Open Maine's Primaries To Cast Ballots in Primary Elections Starting in 2020	

SPONSOR: Sen. Lisa Keim

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2417	An Act To Increase the Availability of Foster Homes	

SPONSOR: Rep. Dennis L. Keschl

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2293	An Act To Allow Insurance, Professional and Occupational, Financial Institution and Other Regulators To Lower Fees by Order	

SPONSOR: Rep. Peter Lyford

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2397	An Act To Allow Certain Licensees To Be Classified as Purveyors of Alcoholic Beverages and To Be Eligible To Conduct Additional Retail Taste-testing Events	

SPONSOR: Sen. Jeff Timberlake

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2415	An Act To Eliminate the Fee for Gold Star Family Vanity Registration Plates	

LATE-FILED MAJOR SUBSTANTIVE RULES

SPONSOR:

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2419	Resolve, Regarding Legislative Review of Portions of Chapter 101: MaineCare Benefits Manual, Chapters II and III, Section 40: Home Health Services, a Late-filed Major Substantive Rule of the Department of Health and Human Services	

TABLED BY THE LEGISLATIVE COUNCIL

AFTER DEADLINE BILL REQUESTS

SPONSOR: Pres. Troy Dale Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2266	An Act To Ban Use of Aerial Herbicide Spraying for the Purpose of Deforestation	Tabled 01/24/19

2267	An Act To Establish Clear Standards for Outcome-based Forestry	Tabled 01/24/19
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SPONSOR: Rep. Erik C. Jorgensen

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2234	An Act To Create an Endowment Fund for the State	Tabled 01/24/19 WITHDRAWN 2/26/19

SPONSOR: Rep. Dennis L. Keschl

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2238	An Act To Improve State Park Facilities	Tabled 01/24/19

SPONSOR: Sen. Dave Miramant

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2251	An Act To Provide Consistency in the Laws Governing Culvert Replacement	Tabled 01/24/19

SPONSOR: Sen. David Woodsome

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2268	An Act To Require That Certain Motor Vehicles Be Clear of Snow and Ice When Operated on Public Ways	Tabled 01/24/19

JOINT RESOLUTIONS

SPONSOR: Sen. Shenna Bellows

<u>LR #</u>	<u>Title</u>	<u>Action</u>
223	JOINT RESOLUTION MEMORIALIZING MAINE'S CONGRESSIONAL DELEGATION TO SUPPORT THE SOCIAL SECURITY FAIRNESS ACT OR OTHER LEGISLATION TO REPEAL BOTH THE WINDFALL ELIMINATION PROVISION AND THE GOVERNMENTAL PENSION OFFSET PROVISIONS OF THE FEDERAL SOCIAL SECURITY ACT	Tabled 01/24/19

SPONSOR: Rep. Seth A. Berry

<u>LR #</u>	<u>Title</u>	<u>Action</u>
248	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO ALLOW DRUGS TO BE IMPORTED FROM CANADA	Tabled 01/24/19

SPONSOR: Sen. Brownie Carson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2254	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO EXPRESS THE STATE'S OPPOSITION TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S REVISED SUPPLEMENTAL COST FINDING FOR THE MERCURY AND AIR TOXICS STANDARDS	Tabled 01/24/19

SPONSOR: Rep. Donna R. Doore

<u>LR #</u>	<u>Title</u>	<u>Action</u>
452	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS TO SUPPORT ELIMINATING THE WINDFALL ELIMINATION PROVISION FROM THE FEDERAL SOCIAL SECURITY ACT	Tabled 01/24/19

SPONSOR: Rep. Jeffrey Evangelos

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1339	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO SUPPORT THE PLEDGES MADE BY THE UNITED STATES IN THE PARIS AGREEMENT	Tabled 01/24/19

SPONSOR: Sen. Geoff Gratwick

<u>LR #</u>	<u>Title</u>	<u>Action</u>
887	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO LEAD A GLOBAL EFFORT TO PREVENT NUCLEAR WAR	Tabled 01/24/19

SPONSOR: Pres. Troy Dale Jackson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
1141	JOINT RESOLUTION MEMORIALIZING THE UNITED STATES INTERNAL REVENUE SERVICE TO GRANT EVERY POSSIBLE CONSIDERATION TO THE OFFER IN COMPROMISE SUBMITTED BY OUR KATAHDIN	Tabled 01/24/19

SPONSOR: Rep. Chloe Sophia Maxmin

<u>LR #</u>	<u>Title</u>	<u>Action</u>
801	JOINT RESOLUTION MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO SUPPORT THE REFORM OF THE SOCIAL SECURITY OFFSETS OF THE GOVERNMENT PENSION OFFSET AND THE WINDFALL ELIMINATION PROVISION	Tabled 01/24/19

129th Maine State Legislature
Addendum
Legislative Council
Requests to Introduce Legislation
First Regular Session

As of February 28, 2019

SPONSOR: Spkr. Sara Gideon

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2427	An Act To Institute Performance-based Rates for Electric Utilities	

SPONSOR: Rep. Patty Hymanson

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2429	An Act To Amend the Marijuana Laws To Correct Inconsistencies in Recently Enacted Laws	

SPONSOR: Sen. Louis J. Luchini

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2428	An Act Regarding the Water Quality of the Union River	

SPONSOR: Rep. Danny Martin

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2425	An Act To Change the Name of the Township 17, Range 3 to Van Buren Cove	

SPONSOR: Rep. Trey Stewart

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2426	An Act To Prevent Hazing on College Campuses in Maine	



STATE OF MAINE
OFFICE OF THE STATE AUDITOR

66 STATE HOUSE STATION
AUGUSTA, ME 04333-0066

TEL: (207) 624-6250

RECEIVED FEB 01 2019

Pola A. Buckley, CPA, CISA
State Auditor

B. Melissa Perkins, CPA
Deputy State Auditor

February 1, 2019

Honorable Members of the Legislative Council for the 129th Legislature

Honorable Janet T. Mills
Governor of the State of Maine

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maine for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the State of Maine are described in Note 1 to the financial statements. As described in Note 3 to the financial statements, the State of Maine adopted a change in accounting principle related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2018. As a result of implementing this standard, the entire other post-employment benefits (OPEB) liability and a more comprehensive measure of OPEB expense was recognized in the entity-wide financial statements and in the proprietary funds and component unit financial statements. In addition, as described in Note 3 to the financial statements, the State of Maine changed its policy regarding inclusion of immaterial component units. As a result of the change, six of the smallest component units were removed from the 2018 component unit financial statements. We noted no transactions entered into by the State of Maine during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting

the Governmental Funds and Governmental Activities were the accrual of taxes receivable, tax refunds payable, allowance for doubtful accounts, other post-employment benefit obligations, incurred but not paid Medicaid claims settlements, and the net pension liability.

We consider all notes to the financial statements to be significant to the users as the notes are an integral part of the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached Schedule of Uncorrected Misstatements summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the State of Maine's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to commencing the audit. Additionally, we have communicated internal control related matters in a separate report dated December 6, 2018. Since we are authorized by statute to conduct the financial audit of the State of Maine, pre-engagement discussions and the development of internal control related matters were not factors in our retention as Maine's Independent Auditor.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Information, State Retirement Plans, Other Post-employment Benefit Plans, and Information about Infrastructure Assets Reported Using the Modified Approach, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

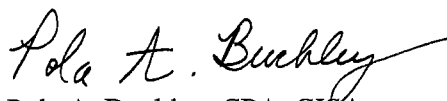
We were engaged to report on the combining and individual non-major fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of members of the Legislative Council for the 129th Legislature and management of the State of Maine and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Pola A. Buckley, CPA, CISA
State Auditor

State of Maine
Office of the State Auditor
Schedule of Uncorrected Misstatements
Fiscal Year Ending June 30, 2018

The Office of the State Auditor (OSA) accumulates uncorrected misstatements to the financial statements that management judged were immaterial, both individually and in the aggregate, to the financial position, results of activities, and cash flows and to the financial statement disclosures. OSA has evaluated the uncorrected misstatements at the entity-wide and opinion unit level and concurs with management's judgement that they are immaterial, both individually and in the aggregate, to the entity- level and opinion unit level financials. A summary of uncorrected misstatements accumulated by OSA is outlined below:

Description of Audit Difference	Factual (F), Judgmental (J), or Projected (P)	Fund	Financial Statement Effect - Amount of Over (Under) Statement of:				Change in Fund Balance/ Net Position	
			Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Revenues	Expenditures		
To split Medicaid receivables, reserve and payables between Federal and State based on the blended Federal Medical Assistance Percentage rate.	F	General	4,736	1,423	-	(3,313)	3,313	
Bank deposits were not recorded in the accounting records.	F	Highway	(944)	-	(944)	-	(944)	
To split Medicaid receivables, reserve and payables between Federal and State based on the blended Federal Medical Assistance Percentage rate.	F	Federal	(6,159)	(6,159)	3,313	3,313	-	
Bank deposits were not recorded in the accounting records.	F	Other Special Revenue	(940)	-	(940)	-	(940)	
Bank deposits were not recorded in the accounting records.	F	Non-Major Enterprise	(677)	-	(677)	-	(677)	
Improper recording of In-State distiller transactions.	F	Non-Major Enterprise	-	2,318	(2,318)	-	(2,318)	
Cummulative Effect of Uncorrected Misstatements - Opinion Level			\$ (3,984) \$	(2,418) \$	(1,566) \$	- \$	(1,566)	
Cummulative Effect of Uncorrected Misstatements - Entity Wide			\$ (3,984) \$	(2,418) \$	(1,566) \$	- \$	(1,566)	
Cummulative Effect of Immaterial Component Units No Longer Reported			(160,328)	(70,529)	(42,123)	(36,575)	(5,548)	
Cummulative Effect - Entity-Wide Financials			\$ (164,312) \$	(72,947) \$	(43,689) \$	(36,575) \$	(7,114)	
Entity-Wide Financial Statement Caption Totals			\$ 15,892,903 \$	12,203,404 \$	3,689,499 \$	10,083,724 \$	9,573,310 \$	510,414
Net audit differences as a % of Financial Statement Caption Totals			-1.03%	-0.60%	-0.43%	-0.38%	-1.39%	