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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

TO: Senator Bill Diamond, Senate Chair
 Representative Emily Cain, House Chair
 Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator John M. Nutting, Senate Chair
 Representative Wendy Pieh, House Chair
 Joint Standing Committee on Agriculture, Conservation and Forestry

DATE: March 27, 2009 (Corrected Copy – April 7, 2009)

RE: Recommendations on L.D. 353 – the Biennium Budget

Pursuant to Joint Rule 314, the ACF committee has reviewed the portions of LD 353, the Biennium Budget bill, relating to the committee's jurisdiction. Our votes are indicated on the worksheets provided by the Office of Fiscal and Program Review and attached to this memo. A simple check mark in the Committee Vote line indicates unanimous acceptance on an item. The word "OUT" means a unanimous recommendation to remove this item from LD 353. We are recommending that a few items be modified. All changes are indicated on the worksheets and described briefly in this memo.

Department of Agriculture, Food, and Rural Resources

The committee is unanimous in its recommendations for the Department of Agriculture, Food, and Rural Resources. We accept the provisions in LD 353 with very few modifications. These proposed modifications are presented below. Where there are companion items within the department initiatives, the page and reference #'s for the related item is in parentheses in the table and noted on the work sheets.

Worksheet page #	Ref. #	Description / Committee notes
ACF – 7	342	<i>Corrected</i> ACF accepts Ref. # 342 and recommends the establishment of a half-time position funded from the Animal Health & Industry Federal Fund 013-01A-0394-01. (see pink sheet)
ACF – 8	336	ACF recommends retaining the Agricultural Resources Management Coordinator within the Division of Animal Health & Industry and funding this position from OSR – Animal Health Industry Account # 014-01A-0394-01. Savings to the GF does not change. (ACF-34, Ref#361)
		ACF unanimously endorses transferring funding for the Planning & Research Associate

ACF -14	409	position to OSR. Some members strongly recommend that this position remain within the Div. of Marketing & Production Development with funding from the Market Development Acct. 014-01A-083301. (ACF-34, Ref#360)
ACF-22	08	ACF is opposed to eliminating a vacant Consumer Protection Inspector position. ACF accepts the savings and recommends that this position remain unfilled until funding is available.

Extra row in 3-27-09 memo deleted

Department of Conservation

The ACF members are unanimous in recommending that certain positions proposed for elimination in LD 353 be retained. ACF is unanimous in recommending that proposed funding cuts resulting in fewer meetings of the Land Use Regulation Commission and less travel for field staff be rejected.

The table below presents the unanimous recommendations of the committee. At the end of this memo you will find 3 reports that provide detail on the resulting budget gap. Each report addresses this gap differently.

Worksheet page #	Ref. #	Description / Committee notes
ACF - 54 ACF - 95	859 1000	Public Service Coordination I/ Landowner Relations Specialist - OSR L.D. 863 An Act To Permanently Establish the Position of Director of Recreational Access and Landowner Relations has been referred to ACF. A public hearing was held March 25 th . A work session on this bill is scheduled for next Wednesday, April 1 st . The ACF committee has tabled this item until after the work session.
ACF - 58 ACF- 90	864 945	ACF is opposed to the elimination of a secretarial position in LURC. - GF
ACF -59 ACF -91	858 948	ACF is opposed to reducing a Senior Planner position in LURC from 40 to 30 hours per week. - GF
ACF-59 ACF- 80 ACF - 99	865 954 953 905	ACF is opposed to eliminating a Hydrogeologist position and an Administrative Asst. position in the Bureau of Geology and Natural Areas. Adm. Asst. - GF Hydrogeologist - 50% GF 50% Mining Operations Fund.
ACF - 77	1005	ACF recommends retaining this Assistant Park Ranger position so that it may be filled if additional revenue comes into the account. OSR
ACF - 85	974	ACF understands that the positions proposed for elimination in Ref. #974 have been <u>restored in the Governor's change package</u> . ACF endorses the decision to restore these OSR positions.
ACF - 87	942	ACF recommends retaining funding for monthly meetings of LURC. - GF
ACF- 90	940	ACF is opposed to reducing travel expenditures for LURC staff. - GF
ACF - 102	1016	ACF is opposed to eliminating the GF appropriation to the Natural Areas program that is used as a match to secure federal funds for monitoring federally endangered species in Maine. - GF
ACF 109	826	ACF is opposed to eliminating a seasonal Customer Representative Asst. I position in Parks General Operation and understands that this position has been <u>restored in the change package</u> . GF

ACF - 110	825	ACF is opposed to eliminating one seasonal Laborer II position in Parks General Operation. ACF recommends retaining this position so that it may be filled if additional revenue comes into the account. OSR
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Comments on funding for the Land Use Regulation Commission

The members on each report want to emphasize the importance of maintaining LURC at a capacity that allows planning efforts to proceed and allows permits to be processed in a timely manner. At current staffing levels no one can be taken off task without repercussions.

All permit fees and penalties collected by LURC are deposited in the General Fund. All fees collected for LURC services through the Unorganized Territory Municipal Cost Component are deposited in the General Fund as well as all assessments on Towns and Plantations that use LURC’s services. LURC is funded from the General Fund, but the GF Municipal Cost Component reflects a percentage of the overall UT valuation. As property valuations within LURC jurisdiction (both the UT and the organized Towns & Plantations) rise, revenue to the General Fund increases. Increased revenue to the GF from the UT and Towns & Plantations in FY2009-2010 is \$164,807. Out of that \$104, 994 has not already been accounted for in the budget and is an actual increase in revenue. The amount for FY 2010-2011 is likely to be slightly greater depending on any increase in valuation. All 3 ACF Reports propose using this additional revenue to offset the cost of restoring positions in the amendment to LD 353.

The differences in the 3 reports are the proposals to address the “remaining gap.” The differences are explained with a few bullets and an accompanying table for each report.

Report A – Rep. Pieh, Rep. McCabe, Rep. Percy, Rep. Smith, Rep. Kent and Rep. O’Brien

- Increased revenue to the General Fund associated with LURC fees and assessments are likely to equal or exceed the gap in DOC’s budget for the biennium.
- In January of 2010, the Joint Standing Committee on Agriculture, Conservation and Forestry and the Joint Standing Committee on Taxation will jointly receive a report on funding and other financial matters pertaining to the commission. This annual report provision was enacted by PL 2007, c. 541, An Act to Implement the Recommendations of the Commission to Study the Costs of Providing Certain Services in the Unorganized Territories. Sec.B-4 of that Act enacted 12 MRSA §685-G. (yellow attachment to this report)
- At the beginning of the Second Regular Session and half-way through the first fiscal year of the biennium, the committees can cooperatively examine budget needs, see how closely revenue is matching projections, and make statutory changes, if necessary, to provide adequate resources for the commission.

Page #	Ref.#	2009-10	2010-11	Initiative
ACF-58	864	\$2,500	\$2,500	All Other - LURC Secretary position
ACF - 90	945	\$45,026	\$47,738	Personal Services - LURC Secretary
ACF -59	858	\$2,500	\$2,500	All Other LURC - Senior Planner position
ACF-79	953	\$58,752	\$59,769	Personal Services - Office Associate II
ACF-91	948	\$62,757	\$63,838	Personal Services - LURC Senior Planner
ACF - 59	865	\$2,500	\$2,500	All Other - Hydrogeologist position
ACF - 80	954	\$44,235	\$44,900	Personal Services - Hydrogeologist
ACF - 90	940	\$25,000	\$25,000	All Other - reduces travel for LURC staff
ACF - 87	942	\$11,000	\$11,000	All Other - Reduces LURC meetings - 12 to 6 per year
ACF - 102	1016	\$3,904	\$4,216	All Other - match for federal grant to NAP
Total Cost Increases		\$258,174	\$263,961	ACF increase in GF costs
Revenue Increases		\$104,994	\$104,994	Increased Revenue to GF from LURC without statutory or rule changes
Revenue - Costs		(\$153,180)	(\$158,967)	Remaining Gap*

* The estimated revenue increase of \$104,994 from recent changes in the % valuation under Title 12, section 685-G may be substantially less than the actual increase, resulting in a much smaller gap or no gap at all.

Report B – Sen. Nutting, Sen. Sherman, Rep. Gifford, Rep. Edgecomb and Rep. Cray

- Report B proposes filling the remaining gap by eliminating 2 positions in the Department of Conservation. Report B results in an estimated GF savings of \$55,650 for the biennium.

Page #	Ref.#	2009-10	2010-11	Initiative
ACF-58	864	\$2,500	\$2,500	All Other - LURC Secretary position
ACF - 90	945	\$45,026	\$47,738	Personal Services - LURC Secretary
ACF -59	858	\$2,500	\$2,500	All Other LURC - Senior Planner position
ACF-79	953	\$58,752	\$59,769	Personal Services - Office Associate II
ACF-91	948	\$62,757	\$63,838	Personal Services - LURC Senior Planner
ACF - 59	865	\$2,500	\$2,500	All Other - Hydrogeologist position
ACF - 80	954	\$44,235	\$44,900	Personal Services - Hydrogeologist
ACF - 90	940	\$25,000	\$25,000	All Other - reduces travel for LURC staff
ACF - 87	942	\$11,000	\$11,000	All Other - Reduces LURC meetings - 12 to 6 per year
ACF - 102	1016	\$3,904	\$4,216	All Other - match for federal grant to NAP
Total Cost Increases		\$258,174	\$263,961	ACF increase in GF costs
Revenue Increases		\$104,994	\$104,994	Increased Revenue to GF from LURC without statutory or rule changes
Revenue - Cost		(\$153,180)	(\$158,967)	Remaining Gap
New Savings		\$105,491	\$113,473	Eliminate 1 P S Manager III in BPL - 50% GF 50% OSR*
		\$73,244	\$75,589	Eliminate 1 PS Coordinator I on OSR**
		\$25,555	\$30,095	General Fund Savings

*The 50% in OSR saved by eliminating this position could be used to fund a portion of the Director of the Bureau of Parks and Lands.

** This position is funded by DiCap. The savings is realized by funding a portion of the Deputy Commissioner's position with DiCap. The Deputy Commissioner's position is currently funded entirely by the GF.

Report C – Sen. Bryant and Rep. Pratt

- Report C recommends increasing the percent valuation for the Unorganized Territory and for Towns and Plantations receiving LURC services. An increase of .001% in UT valuation (from .013% to .014%) would increase GF revenue by \$34,855. An increase of .01% valuation for towns and plantations (from .015% to .025%) would yield an additional \$171,995.
- These increases would bring percent valuations to the levels recommended in the 2006 report of the Commission to Study the Costs of Providing Certain Services in the Unorganized Territories.
- Attached is a draft of the necessary statutory changes to implement this recommendation. (blue)

Page #	Ref.#	2009-10	2010-11	Initiative
ACF-58	864	\$2,500	\$2,500	All Other - LURC Secretary position
ACF - 90	945	\$45,026	\$47,738	Personal Services - LURC Secretary
ACF -59	858	\$2,500	\$2,500	All Other LURC - Senior Planner position
ACF-79	953	\$58,752	\$59,769	Personal Services - Office Associate II
ACF-91	948	\$62,757	\$63,838	Personal Services - LURC Senior Planner
ACF - 59	865	\$2,500	\$2,500	All Other - Hydrogeologist position
ACF - 80	954	\$44,235	\$44,900	Personal Services - Hydrogeologist
ACF - 90	940	\$25,000	\$25,000	All Other - reduces travel for LURC staff
ACF - 87	942	\$11,000	\$11,000	All Other - Reduces LURC meetings - 12 to 6 per year
ACF - 102	1016	\$3,904	\$4,216	All Other - match for federal grant to NAP
Total Cost Increases		\$258,174	\$263,961	ACF increase in GF costs
Revenue Increases		\$104,994	\$104,994	Increased Revenue to GF from LURC without statutory or rule changes
Revenue Increases		\$171,995	\$171,995	Increased revenue from a proposed change in the % valuation*
Revenue - Costs		\$18,815	\$13,028	General Fund Savings

* Breakdown on estimated additional revenue

	\$34,855	from an increase of .001% in the UT mil rate bringing it to .014%
	\$137,140	from an increase of .010% in fees assessed Towns & Plantations
Total	\$171,995	

Thank you for this opportunity to comment. If you have any questions, please let us know.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
 Members, Joint Standing Committee on Agriculture, Conservation and Forestry

Corrected
4-7-09

Justification:

Accounts were established to accept donations; the Department does not anticipate any activity in these accounts in this biennium.

Division of Animal Health and Industry 0394

Initiative: Adjusts funding for vehicle lease costs based upon calculations provided by Central Fleet Management.

Ref. #: 345

Committee Vote: ✓

AFA Vote: _____

FEDERAL EXPENDITURES FUND

All Other

2009-10 2010-11

\$87 \$114

FEDERAL EXPENDITURES FUND TOTAL

\$87 \$114

Justification:

This will increase spending authority in these accounts, based on Central Fleet Management's projected rates for fiscal years 2009-10 and 2010-11.

Division of Animal Health and Industry 0394

Initiative: Reorganizes one Public Service Coordinator II position from 80 hours to 40 hours biweekly.

Ref. #: 342

Committee Vote: OK-in

AFA Vote: _____

GENERAL FUND

POSITIONS - LEGISLATIVE COUNT

Personal Services

GENERAL FUND TOTAL

2009-10 2010-11

(0.500) (0.500)

(\$53,516) (\$54,259)

(\$53,516) (\$54,259)

but add 1/2
position funded
from federal fund

(see pink attachment)

Justification:

This reorganizes one full time State Veterinarian to half time in the Animal Health and Industry program to maintain costs within available resources.

Division of Animal Health and Industry 0394

Initiative: Eliminates one Office Associate II position.

Ref. #: 327

Committee Vote: ✓

AFA Vote: _____

GENERAL FUND

POSITIONS - LEGISLATIVE COUNT

Personal Services

2009-10 2010-11

(1.000) (1.000)

(\$58,514) (\$59,534)

Establish one half-time Public Service Coordinator II position (.5 headcount) to the Department of Agriculture Food & Rural Resources, Animal Health and Industry Federal Fund 013-01A-0394-01.

FY10 Personal Services	\$53,516	FY 11 Personal Services	\$54,259
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Report C

Proposed Amendment

Sec. X 12 MRSA §685-G sub-§1 is amended to read:

§685-G. Funding

1. Unorganized territories. Beginning with fiscal year 2009-10, funding for services and activities of the commission for planning, permitting and ensuring compliance in the unorganized territories must be assessed and allocated to the unorganized territories through a fee equal to ~~.013%~~ .014% of the most recent equalized state valuation established by the State Tax Assessor. This fee must be collected through the municipal cost component under Title 36, chapter 115.

Sec. Y. 12 MRSA §685-G, sub-§2 is amended to read:

2. Towns and plantations. Beginning with fiscal year 2009-10, a town or a plantation in the commission's jurisdiction that elects not to administer land use controls at the local level but receives commission services or a town or plantation with a portion of its land under the commission's jurisdiction and receiving commission services, including planning, permitting and ensuring compliance, must be assessed a fee equal to ~~.015%~~ .025% of the most recent equalized state valuation established by the State Tax Assessor for that town or plantation or that portion of a town or plantation under the commission's jurisdiction. The State Tax Assessor shall issue a warrant to each such town or plantation no later than March 1st of each year. The warrant is payable on demand. Interest charges on unpaid fees begin on June 30th of each year and are compounded monthly at the interest rate for unpaid property tax as established by the State Tax Assessor for the unorganized territory. For any assessment that remains unpaid as of September 1st of the year in which it is due, state revenue sharing to that town or plantation must be reduced by an amount equal to any unpaid warrant amount plus any accrued interest, until the amount is paid. These fees must be deposited to the General Fund.

SUMMARY

Sec. X increases the fee assessed for LURC's services in the Unorganized Territory to .014% of valuation. Sec. Y increases the fee assessed in towns and plantations under LURC jurisdiction to .025% of valuation.