



SEN. JUSTIN CHENETTE, SENATE CHAIR  
REP. ANNE-MARIE MASTRACCIO, HOUSE CHAIR

MEMBERS:

SEN. PAUL T. DAVIS, SR.  
SEN. LISA KEIM  
SEN. NATHAN LIBBY  
SEN. LINDA SANBORN  
SEN. JEFFREY TIMBERLAKE  
REP. KATHLEEN R.J. DILLINGHAM  
REP. AMY ARATA  
REP. H. SAWIN MILLETT, JR.  
REP. MARGARET O'NEIL  
REP. TERESA PIERCE

**MAINE STATE LEGISLATURE  
GOVERNMENT OVERSIGHT COMMITTEE**

**MEETING SUMMARY**

**March 22, 2019**

**Accepted May 10, 2019**

**Call to Order**

The Chair, Sen. Chenette, called the Government Oversight Committee meeting to order at 9:10 a.m. in the Cross Office Building.

**Attendance**

Senators: Sen. Chenette and Sen. Sanborn  
Joining the meeting in progress: Sen. Davis  
Absent: Sen. Keim, Sen. Libby and Sen. Timberlake

Representatives: Rep. Mastraccio, Rep. Arata, Rep. Millett, Rep. Pierce and Rep. O'Neil  
Joining the meeting in progress: Rep. Dillingham

Legislative Officers and Staff: Danielle Fox, Director of OPEGA  
Matthew Kruk, Principal Analyst, OPEGA  
Scott Farwell, Senior Analyst, OPEGA  
Jennifer Henderson, Senior Analyst, OPEGA  
Amy Gagne, Analyst, OPEGA  
Etta Connors, Adm. Secretary, OPEGA

**Introduction of Committee Members**

The members of the Government Oversight Committee introduced themselves.

**Summary of February 22, 2019 GOC Meeting**

The Meeting Summary of February 22, 2019 was accepted as written.

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## New Business

- **Development of annual work plan**

Director Fox referred to the GOC Biennial Work Plan. (A copy is attached to the Meeting Summary.)

The “Planned” topics are items that the GOC has voted to include in its work, but over time have not been started in order to work on other topics the GOC felt were of a higher priority. The original request for the **DHHS Audit Functions** came before the GOC in February 2013 and was added to the work plan that same session. The **Substance Abuse Treatment Programs in Corrections System** was originally voted to the “On Deck List” in 2009 and was added to the work plan in 2017.

Director Fox moved to the “In Progress” topics on the work plan. The **Maine Citizen Initiative Process** topic and its Project Direction Statement was approved in 2017. Work on the review was delayed due to other topics the GOC voted took higher priorities. OPEGA is currently planning fieldwork in the review. The preliminary research, including a detailed Scope of the review, had been presented to and approved by the previous GOC, but she thinks OPEGA should provide the information to this Committee because members may want the background information. The **ReEmployME System** was added to the work plan in March, 2018. Some of the preliminary research did not happen until later because of other prioritized topics that came before the Committee. That research is now almost complete and OPEGA has an updated progress report memo that will be talked about later in the meeting.

The **Special Project: (2) Office of Child and Family Services** review is the second part of a project that was tasked to OPEGA in June of 2018 in response to the first information brief on Child Protective Services. This part of the project directed OPEGA to look at the initiatives that the prior Administration brought forward in response to the first information brief that responded to the two child deaths.

**Maine Capital Investment Credit** is in the planning phase and **Reimbursement for Business Equipment Tax Exemption to Municipalities (BETE) and Reimbursement of Taxes Paid on Certain Business Property (BETR)** is in fieldwork.

Director Fox said another review listed on the work plan is a statutory requirement directing OPEGA to conduct a second review of **Pine Tree Development Zones (PTDZ)** program. When the PTDZ expiration date was extended last year, part of the legislation directed OPEGA to do a review. This topic was not directed by the GOC, but is directed by statute and there are some concerns about that review in terms of how it may impact the GOC’s tax expenditure review schedule and when OPEGA would begin work on the Maine Capital Investment Credit (MCIC) review.

Director Fox referred to the “On Deck List”. (A copy is attached to the Meeting Summary.)

As the GOC goes through its work plan they will move topics off if members no longer want to task OPEGA to review and whether or not there are any items on the “On Deck List” that they want to move to the work plan.

Rep. Mastraccio noted that later in the meeting the Committee will be discussing the broad overview of topics, but said they do not have to do their complete work plan at this meeting because of waiting for the report to be presented to the Judiciary Committee on the Commission on Indigent Legal Services on April 4, 2019. The GOC can make some decisions on either fine tuning or changing some of the topics currently in the planning or preliminary research phase.

Sen. Chenette suggested the Committee move forward to other agenda items because the discussion may help with the GOC’s decisions regarding topics for the work plan. Other members of the Committee agreed.

- **Discussion and Annual Approval of the Classifications and Review Schedule for Tax Expenditures as Required by 3 MRSA § 998-3**

Director Fox said under OPEGA's statute it says that they will review all the tax expenditures. The reviews are put in three different categories: full, expedited or no review. The list of reviews has been established and each year the GOC reviews the list and approves the categorization and determines the schedule. She referred members to the Tax Expenditure documents in their notebooks. (A copy of the Changes to 2019 Tax Expenditure Classifications by Rational and Legislative Review Category is attached to the Meeting Summary.)

Director Fox summarized the tax expenditure information.

Rep. Mastraccio said by changing the review category of a tax expenditure the GOC will have to, at some point, put the review in to the mix of other reviews.

Rep. Millett asked if by the GOC's recommending to the Taxation Committee (TAX) that they changed a review category is to give TAX the GOC's view of stratifying the review, but not prioritizing them. Director Fox agreed and referred members to the Full Review Schedule as of March 2019 which list OPEGA's recommendation for the order of reviews. (A copy of the Schedule is attached to the Meeting Summary.)

Sen. Chenette referred to ID # 90 – Adaptive Equipment for Vehicles of Persons with Disabilities noting that the Review Category changed from C to B with the revenue loss estimates of \$80,000 to \$81,000 and asked the reason for the change. Director Fox said for what ever reason the last GOC did not think the expenditure warranted a review even though the estimate was about \$75,000 and above the \$50,000 amount stated in statute. This Committee may also decide it does not require a review and not include the expenditure on the list.

Rep. Pierce said the Review Category B is for OPEGA to do an expedited review and provide the information to TAX. Director Fox agreed adding TAX would review the information and make recommendations based on certain criteria and report out legislation to make changes if needed.

Rep. Arata said her concerns are that some expenditures are not being utilized enough and referred to ID # 26 – Credit for Modifications to Make Homes Accessible and ID # 28 – Adult Dependent Care Credit and asked if reviewing why people are not taking the tax credits would be under the GOC's purview. Director Fox said that is something TAX would look at in their review. GOC/OPEGA is establishing a categorization and schedule of the listed expenditures to send to TAX and they will follow a framework set in statute for reviewing them. Rep. Arata asked if her question was appropriate to pass on to TAX. Director Fox said she will have to refresh her memory on the statutory parameters of the framework TAX will be using for review.

Sen. Chenette asked if any member of the Committee had specific concerns, would the GOC write a letter attached to one of the reports that highlights the concern. Director Fox said it would not be done in this step of the process, which is simply the categorizing and scheduling of tax expenditures. OPEGA compiles information for the year the expenditure is set for review and the GOC can add their questions when it is sent to TAX.

ID # 171 Shipbuilding Facility Credit Review Category on the draft schedule is proposed to be changed from C to A because of the expenditure change of the new program. Rep. Dillingham said if talking about a projective revenue loss in 2021, why would it be scheduled for a full evaluation by OPEGA in 2024? Director Fox said the program description in statute requires the credit be reviewed by OPEGA so the GOC is deciding what is to be included on the list to be reviewed. The Committee is just adding the program to that schedule. Rep. Dillingham thought it sounded like OPEGA would do the review now, but what was said is to add the program to the list to be done by 2024. Director Fox agreed.

Rep. Mastraccio noted that the Shipbuilding Facility Credit was changed by the Legislature to extend the program so needs to be changed on the list because the credit had been set to expire. That is why the Review Category needs to be changed on the list from a C to an A.

Rep. Dillingham referred to ID #s 175, 176, 177 and 178 and asked why two review categories were B and two were C even though all had “no estimate in MSTER” and why OPEGA is recommending the different review categories. Director Fox said the programs appear to align with others in a category that would be in B so made sense to include them in the expedited review.

Rep. Dillingham said ID # 175 Dependent exemption for tax credit equal to \$300 for each qualifying child could rise to a revenue loss amount that would need further review and should also have an expedited review by TAX. Other than classification she was trying to figure out the determination of the review categories. Director Fox said it is OPEGA’s best guess at the time and will be on the list again next year at which time the recommendation will be based on that information. Next year there may be more information that is provided in the MSTER and the category could change. The process occurs annually.

Sen. Chenette referred to ID # 177 Global intangible low-taxed income subtraction modification program and said, having worked on the Tax Conformity package, this was one of those elements that he believes Maine Revenue Services (MRS) had hired a consultant to specifically get some estimates and asked for help in understanding MSTER versus MRS providing their educated assessment, or judgment, on a revenue loss. Director Fox said the MSTER report is annual and is OPEGA’s primary source for informing this process. Sen. Chenette thought there were estimates in the tax conformity package when they were looking through the “cost estimates” for the tax expenditures as part of the tax conformity package they did have tangible numbers associated with those lines. Director Fox said if MRS has that information it is not being reported in the MSTER. OPEGA can follow-up to see if anything new has been learned since the MSTER has been published and come back to the Committee with that information.

Rep. Mastraccio noted that the GOC is categorizing the four programs as new and asked what year the evaluations would come up. Director Fox said # 176 and 177 will be for 2021 so are not on the list forwarded to TAX this year. It will be submitted next year. Rep. Mastraccio was concerned that # 175 might be an expedited review as well. Director Fox asked if Committee members wanted to change # 175 from a C to B. Committee members agreed.

Sen. Chenette said following Committee discussion the changes made to the tax expenditure classification were ID # 171 was changed from category C to A and # 175 was changed from C to B.

**Motion:** That the GOC approves the Changes to the 2019 Tax Expenditure Schedule and Classification by Rational and Legislative Review Category with two changes. # 171 change review category from C to A and # 175 from review category C to B. (Motion by Rep. Pierce, second by Rep. Dillingham, unanimous vote 10-0.) (Sen. Timberlake voted on the motion in the allowed time frame in accordance with the GOC’s rules.)

- **Discussion and approval of OPEGA’s budget**

Director Fox said OPEGA’s budget is a continued baseline budget from last year and shows what has been spent as of this year. Even though the Office move will occur in the next FY, there will be enough in the unspent balances to cover the cost. If the GOC approves the budget as is, the Legislative Council’s Budget Subcommittee would have the information and move it through the Legislative budget process. Sen. Chenette said it would then be approve by the Appropriations and Financial Affairs (AFA) Committee.

Rep. Millett's understanding of OPEGA's budget process is that it is a separate line item within the Legislature's budget. Director Fox agreed.

**Motion:** That the Government Oversight Committee approves OPEGA's FY20 and FY21 Proposed Budget. (Motion by Rep. Mastraccio, second by Sen. Davis, unanimous vote 10-0.) (Sen. Timberlake voted on the motion in the allowed time frame in accordance with the GOC's rules.)

- **Potential next steps following information brief on Child Protective System**

Director Fox referred members to the Consideration of GOC potential next steps for ongoing review of the child protective system document in their notebooks. She summarized the document for the Committee. (A copy is attached to the Meeting Summary.)

Sen. Chenette referred to 1. Periodic Updates from DHHS to GOC and said, based on the GOC's conversations at the last meeting, there was Committee interest in having Commissioner Lambrew come back to GOC meetings to begin having a walkthrough of the 51 specific recommendations in from the PCG study. The Commissioner had stated a willingness to walk the Committee through them sometime in April. From the recommendations the GOC may have some tangible legislative recommendations, beyond those of DHHS that the GOC could introduce legislation for this or next Session. Rep. Mastraccio said she would be fine with the Commissioner delegating someone from DHHS to give the updates. Sen. Chenette thinks the matter has risen to the level that the Committee needs the Commissioner at the initial conversation regarding the recommendations and following that if the Commissioner wants to have a designee at the meetings, that would be fine.

Rep. Mastraccio asked if Sen. Chenette was willing to wait until DHHS was at a point where they have concrete information to share. Sen. Chenette did not want to have DHHS before the GOC and not have information to share, but feels it was articulated to the Committee a couple of weeks back that DHHS was going to be ready either in March or April to come back and walk members through the list of recommendations from the PCG study that they are going to move forward with, with or without legislative recommendations. There was agreement by GOC members of the urgency and the need to move forward quickly and he thinks the Committee needs to walk through what they need to do as legislators versus what DHHS can do. The Committee needs to understand their role versus DHHS's role and what can this Committee do this Session rather than waiting for summer.

Rep. Mastraccio said the HHS Committee is working on this matter as well and she would want to see what actions they take before deciding on what action the GOC should take. Director Fox said OPEGA can ask DHHS to frame things that way and include what the list of recommendations are, which ones are DHHS taking action on in terms of order and do they need legislative assistance. DHHS can say whether or not there has been legislation introduced or part of a budget proposal. Once that information is presented gaps would emerge or the GOC will see that they are taking the direction they would like them to take. She said prior to making the request she can draft a letter for the GOC that would explain the process they are hoping to move forward and what the overall objective is. Sen. Chenette said it is fine if the HHS Committee is going to handle some of the legislative recommendations, but since the GOC is taking a higher view he thinks it would be helpful to understand that process. There is a level of frustration that bureaucracy can get in the way of progress, especially when operating in silos. It is difficult to understand what another committee is doing versus what the GOC's responsibility is. Having information from DHHS and the HHS Committee would give the GOC direction of where to focus their efforts.

Rep. Arata concurred that the GOC needs to demonstrate how serious they are taking the issue and also agrees with #4. OPEGA Review of Out of Home Placement Options because the foster parents are the foundation upon which the whole process sets. The GOC can undertake #1 and #4.

Rep. Pierce agreed with #1 and thinks #2 is data collection. She was torn about #4 and had concerns about what the Committee heard during the public comment period, but wants to give DHHS time to look at it as well because they may come back to the GOC with some good information. If others feel more strongly about #4, she would welcome pushback on it. She would include #3. Finish Special Project Work (DHHS initiatives) to her statement and the Committee may learn a lot in subsequent updates from DHHS.

Rep. Dillingham agreed with all four of the potential next steps for GOC/OPEGA. She agrees with Sen. Chenette on #1. Referring to #2 she noted the recommendation for a follow-up survey in 12 to 18 months is too far out. From the legislation that has already passed and DHHS talking about changes that they want to institute, she thinks trying to do follow-up in October or November of 2019 would provide that feedback to see if the changes are beneficial, as well as, if there is something that has fallen through the gaps and the GOC needs to address through legislation it would be highlighted for the next legislative session. She would suggest that not only the OCFS staff be included, but also foster parents. Director Fox thinks if the Committee wants to include foster parents in the survey that would be separate and would want to discuss who would be asked and what questions would be on the survey. She would recommend that the GOC separate the two surveys.

Sen. Chenette asked the Director to explain why 12 to 18 months is suggested for the survey follow-up. He noted that the Commissioner had said DHHS was hoping to have the RFP for the new computer system out this summer and if it did not go out until the end of summer they would not have the element regarding caseloads which is a big component of the Frontline Worker study. He thinks it is worthy to have that data, but thinks there is a need for an accelerated follow-up process. Director Fox said OPEGA was thinking about the time it would take to actually implement the changes to the point of being beyond the transition phase and the impacts could be seen. One of the efforts is hiring new staff and there needs to be a significant amount of time before a caseworker may be productive and the impact of that being felt. Rep. Dillingham understood OPEGA's reasons, but still thought the GOC could set their goal for this fall noting she was not expecting a report on the survey in the fall, but just asking the questions in the fall. She understands the GOC wants to see progress, but does not have a good enough understanding to set a date for the follow-up survey. Sen. Chenette noted that #2 could be added to the work plan.

Rep. O'Neil agreed with receiving updates from DHHS given the urgency of the subject matter. She hears what Rep. Dillingham said and suggested using DHHS's updates as a gauge to see how things are moving for the follow-up survey.

Sen. Chenette heard support for moving #4 forward, whether it is the "hoteling" or foster parents' issues, he did not get a sense from the Committee's conversations with DHHS that either was a particular focus for them so the GOC would not be duplicating efforts and would complement the work that is taking place by DHHS. It may also provide a blueprint for how DHHS can then move forward on specific recommendations. He asked if OPEGA was thinking about expediting the review or just adding it to the work plan. Director Fox said OPEGA thought the Committee would add it to the work plan, but that would be a decision for the GOC.

Rep. Millett thought members of the Committee were all saying they want to keep the issue on the front burner and agreed with Sen. Chenette that Commissioner Lambrew is the lead person to update the GOC. He would like that to happen sooner rather than later and would like a DHHS update at the April 26<sup>th</sup> meeting. The Chairs could draft a letter asking where DHHS is with internal policy and procedural changes and what programmatic considerations are emerging from their internal review that might, or might not, involve legislation or a refocusing of resources. The Commissioner could be advised that the GOC wants the information sooner rather than later. The GOC Chairs could invite the Chairs and Leads of the HHS Committee who would know whether to enlist any legislative involvement. The GOC has four members that are on the AFA Committee who will be working on report backs on any resource focus. He knows that replacing MACWIS is in the budget, but said that is going to be a year or two down the road before it gets replaced. Rep. Millett was looking for the

Commissioner to identify some high priority action steps that involve programmatic changes, not just internal policy changes, and how she may focus resources differently than has happened prior to her arrival. The more specific the information that could be brought to the GOC in late April would allow OPEGA to do #3 and begin #4 from a tracking point of view.

Rep. Mastraccio said she agreed with Rep. Millett except for #3 because the initiatives were from the previous Administration and heard nothing from Commissioner Lambrew that the initiatives were things she was progressing with. She would take #3 off the table until the GOC has some assurance that the initiatives were ever implemented and for #4 thinks the GOC could actually start with preliminary research and propose a scope for #4.

Director Fox referred to the document in Committee members' notebooks of the initiatives that were presented with the testimony of Governor LePage in May of 2018. (A copy is attached to the Meeting Summary.) OPEGA has not done an alignment of the initiatives with those of Commissioner Lambrew's initiatives and thinks it would be helpful to get her response about whether she is taking any of the initiatives on or have any been replaced. That is something the GOC could ask the Commissioner and could help the Committee decide where they wanted to go with potential next step in #3 because it appears that may have changed, but not sure how it aligns with the new Administration.

Sen. Chenette asked if Director Fox was recommending that prior to making a decision of whether or not to leave #3 on the GOC's Work Plan, they should hear from Commissioner Lambrew around what initiatives have been brought forward from the previous Administration as part of their blueprint. Director Fox agreed and if there are some initiatives made by the last Administration that are similar to the ones they have adopted now because that information may be helpful.

Rep. Dillingham asked if that work could be part of #1. Members agreed it could.

Rep. Pierce referred to #3 and liked the idea of DHHS reporting back to the GOC where they think the initiatives are aligning as opposed to an independent group.

Sen. Chenette noted from the GOC's discussion, they would be adding #2 and #4 to the GOC's work plan and there is no need to add #1 to the work plan. That step would be at the Committee's directive. He said #4 would be more urgent and asked if the GOC would have to remove item #3 from the work plan in order to prioritize #4. Director Fox said the GOC would not have to vote #3 off the work plan, but should identify which steps were the most important and where they wanted OPEGA to be spending their resources.

Rep. Mastraccio remembered a time when the GOC received another OPEGA DHHS report and voted to put it on hold because DHHS was working on initiatives and would periodically report back to the Committee on their progress. The GOC was giving DHHS time to do what they said they would do. She suggested the GOC put a hold on #3 Finish Special Project Work (DHHS initiatives) until they hear back from the Commissioner. The Committee can vote to keep #3 on the work plan, but to put it on hold and then they could add #4 to the work plan and have OPEGA do preliminary research and develop a proposed review scope.

**Motion:** That the Government Oversight Committee approve putting the Child Protective Services special Project work that is currently on the GOC's work plan on hold pending more information. (Motion by Rep. Mastraccio, second by Rep. Pierce.)

**Discussion:** Rep. Pierce asked how reviews get prioritized on the work plan and can the Committee put #4 at the top for the work OPEGA does. Director Fox said she would let the GOC know what OPEGA is currently working on, other work the Committee has approved and added to the work plan. The GOC would decide, based on that information, the priority of the work.

Sen. Chenette confirmed that Director Fox said the GOC would add #4 to the work plan and at a later time once the Committee has the preliminary information, will have the discussion with Commissioner Lambrew in April, then theoretically at that point they could expedite that item to the top, or near the top of the work plan. Director Fox did not think they necessarily needed to wait for the Commissioner's updated to make a decision.

Rep. Millett clarified that his reference to #3 was only to utilize OPEGA staff talents to establish a table and tracking mechanism for what the GOC hears about from Commissioner Lambrew on April 26. It was not his intent to target it to the May information brief, but an effort to say whatever is heard about in major policy and programmatic changes, OPEGA staff could help by establishing a tracking mechanism.

**Vote on above motion:** Motion passed by unanimous vote 10-0. (Sen. Timberlake voted on the motion in the allowed time frame in accordance with the GOC's rules.)

**Motion:** That the Government Oversight Committee approves adding #2 from Child Protective Services next steps document Follow-up Survey of Frontline Workers to the GOC's Work Plan. (Motion by Rep. Pierce, second by Rep. Arata, unanimous vote 10-0.) (Sen. Timberlake voted on the motion in the allowed time frame in accordance with the GOC's rules.)

**Motion:** That the Government Oversight Committee approves adding #4 from the Child Protective Services next steps document OPEGA Review of Home Placement Options to the GOC's work plan. (Motion by Rep. Pierce, second by Rep. O'Neil.)

**Discussion:** Rep. Arata asked if the GOC needed to prioritize #4. Director Fox thought the Committee could have that discussion once they have a full picture of what is on the work plan or what is on hold.

Rep. Mastraccio was not ready to vote on the whole work plan today, but it will be discussed at a later meeting.

**Vote on above motion:** Passed by unanimous vote 10-0. (Sen. Timberlake voted on the motion in the allowed time frame in accordance with the GOC's rules.)

Sen. Chenette said it appeared from the Committee's discussion that members would like to invite Commissioner Lambrew to the April 26<sup>th</sup> meeting to give an update on the recommendations referred to by the Commissioner at an earlier meeting. Director Fox will draft for the GOC an invite letter to Commissioner Lambrew for an update at the April 26<sup>th</sup> meeting.

## Unfinished Business

### • OPEGA Information Brief on Frontline Workers in the State Child Protective System

#### - Committee Vote on the Frontline Workers in the State Child Protective System Information Brief

**Motion:** That the Government Oversight Committee endorse OPEGA's Frontline workers in the State Child Protective System information brief. (Motion by Rep. Dillingham, second by Rep. Pierce, passed by unanimous vote 10-0.) (Sen. Timberlake voted on the motion in the allowed time frame in accordance with the GOC's rules.)



- **Progress report on ReEmployME System review**

Director Fox said ReEmployME System is on the GOC's work plan and in the preliminary research phase. She would like to present a progress report to the GOC before OPEGA provides them with a project direction statement. (A copy is attached to the Meeting Summary.)

Rep. Mastraccio said she was a member of the LCRED Committee when the request for a review of the ReEmployME System came up for OPEGA to look into whether the new program was launched prematurely. She thought it would be helpful to have Laura Fortman, Commissioner, Department of Labor (DOL) come to a meeting because she would be interested in knowing how things are running now before she could decide what, if any action, to take on the review.

Rep. Dillingham thought it would be important to hear from Commissioner Fortman about how things are progressing, as best that she is able to explain. She would find it helpful to receive the summary of what OPEGA understood occurred during that time. Sen. Chenette agreed and asked if it would be possible to receive an OPEGA summary of what occurred at the next GOC meeting because he also thought the information would be helpful in framing the discussion with the Commissioner. Director Fox said generally OPEGA would provide their account of what happened to DOL to give them an opportunity to weigh in.

Director Fox noted that OPEGA thought there may be separate issues at DOL. One is about the functionality of the system and the other about an accountability issue of how managing and recording messages were handled at that specific point in time.

Sen. Chenette said of the identified two potential avenues, that one is going forward and what is currently taking place versus looking in the past at what actually happened and separating the two out. Having the Commissioner at a meeting may put the GOC's mind at ease that the system, despite any bugs it may have had, is currently functioning. People have access to the system and claims are being processed appropriately. Two is more a backward look of accountability rather than a future risk issue. He thinks the Committee needs to hear from DOL first and if Committee members wanted to invite Commissioner Fortman to the April 12<sup>th</sup> meeting. Committee members agreed they would.

The Committee returned to the "**Development of annual work plan**" for further discussion.

- **Development of annual work plan con't**

Director Fox noted that the Scope questions on the **Maine Citizen Initiative Process** review were done in 2017 and OPEGA is currently planning the fieldwork. The status update on **ReEmployME System** was talked about earlier in the meeting. OPEGA will wait until the Committee receives an update from Commissioner Fortman before asking for Committee direction. The GOC voted at today's meeting to put **Special Project: (2) Office of Child and Family Services** on hold. The other two projects that were added to the Work Plan and a scope has been approved are tax expenditure reviews. OPEGA is deep into the fieldwork on **BETE and BETR** and the other review is **Maine Capital Investment Credit**. What is not included on the list is the second review of the **Pine Tree Development Zones (PTDZ)** which was established by statute and is not a review that the GOC added to OPEGA's work plan. Director Fox said for the size of OPEGA's Tax Team and the amount of time it requires to do tax reviews, having two reviews in progress is about what can be managed.

The Committee approved the parameters for the Maine Capital Investment Credit (MCIC) review. However, the second round PTDZ review would be due in 2021 which means OPEGA would have to start working on that review this summer in order to meet the reporting date and that impacts when the work would begin on the MCIC review. OPEGA completed a PTDZ review in 2017.

Rep. Mastraccio noted that a full review of PTDZ was really never done because of lack of some data. Director Fox agreed and said it is her understanding that there was no information available to answer questions. Rep. Mastraccio said the PTDZ program was to expire in 2018 and pending a review by the Legislature, LCRED extended the program three more years, putting into the PTDZ statute that a full review had not been done and adding a Part 2 PTDZ review.

Director Fox said the statutory review interferes with the system the GOC works on every year in terms of scheduling the order and categorization of reviews. The PTDZ listed on the Full Review Schedule does not have an ID # because of the due date that is prescribed in statute and given priority that was not assigned by the GOC, but rather assigned by statute and would now come before MCIC. Even though the GOC has approved the parameters for work on MCIC, OPEGA would not start that review until either BETE and BETR or PTDZ, part 2 report was completed. Rep. Mastraccio asked if this would be where OPEGA would want to use a consultant or does the work have to be done in house because of the confidentiality issues. Director Fox did not have an answer and would want to talk to staff because the parameters are different than what is set up in OPEGA's statute for what they would look at in a full review. Also in the statute where it tasks OPEGA to do the review by January 15, 2021 "That the specific public policy objective of the Pine Tree Development Zone program established by this subchapter is to create and retain quality jobs in this State by reducing the tax burden experienced by businesses and thereby making this State's business tax burden more comparable to other states. . . ." She said that is different and not expressed the same way in the previous PTDZ statute changing the purpose from the one used in the 2017 report. The evaluation is not with the same baseline understanding of what the purposes were so it is not going to be as a PTDZ, part 2, because it is going to be looking at the program through a different lens. Second, there has not been a lot of time since the changes were made in the legislation that created the review to evaluate the program because some of the data that has been reported will only have been reported for the past two. Director Fox said the GOC needs to think about whether this will be helpful informing the Legislature about the value of PTDZ and whether it should take priority ahead of MCIC. Generally, in evaluations of programs, you usually stretch things out a little longer than a couple of years so you can see the impact by examining trends ongoing, frequent reviews does not conform with good evaluation practice.

Re. Mastraccio said LCRED was not changing the program so much, but the attempt was to be able to evaluate the program. At the beginning of the PTDZ evaluation it was found that OPEGA could not get the data needed to answer some questions. The language in statute was an attempt to make sure that OPEGA could get the data needed for a review and to make it clear what information would be provided if you wanted to participate in the PTDZ program. LCRED assumed, maybe incorrectly, that OPEGA would look at data from when the program was extended and back to for when they could not get the needed data. Director Fox said what that highlights is that the way the program was looked at before was based on what is under OPEGA statute for how they look at all tax expenditure programs. The new law created a different lens through which to look at the program.

Rep. Mastraccio noted working with Beth Ashcroft, former OPEGA Director, on the Headquarters Tax Credit, to add the same kind of changes into that statute because if changes were not made it would have been difficult down the road to evaluate the program. LCRED recognized that they might need to address the tax expenditure statute going forward and were changes the Legislature would have put in the original statute if they had known what they would have needed. Rep. Mastraccio said not being able to get the needed information for a review came out while doing the review of the PTDZ program and finding out what was lacking in the statute. She thinks they are asking for the PTDZ evaluation because the program is going to sunset in three years so the Legislature needs data to be able to make a recommendation for legislation. Hopefully, it will be part of a long range strategy for economic development and will know how PTDZ fits into that plan.

Director Fox said currently the PTDZ program has been extended by three years so will accept applications three years beyond its original repeal date. The PTDZ, part 2 report would be issued about the time the Legislature would need to make a similar decision of extending the program. The report may not necessarily be

following from the first PTDZ report because of the way the second PTDZ review is set up in statute. Is the Committee's objective looking to inform whether or not to extend the PTDZ program or looking at the broader long term economic development plan for the State. She said it is the GOC's decision, but it is her job to let them know the difficulties that will be encountered and what it will mean in terms of the other evaluations that OPEGA would be doing.

Sen. Chenette said the statutory date is putting the Committee in a box and asked if it would require statutory adjustments, if the GOC wants to set its own dates. The Director said it is in statute so the date the review is required to be completed would have to be changed in the statute and then the GOC could decide where it falls in the tax review schedule. Rep. Mastraccio said if the statute is repealed then the Legislature is going to be in the same place they were in when the first PTDZ program was reviewed. The Legislature extended the program for three years so the question is should the Legislature have extended it four years. She thinks the GOC needs to have some discussion with the policy committee because it is a critical piece to the program.

Rep. Dillingham understands that if the reporting date were changed in statute from 2021 to 2022 then we would be operating in a year the program is already sunsetted. Could OPEGA complete a report before the program sunsetted so the current Legislature could decide if they wanted to extend the program, or is that too difficult of an estimate to ask for? Director Fox thinks that was the intent of establishing the date and OPEGA would do everything they could to ensure that they completed the review within the date. However, there may be some learning curve elements and that OPEGA can get access to the information that is needed to look at the performance measures. Also that means that MCIC, which was determined by the GOC to be the next review, would then be pushed out further.

Sen. Chenette said that OPEGA staffing issues is another conversation, but the GOC's directive needs to be more on a policy standpoint of which takes priority. Director Fox said just in terms of evaluations generally, and how frequently you review a program, whether or not three years is enough time to have shown you what you need to make a decision about extension of a program.

Rep. Pierce asked if another issue is the fact that we would be evaluating the PTDZ program differently than the other similar programs. Her goal would be to look at programs that are incentivizing things under the same sort of metric to decide which are working and which are not based on the same criteria, but PTDZ has different criteria than the other two tax reviews on the work plan. Director Fox said the way the statute is set up now for tax expenditure evaluations is that everything is looked at essentially the same way, except for PTDZ, part 2. It departs from the last PTDZ review and is why it may not flow directly from a part one to a part two because OPEGA will be looking at things differently because of the directive to look at it with this specific public policy objective, where that had not been stated before.

Sen. Chenette asked what OPEGA needed from the GOC. If they left the PTDZ, part 2 review statute as is and allowed OPEGA to elevate PTDZ ahead of MCIC, aside from not prioritizing the reviews nothing else would change. OPEGA would still have the directive to handle both of those reviews. It might not be simultaneously, it might be one before the other, but both reviews are still on the work plan. The PTDZ review would be prioritized prior to its sunset. He asked if the concern is that there will not be enough information for OPEGA to actually complete a thorough review and what would be the problem leaving the review date as it is. Director Fox said it will push back another evaluation and it is a departure from the process that was carefully constructed in statute for the way in which OPEGA reviews the tax expenditure programs. It concerns her as a precedent and many of the reviews that are on the list are going to be pushed further and further down on the list and not get evaluated. Sen. Chenette said in order to follow the existing process what would the GOC have to do. Director Fox said if the PTDZ statutory deadline is removed then the GOC can determine when they wanted to review PTDZ or would fall on a schedule to get re-reviewed at some point.

Rep. Mastraccio said that does not address the issue that in three years the PTDZ program is going to expire. The Director thinks the question for the policy committee, the GOC and maybe the Legislature, is will this actually answer the questions to make that decision. Rep. Mastraccio said LCRED was trying to do the right thing and wanted to make sure that they didn't have a program going down the road for another fifteen years if it was not what the State needed or not doing what it should do. She would be more comfortable involving DECD and the IDEA Committee into the discussion. Director Fox said it may be helpful to go back and revisit the existing PTDZ report because it may include information that would answer some of the questions. Rep. Mastraccio said before the GOC decides to do the part two PTDZ review, or change the statute, they need to have a full discussion. Director Fox said there is a broader concern about legislation governing OPEGA's work when the system is set up for the GOC to do that and she is concerned about the departure from the way the process was intended to be set up.

Rep. Dillingham said moving forward the Legislature needs to use caution when adding to statute language for an OPEGA review. Director Fox gave the example of the Legislature's Special Study Table where the Legislative Council decides if the study fits in with their process. The GOC/OPEGA does not have a similar mechanism to amend things before they become enacted so it is unclear which process prevails

Sen. Chenette was concerned about timing and if the GOC would be able to have the full range discussion before OPEGA would need to begin their work on the PTDZ program review. He asked if Rep. Mastraccio thought everybody she mentioned earlier would be able to be pulled together for a discussion in the short amount of time. Rep. Mastraccio thinks if the Committee puts this matter off, it is dooming the program and the intent was not to do that. The intent was to do an evaluation that would then lead to a good legislative decision and thinks there is a solution, but it needs to be thought about a little more. Sen. Chenette thinks the Director's concern is more a procedural level that theoretically it is not prudent for the Legislature to direct OPEGA with specific dates for their work. What he heard about other concerns relating to the program is why the statutory date was put in place and the need to be elevated prior to the sunset date.

Rep. Millett recalled that this was an arbitrary attempt to jumpstart an assignment for GOC as an alternative to simply letting the program die under a sunset. Thinking back to last week when DECD Commissioner Johnson came before the AFA Committee and said one of her priorities was to develop a statewide economic development plan. There is activity going on in DECD and they don't have a good economic development plan for all of the tax expenditure items. He wondered if the GOC could ask Commissioner Johnson when she would have her plan ready for consideration and, if it is timely, the GOC can communicate with the policy committee and the Taxation Committee that what was done last year is not helping the GOC do its work in a thoughtful way and is not consistent with the new Commissioner's plan for an economic development strategy. Rep. Millett thinks the change added to the PTDZ statute was a bailout provision and an alternative to letting the program die and the specific objective of not having been measured in the past was being brought to the forefront in an effort to justify not letting it sunset. He is troubled by what they have done to the GOC and its orderly planning process. He is also worried about the PTDZ program getting another reprieve without an evaluation and not fitting into an overall economic development plan and if, under a new Administration what is the State's economic development plan and can we get a sense of when that may be available and how this could be pushed off or incorporated within that timeline.

Rep. Mastraccio said three years ago the GOC had a bill, LD 367, that would have started the process of a long range strategy for economic development. That is how the Committee ended up with a tax incentive evaluation statute, but the bill died on the AFA Table. She has introduced the same bill this session which is LD 50.

Rep. Dillingham noted that Director Fox was looking for direction on whether or not OPEGA starts the PTDZ, part 2 review in June. Some Committee members said they need to have a conversation with DECD and she asked if that can happen before June.

Sen. Chenette asked if the Director felt that a conversation with Commissioner Johnson could help frame the conversation for both the Committee and OPEGA. Director Fox was not sure it was a discussion with the Commissioner because she did not know the basis they want to make the decision.

Rep. Pierce's biggest concern is the precedent that this might set because the GOC has a clear process for reviews and this legislation has circumvented that process in some manner. Based on good intent, she understands a compromise was made, so she does not want it to break down again. She would like the GOC, not necessarily at this meeting, to talk about whether they need that communication process that the Legislative Council has in how it evaluates studies as another layer so these things don't happen. In terms of the issue at hand, she does not know that it solves anything to say this is in direct conflict with what the Committee does and that needs to be resolved.

Sen. Chenette said this item will be brought up at the next GOC meeting, but was trying to ascertain what would be the negative situation if they allowed OPEGA to fulfill the statutory obligation, recognizing that it may or may not have been in the process that was established. He thinks part of that is educating the rest of the Legislature in what the GOC does. He served on the Taxation Committee so has a little bit of familiarity with the GOC, but generally speaking, it is a step-child off to the side and people do not understand what the Committee does versus what the policy committees do.. He does not want to get bogged down with process because it has already passed, it is in statute, but is that a problem. If the Legislature never passes a statute change again, is it the end of the world just to allow OPEGA to move the PTDZ program review up to the second or third docket versus the fourth. Director Fox said OPEGA will do the work as directed and assigned by the GOC and statute.

Rep. Mastraccio said the previous OPEGA Director sat with LCRED when they tried to hash out this compromise and part of the desire was to fix some of the things that are in the original statute that address how we will do these reviews and specifically try to make the programs be something that could be evaluated down the road in a more focused way. It was looking at what was the objective of the program, does it do what it was supposed to do and add that to statute because a lot of the programs preceded the tax incentive evaluation statutes. It was an attempt as we write, extend or change programs that we add review language into that statute because we realized when we started to evaluate the tax programs we did not have the mechanism in the original tax incentive statute to get either the data needed or it wasn't clear what the objective was.

Director Fox said that raises discussion for her of amending OPEGA's tax expenditure process. Sen. Chenette asked if there was a way to use the statutory language in the parameters of OPEGA differently, interpreting the statute differently. How do you define report or evaluation where there are a lot of things that OPEGA does in a preliminary research or preliminary information. He asked if that could be considered a report which would prevent extensive staff time and then the GOC can set a directive while still meeting the timetable within the statutory language. What is a report and evaluation? It does not necessary define it within the parameters of OPEGA. Director Fox said it is referred to in Title 3, section 999.

Rep. Mastraccio suggested extending the PTDZ program for an extra year so that it has instead of a three year it has a four year extension and that would give everybody time to develop a long range strategy. The sunset would fit in and the GOC could either do the evaluation or not do it. That would be a simple statute change, but she would first talk with DECD to make sure they agreed with the changes.

Sen. Chenette said the GOC needs to be thinking about what are their next actionable steps. The discussion will continue at the next GOC meeting.

Sen. Chenette said now that the GOC has added both the follow-up survey of CPS frontline workers and the placement options the next step is to decide where they fell on the GOC's work plan. He would like to see all the review information on one sheet and then prioritize the topics at the next meeting. Other Committee members agreed.

Sen. Chenette noted that the Judiciary Committee will be receiving the Sixth Amendment Center's report presentation on Indigent Legal Services in Maine on April 4<sup>th</sup> at 1:00 p.m.

## **Report from Director**

- **Status of projects in process**

This item was talked about earlier.

## **Planning for upcoming meetings**

Not discussed.

## **Next GOC meeting date**

The next GOC meeting is scheduled for Friday, April 12, 2019 at 9:00 a.m.

Rep. Mastraccio reported that Sen. Libby is out on paternity leave. The Committee congratulated Sen. Libby on the birth of his son.

## **Adjourn**

The Chair, Sen. Chenette, adjourned the GOC meeting at 11:55 a.m. on the motion of Rep. Dillingham, second by Sen. Sanborn, unanimous.

**GOC Biennial Work Plan for 2019-2020 (Status updated as of 3-19-19)**

#	Project Topic	Resp. Dept.	OPEGA Phase	General Scope	Detailed Scope Avail?
<b>In Progress</b>					
1	Maine Citizen Initiative Process	Secretary of State; Maine Ethics Commission; and Maine State Legislature	Preliminary Research	Trends in activity and characteristics for people's veto and direct initiatives over time; geographic distribution of signatures collected on efforts qualified for ballot; and potential opportunities for improved efficiency, transparency and accountability in the referendum process.	Yes
2	ReEmployME System	Dept. of Labor's Bureau of Unemployment	Preliminary Research	Maine's involvement in the four-state unemployment consortium; development and implementation of ReEmployME System; and DOL response(s) to post-implementation issues experienced by claimants and potential claimants.	No
3	Special Project: (2) Office of Child and Family Services	Dept. of Health and Human Services' Office of Child and Family Services	(2 )Planning and Research	(2) Assess status of current DHHS child protective initiatives and impact of those initiatives on noted areas for concern or improvement.	No
4	Tax Expenditure Evaluation: Maine Capital Investment Credit	Maine Revenue Services	Planning	Fiscal impacts, effectiveness of program design; extent to which program is achieving intended purposes and goals; extent to which those benefiting are the intended beneficiaries; administration of the program; and extent to which program is coordinated with, complementary to or duplicative of other programs with similar purposes and goals.	Yes
5	Tax Expenditure Evaluation: Reimbursement for Business Equipment Tax Exemption to Municipalities (BETE) and Reimbursement for Taxes Paid on Certain Business Property (BETR)	Maine Revenue Services	Fieldwork	Fiscal impacts, effectiveness of program design; extent to which program is achieving intended purposes and goals; extent to which those benefiting are the intended beneficiaries; administration of the program; and extent to which program is coordinated with, complementary to or duplicative of other programs with similar purposes and goals.	Yes

Completed					
#	Project Topic	Resp. Dept.	Report Issued	General Scope	Detailed Scope Avail?
1	Special Project: (1) Child Protective Perspectives	Dept. of Health and Human Services' Office of Child and Family Services	Feb. 2019	(1)Gather input and perspectives from OCFS caseworkers and supervisors on factors impacting staff retention and efficiency and effectiveness of child protective work.	No
2	Tax Expenditure Evaluation: Employment Tax Increment Financing	Dept. of Economic and Community Development	Jan. 2019	Fiscal impacts, effectiveness of program design; extent to which program is achieving intended purposes and goals; extent to which those benefiting are the intended beneficiaries; administration of the program; and extent to which program is coordinated with, complementary to or duplicative of other programs with similar purposes and goals.	Yes
Planned					
1	DHHS Audit Functions	Dept. of Health and Human Services		Effectiveness of DHHS audit functions in identifying and addressing fraud, waste and abuse in programs administered by the Department.	No
2	Substance Abuse Treatment Programs in Corrections System	Department of Corrections and Office of Substance Abuse		Effectiveness and/or cost-effectiveness of programs in rehabilitating participants and reducing recidivism.	No

**\* OPEGA Review required by statute:** Pine Tree Development Zones pursuant to 30-A §5250-P(2). This review is required to be completed by January 15, 2021. The law designates this as a full review. OPEGA completed a review of PTZ in accordance with the review schedule established by the GOC in 2017.



**Government Oversight Committee:  
On Deck List  
(As of 8-23-17)**

	Topic	General Scope
<b>1</b>	<b>Commission on Indigent Legal Services (Motion failed to move to Work Plan but no motion made to take off On Deck)</b>	<ul style="list-style-type: none"> <li>• Effectiveness of the Commission in meeting its mission</li> <li>• Economical use of resources</li> </ul>
<b>Additional Information</b>		
<ul style="list-style-type: none"> <li>• The 128<sup>th</sup> GOC added this topic to the On Deck List after consideration of a legislator-sponsored request for review. Concerns expressed in the request relate to application of financial eligibility requirements in assigning court-appointed attorneys, attorney billing practices, and billing and collection efforts for citizens with assigned attorneys who are required to pay a portion of the attorney fees.</li> <li>• The Maine Commission on Indigent Legal Services was established by the Legislature in 2009 to provide high quality representation to Maine citizens who are entitled to counsel at state expense under the United States Constitution or under the Constitution or statutes of Maine. The Commission's mission is to protect the rights of Maine's indigent citizens in courts throughout the State by providing oversight, support, and training to assigned private counsel and to contract counsel. The Commission assumed responsibility for providing indigent legal services on July 1, 2010.</li> <li>• LD 1433, An Act To Create the Office of the Public Defender and Amend the Duties of the Commission on Indigent Legal Services, was introduced during the 127<sup>th</sup> Legislature. This bill came out of Committee with a divided report. The Ought Not To Pass report was accepted by the House and the bill did not become law. There is an initiative in the current biennial budget bill, LD 390, Part A, that proposes to do the same thing as LD 1433. It can be expected, therefore, that discussion about the Commission will occur at the Appropriations Committee at some point. The proposed budget amounts for the proposed Office of the Public Defender are \$16,364,733 General Fund and \$793,497 Other Special Revenue Funds for FY18, and slightly more for FY19. Proposed budget amounts for the Commission on Indigent Legal Services are \$8,300 General Fund for each of the two fiscal years to cover the Commission's revised role.</li> </ul>		

	Topic	General Scope
2	<p><b>Independent Living Services</b> (multiple programs)</p> <p>Responsible Agencies:            Department of Labor (DOL)            Department of Health and Human Services (DHHS)            Other</p>	<ul style="list-style-type: none"> <li>• Alignment of programs and resources with needs of eligible client population;</li> <li>• Efficient use of resources;</li> <li>• Compliance with State and federal program and funding requirements;</li> <li>• Coordination among programs;</li> <li>• Effectiveness of programs and services in support of independent living</li> </ul>

**Additional Information**

- The 127<sup>th</sup> GOC added this review to OPEGA’s Work Plan in June 2016 after considering a review request expressing concerns that many Maine people are waiting for Independent Living Services and that federally mandated mission, programming and funding requirements are not being followed. The 128<sup>th</sup> GOC voted to take it off the Work Plan and add it to the On Deck List.
- Although the original review request was specific to the Independent Living Services Program administered by the Department of Labor’s Division of Vocational Rehabilitation (DVR), the GOC determined that a review with a broader scope to encompass all State programs offering independent living services would be of value. Consequently, the general scope approved by the GOC intends to encompass the multiple programs delivered through State agencies, or supported by State-administered funding, that provide products or services to assist individuals with significant disabilities in living more independently in their homes and communities. These products and services will be referred to generally as Independent Living Services (ILS).
- OPEGA’s initial research on the Independent Living Services (ILS) Program administered by BRS produced the following information on that program:
  - The program assists people who have significant disabilities to live more independently in their homes and communities. The program is also an advocacy program for people with disabilities and their families.
  - The program provides for needed IL services subject to the availability of funds. The ILS Program is primarily funded through a federal grant. DVR is currently the Designated State Entity (DSE) to receive the grant by virtue of having been selected as the DSE by Maine’s Statewide Independent Living Council (SILC).
  - The SILC is a federally mandated Council that has responsibility for developing Maine’s State Plan for Independent Living. The Plan must be submitted to, and approved by, the federal administrators in order for Maine to receive the federal grant. The federal statute also requires the Council to monitor, review, and evaluate the implementation of the State Plan and communicate with the State Rehabilitation Council (SRC) about activities that address the common needs of specific disability populations and issues under federal law.
  - The SILC is incorporated as a Section 501(c)(3) organization with charitable or educational purpose. It currently has nineteen members appointed by the Governor. SILC also currently employs a part-time Executive Director.
  - DVR provides supporting funds to SILC through a contract that requires SILC to perform certain activities and provide certain deliverables associated with the federal grant. The most recent two contracts include \$49,500 in funds from DVR, \$27,500 of which are from the federal grant and the remainder from other Vocational Rehab funds.
  - ILS Program Services are provided by Alpha One under a sole source contract with DVR. Alpha One has offices in South Portland and Bangor and is currently the only entity certified as a Council for Independent Living (CIL) in Maine under a separate federal program. The federal ILS Program requires that the services under the ILS grant be provided by a CIL. The Executive Director of Alpha One is a member of the SILC.
  - DVR’s contract with Alpha One for October 2015 through September 2016 was for \$475,000. The funding was comprised of \$89,690 in General Fund and \$385,310 Federal Funds, which included \$310,310 from the Independent Living State Grant awarded by the federal Department of Health and Human Services.

- All ILS Program services are carried out through an Independent Living Plan that is mutually agreed upon by the client and an IL counselor. The four core services that every Alpha One office provides are:
  - Individual and Systems Advocacy
  - Information and Referral
  - Individual Independent Living Skills Training
  - Peer Counseling
  - The ILS Program can also purchase products and services to help clients be more independent in their home and/or community
- There is a maximum lifetime expenditure of \$5,000 allowed for each eligible individual served by the ILS Program. The ILS cannot pay for services that are traditionally provided by other state, federal or private agencies. Products and services that support independent living might also be available under other programs administered by DOL's Bureau of Rehabilitation Services and/or DHHS. According to DOL, the ILS Program is designed to be the program of "last resort".
- Individuals found eligible for the ILS Program are prioritized into four categories (Priority 1 being the highest priority). According to DOL, the Program has traditionally had a wait list for services for individuals in Priority categories 3 and 4. Alpha One regularly reports to DVR various performance metrics associated with the wait list, clients served and time to serve.
- According to DOL, in the fall of 2015 Alpha One and SILC discussed concerns about the wait list with the Governor. Alpha One estimated that another \$700,000 in funding would be needed to eliminate the wait list. Following that, DOL worked with DHHS and DOE to explore options for addressing the wait list. This led to a review of current wait list clients, and their needs, by DHHS to determine whether those needs could be met under other programs the clients were already enrolled in.
- As of June 2016, DHHS had reviewed 206 clients on the ILS Program wait list as Priority 3 and 4 and compared them to consumers enrolled in DHHS programs for Chapter 11 and Sections 12, 19, 63 and 96. DHHS found that 93 of those 206 were already enrolled in one of those programs and approximately 62 of them were, or may be, eligible to get some or all of their needs met under these programs, or other programs. DHHS and DOL were in the process of running an updated ILS program wait list against a master file of DHHS programs with components that may cover the needed products and services. This included MaineCare, MaineCare Waivers and Adult Protective Services.
- The 126th Legislature established the Commission on Independent Living and Disability to evaluate the needs of disabled Maine citizens, review existing available resources and services, and develop recommendations regarding expansion of citizen access to particular resources. The Commission's final report in December 2014 made recommendations in eight areas: transportation, education funding, reporting, building codes, public housing, employment, insurance and telehealth/assistive technology. There were no specific recommendations related to the ILS program. LD 949, which implements some of the recommendations from the Commission's report, was passed in the most recent legislative session following an override of a gubernatorial veto.

	Topic	General Scope
3	<p><b>Maine Power Options</b>  <b>(Motion to put on Work Plan failed, but no motion to take off the On Deck List made)</b></p> <p>Responsible Agency:  Maine Municipal Bond Bank  Maine Health and Higher Education Authority</p>	<ul style="list-style-type: none"> <li>• Effectiveness of program in meeting its intent</li> <li>• Effectiveness and transparency of Request For proposal and contractor selection process for electricity supply</li> <li>• Public transparency of MPO activities and decisions</li> </ul>

**Additional Information**

- The 128<sup>th</sup> GOC added this topic to the On Deck List after considering a request from a GOC member.
- In 1999, the Legislature passed legislation directing the Maine Municipal Bond Bank and the Maine Health and Higher Education Authority to create an aggregation program to purchase electricity, fuel oil and other commodities on behalf of governmental units (such as municipalities, schools, and sewage and water districts) and other not-for-profit entities in the State. Maine PowerOptions (MPO) was created as an energy-purchasing consortium that serves as an aggregator for Maine's local governmental and non-profit organizations. Maine Power Options group-purchasing programs are designed to increase the buying power of eligible participant organizations for the purchase of fuel oil and electricity. MPO has approximately 820 members statewide.
- MPO has an Internal Advisory Committee (IAC), made up of members that periodically provide suggestions and recommendations for improvements to the program. There is a competitive bid process conducted every three years to select an electricity provider who will offer the best choice of options for the term, and is open only to licensed energy suppliers in Maine. The members of the IAC participate in the interview process for selection of the energy supplier. A single electricity supplier has won the contract since the program's inception. The contracted supplier pays MPO a monthly fee for the expenses of running the program.
- In August 2013, the State's Office of Policy and Management reviewed the MPO Program and reported the results to the Governor's Office in a Draft Advisory White Paper. OPM concluded that:
  - MPO could not provide evidence demonstrating cost savings for participating members;
  - Oversight of the program was weak;
  - the electricity supply contract was a concern; and
  - MPO participants had numerous alternatives other than MPO available for procuring energy.
- The Office of Policy and Management reported to OPEGA that they had no further involvement with MPO after the draft white paper was provided to the Governor's office. The Director of the Governor's Energy Office to whom the draft white paper was addressed is no longer with the Governor's Office and OPEGA has no further confirmation on what actions, if any, were taken.
- As an energy aggregator, MPO is licensed by the Public Utilities Commission. The PUC reported to OPEGA that they did not receive any calls from consumers in 2016 related to MPO.
- In a conversation with OPEGA, the Maine Public Advocates' office did express some concerns with transparency and the overall value of the program.
- In February 2017 there were about 250 members contracting with the supplier. The one-time membership fee ranges between \$0 and \$500 based on the entity's annual electricity expense. The fee is waived if annual electricity expense is less than \$25,000. Membership is voluntary and members are free to explore other options in the market.
- No information has been published by MPO to indicate how much its members spend on electricity through its contracts, as members choosing to participate in the program select the rate and term which best suit their needs. However MPO provided OPEGA with the 2016 calendar year electricity consumption by its members, which was 390 million kilowatt hours.

- Information regarding potential savings to members of MPO is also not published. MPO points out that favorable terms and conditions also benefit members beyond pricing, and the legislation that created MPO does not mandate cost savings.
- The contracted supplier pays \$19,000 per month to MPO as part of the supplier agreement, which funds the administrative costs to run the program.

	Topic	General Scope
4	<b>Public Utilities Commission</b>  Responsible Agency: Public Utilities Commission (PUC)	<ul style="list-style-type: none"> <li>• Assessment of extent to which the PUC independently assesses risks and costs associated with ensuring safe, reasonable and adequate electrical services</li> </ul>

**Additional Information**

- The 126<sup>th</sup> GOC added this review to OPEGA's Work Plan in April 2014 on a 7-4-1 vote after considerable Committee discussion of whether additional work was necessary following OPEGA's 2013 report on the Public Utilities Committee. The review was carried over on OPEGA's Work Plan until 2017 as there were insufficient resources to complete the review given other GOC priorities. The 128<sup>th</sup> GOC voted to move this topic off the Work Plan and onto the On Deck List.
- Some 126<sup>th</sup> GOC members had concerns that the PUC had a tendency to rely on information and analyses provided by the utility companies while disregarding testimony and other information provided by experts on the opposite sides of the matter the PUC was considering. There was also concern that the PUC had not been sufficiently responsive to LD 131 directing the PUC to research and provide a report to the EUT Committee on measures to mitigate the effects of geomagnetic disturbances and electromagnetic pulse on the State's electricity transmission system.
- The review is intended to be a study of a sample of cases that have been considered by the PUC.

	Topic	General Scope
5	<b>Publicly Funded Programs for Children Birth to Five Years</b>  Responsible Agencies: Department of Education (DOE) Department of Health and Human Services (DHHS)	<ul style="list-style-type: none"> <li>• Strengths and weaknesses, including gaps, overlap, and coordination, in the State's current programs for children birth to five years</li> </ul>

**Additional Information**

- The GOC of the 125<sup>th</sup> Legislature voted this topic On Deck in September 2012 during its consideration of OPEGA's report on Child Development Services. The intention was that OPEGA and the next GOC would review the reported results of the children's task forces that were currently meeting on this topic and consider whether further review of this topic area was needed to identify overlaps and gaps in services.
- The 125<sup>th</sup> Legislature passed LD 568 which had called for creating a stakeholder group to conduct an assessment of this nature including, but not limited to, Child Development Services, public prekindergarten programs and six programs administered by DHHS Bureau of Child and Family Services. That bill was vetoed by the Governor, and consequently, the stakeholder group was not created.
- In testimony before the GOC in 2012, DOE described two groups doing work on Birth to 5 learning that the Department felt would cover the area of focus given for this topic. Those groups were the State Agency Interdepartmental Early Learning Team (SIEL) and the Maine Children's Growth Council (MCGC) Sustainability Committee.
- The Work Plan for SIEL had deadlines on several tasks set at end of June 2013, end of Dec 2013 and end of June 2014. It appears that one of SIEL tasks was to review the results of the MCGC Sustainability Committee and the deadline associated with that task was end of June 2013.

- In January 2017, OPEGA asked DOE to provide information on the status of these efforts and any results or reports that came from them. No response has been received to date.
- Public Law 2013, Chapter 581. An Act to Establish a Process for the Implementation of Universal Voluntary Public Preschool Programs for Children 4 Years of Age was enacted in the 126<sup>th</sup> Legislature. It established a process for the implementation of public preschool programs including providing start-up, operational, and grant funding and directing the Commissioner of Education to promulgate rules.

	<b>Topic</b>	<b>General Scope</b>
<b>6</b>	<b>State Law Enforcement Agencies' Undercover Operations</b>	<ul style="list-style-type: none"> <li>• Approval process for undercover operations</li> <li>• Oversight of undercover operations</li> <li>• Controls on the length of the operation</li> <li>• Funding for undercover operations</li> <li>• The role of the Attorney General, if any, in Approval or oversight</li> </ul>

**Additional Information**

Some state law enforcement agencies include undercover work as part of their law-enforcement efforts. The requestors are interested in whether the general policies, procedures, and practices for these activities are ensuring that the operations, while remaining confidential, are carried out in a way that respects the rights of individuals so that citizens will have confidence in the integrity of such operations.

OPEGA recently requested additional information on this topic from the Department of Public Safety, the Department of Marine Patrol, the Department of Inland Fisheries & Wildlife, the Department of Agriculture (Maine Forest Service) and the Secretary of State (BMV Office of Investigation). The only response was from the Department of Public Safety saying that the request would be forwarded to the Governor's Office.

**Consideration of GOC potential next steps for ongoing review of the child protective system**

Prepared for the committee by OPEGA

**Summary of actions since request received by GOC to direct a review of the child protection system:**

March 9, 2018 – GOC directed OPEGA to determine facts surrounding the response of the child protection system in handling of reports of potential child abuse and neglect (received by DHHS) in the cases of Marissa Kennedy and Kendall Chick. OPEGA was tasked to take on this project as a priority. The Committee had received a letter (dated 3/2/18) from Rep. Hymanson (as chair of HHS committee) requesting a rapid (full) review of the child protection system in light of the 2 child deaths. The Committee also received a letter from AG Mills supporting Rep. Hymanson’s request. The GOC indicated that this work may lead to further, broader review of the child protection system in Maine.

May 23, 2018 – OPEGA presented Information Brief – Maine’s Child Protection System: A Study of How the System Functioned in Two Cases of Child Death by Abuse in the Home.

May 31, 2018 – Public Comment on the information brief. Among those who offered comment were Governor LePage, legislators, child welfare professionals and members of the public impacted by the child protective system/DHHS.

June 28, 2018 – OPEGA presented additional information requested at the 6/14 GOC meeting. GOC tasked OPEGA with a special project that included two parts. OPEGA was directed to begin this project immediately. The first part directed OPEGA to gather the perspectives of frontline workers in the child protective system regarding retention, effectiveness/efficiency and decision-making. The second directed an assessment of the status DHHS child protective initiatives (self-identified and presented at 6/28 meeting) and the impact of those initiatives on the system.

Special Project added to GOC workplan. OPEGA was tasked with a two-part directive.

**Part 1: Frontline Perspectives of child protective workers**

OPEGA developed and administered surveys to all OCFS workers (Intake, Assessment, Permanency, District Program Administrators (PAs) and Assistant PAs).

Survey responses were reviewed and OPEGA followed up by conducting interviews workers in each district across the state. (Fall and winter 2018)

Part 1 Information brief presented on 2/22/19

Public Comment period held 3/8/2019

GOC heard concerns regarding foster care licensing, communication, availability of placements, support for foster families and kinship families, level of workload for staff, funding for child welfare work and other topics.

## Part 2: DHHS initiatives

Department initiatives (presented at 6/28 meeting) were broken down into smaller components and aligned with the areas of concern listed at the end of OPEGA's 5/23 Information Brief. The department provided OPEGA with additional information on those initiatives that did not align directly with concerns identified in Info Brief.

In conducting our work on this part of the special project, OPEGA is looking at each initiative in terms of the following:

- Current status
- How and when the initiative was implemented
- Desired future impact
- Current impacts
- Challenges faced in meeting initiative objective

**NOTE:** There has been a change in the administration, and it's not clear to what extent the new administration has decided to continue with these initiatives OPEGA has been tasked to assess as part of the special project. Also, assessing the impact of these initiatives at this stage presents a challenge in light of the short period of time that has elapsed since they were initiated.

### **Legislation introduced/enacted:**

Aug/Sept 2018: Four of five proposed bills submitted by the Governor to address various issues connected to the child protection system are enacted (summary of enacted bills attached).

### **Current and planned efforts as reported by DHHS:**

Systemic changes: DHHS reports that they are undertaking systemic changes to ensure the safety and well-being of Maine children - such as convening the Children's Cabinet, contracting for evaluations of the system (see PCG), and increased transparency of improvement efforts demonstrated by posting progress reports and updates online. DHHS stated a commitment to improving supports and services to families in the state – beyond those within the child protective realm. The supports cited by DHHS include, MaineCare expansion, efforts to address the opioid crisis and revitalization of the public health nurse program.

As reported by DHHS, following enactment of LD 1923 at the close of the 128<sup>th</sup> Legislative session, OCFS has hired 39 staff, raised staff pay, increased reimbursements for foster families and is beginning the process of issuing an RFP for MACWIS replacement. They are also doing a pilot of a new model for family visitation which includes coaching and parental education.

Based on OPEGA's reports, PCG's work (to date) and the Child Welfare Ombudsman report, DHHS reports they have established a list of 84 recommendations to address (51 directly from PCG report issued on 2/8/19). DHHS reports they have begun work to address some of the themes that emerged from OPEGA's information brief and other reports.

They cited efforts aimed at the following:

- improving the phone system used at intake,
- allowing for better background check access,



- making use of a workload analysis tool, and
- developing an RFP for clinical consultation services.

Staff input will be sought and considered as these efforts move forward according to DHHS.

Consultant studies: DHHS engaged Public Consulting Group (PCG) to conduct a multi-year evaluation of the OCFS child welfare service system which will recommend a plan to implement and sustain improvements to the system. The \$825K contract began on 10/1/18 and has an end date of 3/21/20. OPEGA's reading of the contract shows 3 phases of review:

- **Phase 1** focused on the OCFS Intake and Assessment units looking at work flow, decision-making processes, staff perspectives, technology and state policy. (This report identified 51 short and long-term recommendations to improve access to child welfare services, quality and efficiency). Posted February 8, 2019.  
<https://www.maine.gov/dhhs/ocfs/cw/reports/Child-Welfare-Evaluation-and-Business-Process-ReDesign.pdf>
- **Phase 2** will focus on OCFS Permanency Units, Foster Care Licensing units, Adoption, Quality Assurance, Quality Improvement, Background check Units, Youth Transition services and Teaming Units. The deadline for this phase is 12/31/19. The contract requires PCG to develop a Policy and Practice Report with recommendations for specific procedures (by position), to update the Workload Study Tool for ongoing use by OCFS, and to develop and implementation plan.
- **Phase 3** involves the creation of a Sustainability Plan to be used to sustain the implementation of changes. Completion deadline is 3/20/20.

DHHS contracted with PCG for a separate study to conduct a comprehensive review of the current child behavioral health system in Maine. The contract started 8/15/18 and the final report was issued December 2018 (\$213K). The report resulted in 24 recommendations, both short-term and long-term.

<https://www.maine.gov/dhhs/ocfs/cbhs/documents/ME-OCFS-CBHS-Assessment-Final-Report.pdf>

## Potential next steps for GOC/OPEGA:

Considering the two OPEGA information briefs and subsequent public comment received by the GOC each, current agency efforts as reported by DHHS, past/current work by others (PCG) intended to improve the child welfare system, and the interest expressed by some members of the GOC for continuing work on this issue, OPEGA has identified four potential avenues for next steps:

1. **Periodic Updates from DHHS to GOC.** The GOC may want to schedule periodic updates from DHHS as part of the regular GOC meeting schedule (and postpone further work by OPEGA on this topic at this time). These updates could be scheduled to begin after a period of time, in order to allow the department to conduct its own internal evaluations, implement changes, and to allow those changes to impact the system. The schedule of updates would identify which subjects would be addressed at each periodic GOC meeting.
2. **Follow-up Survey of Frontline Workers.** OPEGA is well-positioned to do a follow-up survey with OCFS staff following DHHS implementation of changes. The GOC could recommend a time period for the follow up – perhaps 12 to 18 months out. OPEGA could administer the same survey (or selected parts) to the same populations. This would create comparable data for the GOC to evaluate in terms of workload, quality of work, adequacy of resources, job satisfaction and other factors. The survey could also be expanded to consider other topics or additional populations.
3. **Finish Special Project Work (DHHS initiatives).** OPEGA would revisit the initiatives with the agency and compile a table containing a description of each initiative, the area of concern it is intended to address (as identified in OPEGA May 2018 brief), the desired future impact of the initiative, and the status of the initiative (and whether current administration is adopting/pursuing the initiative). Subsequently, the GOC could then revisit any of these initiatives and task OPEGA to review if there has been any change or if the desired impact (as stated) has been achieved.
4. **OPEGA Review of Out of Home Placement Options.** At the direction of the GOC, OPEGA would conduct preliminary research and propose scope questions to the committee for approval, then conduct a review based on the approved scope.

Possible areas of focus include:

- The availability and types of placement options and the extent to which “hotelings” occurs;
- The recruitment, retention, training, support for and licensing of, foster parents;
- Changes in responsibilities of foster parents and foster parent perspectives;
- The extent to which OCFS provides sufficient services, training, financial supports and information to foster parents; and/or
- Others as directed by the GOC.

# SUMMARY OF STRATEGIC INITIATIVES

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The Office of Child and Family Services completed an extensive review of the internal Child Welfare System during the late winter and early spring of 2018. This review entailed a detailed look at specific cases as well as the resulting evaluation of overall Child Welfare practice and policy decisions. As a result of this internal review, the Office of Child and Family Services has initiated several strategic initiatives as detailed below.

## **Initiative 1: Improve Service of Contracted Alternative Response Providers (ARP)**

*Objective:* Ensure all ARP cases in a certain district are appropriately served and increase monitoring and oversight of ARP service providers and referrals in all districts to ensure high quality work. This effort included monitoring reassignment practices to ensure that no "Appropriate" reports are closed by the ARP provider before an assessment of child safety is completed.

*Status:* This objective was initiated in March 2018 and has been completed.

## **Initiative 2: Ensure Consistent, High-Quality Casework Practice for Child Welfare Services**

### ***Quality Improvement Objectives***

- *Objective:* Increase quality review of casework practice statewide through implementation of the Quality Improvement Program. This program increases oversight of casework practice through continuous, real-time review of Child Welfare caseworker documentation.

*Status:* This objective was initiated in July 2017 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Obtain consistent statewide practice through implementation of the Structured Decision Making tool to strengthen consistent, research and evidence-based decision making across Child Welfare practice. This tool provides a structured guideline against which caseworkers can benchmark their decision-making and determine next steps.

*Status:* This objective was initiated in the spring of 2016 and will continue to be an ongoing focus of OCFS work.

### ***Intervention Objectives***

- *Objective:* Increase high quality statewide practice through continued implementation of the Family Teaming Practice. Family Teaming Practice increases engagement of caregivers and their informal supports—which are such non-paid supports as relatives and neighbors. This "teaming" works to create a plan to meet the safety needs of children involved with Child Welfare interventions.

*Status:* This objective was initiated in June 2016 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Increase child safety-focused interventions by transitioning from the use of contracted providers (ARP) for assessments of Reports of Abuse. This action increases safety of children involved with child welfare interventions by having only Child Welfare caseworkers conduct assessments related to reports of abuse.

*Status:* This objective was initiated in the summer of 2017 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Strengthen consistent statewide practice and reduce permanency timeframes by discontinuing Out of Home Safety Plans. This action mitigates risk related to the practice of agreeing to place a child outside of their parents' home(s) with another caretaker, without a court directive and court oversight.

*Status:* This objective was initiated in February 2018 and will continue to be an ongoing focus of OCFS work.

### ***Personnel, Management and Training Objectives***

- *Objective:* Complete personnel investigation of two recent cases to review and make recommendations for improvement in Child Welfare practice.

*Status:* This objective was implemented in December 2017 and expanded in February 2018. This has been completed.

- *Objective:* Implement the supervision "case review toolkit." Caseworker supervisors will use the toolkit to strengthen high quality, consistent casework practice across all districts. This toolkit also increases oversight and improves caseworker supervision.

*Status:* This objective was initiated in January 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Create two additional Child Welfare Regional Director Positions and implement the Chief Operating Officer model to increase oversight of the work in each of the eight districts, including intake practice and statewide operations.

*Status:* This objective was initiated in May 2018 and is still in the process of being completed.

- *Objective:* Re-class Intake and Assessment Child Welfare Human Services caseworker lines. This action increases the training requirements and expectations related to these positions, with a focus on investigation of child abuse and neglect.

*Status:* This objective was initiated in April 2018 and is still in the process of being completed.

- *Objective:* Increase training requirements for all Child Welfare caseworkers and supervisors. This action improves practice within Child Welfare and therefore creates increased child safety.

*Status:* This objective was initiated in April 2018 and is still in the process of being completed.

- *Objective:* Increase Child Welfare oversight and case review at the District level through adding clinical supervision by a clinical psychologist, which increases high quality casework practice. This objective was initiated in April 2018 and has been partially implemented.

*Status:* This will continue to be an ongoing focus of OCFS work.

- *Objective:* Increase caseworker retention and performance by implementation of trauma debriefing and a semi-annual psychological evaluation of staff. A similar system is employed by the Department of Public Safety to ensure the psychological wellbeing of workers.

*Status:* This objective was initiated in April 2018 and is still in the process of being completed.

- *Objective:* Review, plan and implement a Field Instruction Unit (an internship and training program created in partnership with University and College systems) for recruitment of high quality Child Welfare staff.

*Status:* This objective was initiated in April 2018 and is still in the process of being completed.

### ***Statutory, Regulatory, and Policy Objectives***

- *Objective:* Increase focus on the “Child's Best Interest” through a full review of relevant statutes and policies and the implementation of the resulting recommended changes. This action strengthens the statewide approach to Child Welfare intervention by prioritizing the best interests of the children.

*Status:* This objective was initiated in April 2018 and will require statutory changes to complete.

- *Objective:* Change Mandated Reporting Statute to create a penalty for failure to report. This action ensures that the professionals required to make mandated reports do so.

*Status:* This objective was initiated in April 2018 and will take legislative action to complete.

- *Objective:* Review current Child Welfare policies of a 35-day timeframe for assessments and a 72-hour response timeframe for suggested changes in practice. This action increases child safety focused practice to increase the information available to Child Welfare caseworkers as they make decisions regarding child safety.

*Status:* This objective was initiated in April 2018 and is still in the process of being completed.

### **Initiative 3: Strengthen the Intake Process Related to Reports of Abuse**

- *Objective:* Increase ability to holistically review Reports of Abuse by updating the Intake process to make all Reports of Abuse separate reports. This action increases high quality practice in the review of Reports of Abuse and ensures that the gravity of repeat reports is easily noticed and assessed within decision making for dispositions of incoming reports of abuse.

*Status:* This objective was initiated in March 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Increase the ability to recognize risk as demonstrated through multiple Reports of Abuse by implementation of an automatic Child Welfare Assessment. Circumstances where three “Inappropriate” reports have been filed within six months—in other words, when there are three alleged abuse reports that did not meet the threshold for Child Welfare intervention—a Child Welfare Assessment will automatically be triggered. The Child Welfare Assessment will be conducted in addition to the review of any Report of Abuse for appropriateness of Child Welfare Intervention.

The triggering of an automatic Child Welfare Assessment increases high quality practice in the review of reports of abuse – ensuring that patterns revealed via repeated reports will be assessed within the decision-making protocols for dispositions of reports of abuse.

*Status:* This objective was implemented in March 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Decrease the wait time for calls related to Reports of Abuse received by the Child Welfare Intake staff. This action increases high quality practice in the receipt and review of reports of abuse.

*Status:* This objective was initiated in March 2018 and will continue to be an ongoing focus of OCFS work.

#### **Initiative 4: Improve Child Safety Decision-Making Through Improved Access to and Management of Information Available to Caseworkers**

- *Objective:* Increase efficiency of caseworker access to state and federal background checks. This action increases the information available to Child Welfare caseworkers as they make decisions regarding child safety.

*Status:* This objective was initiated in April 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Change statutes to provide authority to Child Welfare staff to access education records. This action increases the information available to Child Welfare caseworkers as they make decisions regarding child safety.

*Status:* This objective was initiated in April 2018 and will take statutory changes to complete.

- *Objective:* Implement a tracking system for cases identified within the Child Death Serious Injury Policy to inform trends and develop a trend report. This report will guide review of cases and make recommendations for improvement in Child Welfare practice.

*Status:* This objective was implemented in March 2018 and is still in the process of being completed.

- *Objective:* Change Expungement Practice to increase robustness of Child Welfare records. This action increases the information available to Child Welfare caseworkers as they make decisions regarding child safety.

*Status:* This objective was initiated in March 2018 and is in the process of being completed.

### **Initiative 5: Increase Efficiency and Effectiveness of Casework Practice**

- *Objective:* Increase efficiency and effectiveness of the Electronic Data System by implementing a Comprehensive Child Welfare Information System (CCWIS). This action increases the efficiency of documentation and increases thorough oversight and supervision, as well as improves the quality reports and data.

*Status:* This objective was initiated in fall 2017 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Implement efficiencies for casework practice by instituting Court Workers for Child Welfare caseworkers. These individuals will be DHHS staff assigned to assist in the preparation of child welfare court cases to increase the efficiency of Child Welfare casework related to court activities.

*Status:* This objective was initiated in March 2018 and will continue to be an ongoing focus of OCFS work.

### **Initiative 6: Strengthen Overall System of Child Welfare Practice**

#### ***Implementation of New Practices Objectives***

- *Objective:* Create and implement a SWOT Team for review of OCFS Child Welfare Practices and Procedures to identify System Strengths and Areas of Need. The SWOT Team will be charged with making recommendations for additional improvements in Child Welfare practice.

*Status:* This initiative was implemented in March 2018 and is still in the process of being completed.

- *Objective:* Implement the Community Intervention Program (CIP) to increase services available for families at-risk of child abuse by providing these families assistance in identifying risks and successfully obtaining informal and formal supports aimed at reducing those factors.

*Status:* This objective was initiated in summer 2017 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Complete review of Children's Behavioral Health System to improve Child Welfare practice and the availability of Children's Behavioral Health services to meet the needs of children involved with Child Welfare interventions.

*Status:* This objective was initiated in March 2018 and will continue to be an ongoing focus of OCFS work.

### ***Implementation of Practices for Populations with Specific Risk Factors***

- *Objective:* Implement Plan of Safe Care procedures and policy to ensure that the needs of children who are exposed to substances are addressed appropriately.

*Status:* This objective was initiated in April 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Complete review of Child Welfare practice and implement practice changes for cases involving self-injury and medical neglect.

*Status:* This objective was initiated in May 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Complete review of Child Welfare practice and implement practice changes for cases involving unexplained injury to children under the age of five. Review of cases by a Child Abuse Physician Expert improves Child Welfare practice.

*Status:* This objective was initiated in May 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Complete review of Child Welfare practice and implement practice changes for cases involving children with disabilities.

*Status:* This objective was initiated in May 2018 and will continue to be an ongoing focus of OCFS work.

- *Objective:* Complete review of Child Welfare practice and implement practice changes for cases involving parents with disabilities.

*Status:* This objective was initiated in May 2018 and will continue to be an ongoing focus of OCFS work.

## **Conclusion**

The Department has undertaken a significant review of the internal child welfare process. Although many of the reforms mentioned herein are in response to recent incidents, several were previously initiated and have been in the process of development and implementation. The Department has been in contact with corresponding agencies in other states to identify best practices for implementation in Maine.

This list of reforms is not exhaustive of all reforms that may be undertaken. Further reforms may be recommended or implemented upon the completion of additional, upcoming reviews. However, the Department can assure the public that these reforms have resulted in a more responsive and protective system. The public should have confidence that the Child Protective Service system can and will take action where appropriate to protect a child in a potentially abusive situation.



**State of Maine**  
**Changes to 2019 Tax Expenditure Classifications by Rationale and Legislative Review Category**

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	OPEGA Notes
12	Business Incentive	C	Income	Credit	Super Credit for Substantially-Increased Research & Development	Additional tax credit for taxpayers qualifying for the Research Expense Tax Credit (#6) with expenses beyond what is covered under that credit, with certain limitations. Beginning in tax year 2014, except for carry forward amounts this is no longer an active tax credit. Allowable carry forward period is 10 years.	\$1,057,000	No estimate	This credit is no longer allowed after 2014, but not repealed. No MSTER estimate for carry forwards. <b>Remove from list?</b>
14	Business Incentive - Targeted Industry	C -> A	Income	Deduction	Deduction for Contributions to Capital Construction Funds for maintenance or replacement of fishing vessels	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	\$430,000	\$410,000	Prior estimates were less than \$49,999. <b>Promote to Category A?</b>
17	Non-Business Incentive - Health & Safety	A -> C	Income	Credit	Credit for Wellness Programs	Tax credit to employers with 20 or fewer employees for expenditures on wellness programs up to \$2,000.	\$15,000	\$14,000	NEW ESTIMATES ARE MUCH LOWER in 2019 MSTER. <b>Move to Category C?</b>
26	Tax Relief - Individuals	A -> C	Income	Credit	Credit for Modifications to Make Homes Accessible	Tax credit to individuals for a portion of the cost incurred in modifying a home to make it accessible for a person with a disability or physical hardship. Effective for tax years beginning on or after January 1, 2017.	\$11,000	\$21,000	Created in 2016 with a statute conflict. Assigned a new citation last session. MUCH LOWER COST ESTIMATE IN 2019 MSTER. <b>Move to Category C?</b>
28	Tax Relief - Individuals	A -> C	Income	Credit	Adult Dependent Care Credit	Tax credit to individuals for a portion of adult dependent care expenses paid including expenses for adult day care, hospice services or respite care.	\$16,000	\$15,000	MUCH LOWER COST ESTIMATE IN 2019 MSTER. <b>Move to Category C?</b>
43	Charitable	B -> C	Sales & Use	Exemption	Sales of Certain Qualified Snowmobile Trail Grooming Equipment	Tax exemption on sales of snowmobile trail grooming equipment to incorporated snowmobile clubs.	\$30,000	\$37,000	Substantially smaller estimate of expenditure. <b>Move to Category C?</b> Currently Scheduled for EXP 2024.
46	Charitable	B -> C	Sales & Use	Exemption	Meals for Residents of Certain Nonprofit Congregate Housing Facilities	Tax exemption on sales of meals to residents of nonprofit church-affiliated congregate housing facilities for the lower-income elderly.	\$0 - \$49,999	\$0 - \$49,999	This was reviewed last year but had lower estimates than previous years. <b>Move to Category C?</b>
90	Charitable	C -> B	Sales & Use	Exemption	Adaptive Equipment for Vehicles of Persons with Disabilities	Tax exemption on sales of adaptive equipment used to make a motor vehicle operable or accessible by a person with a disability.	\$80,000	\$81,000	Increased above \$75K in 2019 MSTER. <b>Move to Category B? Insert into 2019 EXP Schedule</b>
91	Charitable	C -> B	Sales & Use	Exemption	Certain Sales by Civic, Religious or Fraternal Organizations	Sales of prepared food by a civic, religious or fraternal organization at a public or member-only event, except when alcoholic beverages are available for sale at the event.	\$2,000,000	\$2,163,200	Enacted in 2017; New MSTER estimate. <b>Promote to Category B? Add to EXP 2024 Schedule.</b>
163	Non-Taxable Services	B	Sales & Use	Exemption	Repair, Maintenance and Other Labor Service Fees	<del>Tax exemption on price of labor or services used in installing, applying or repairing property, if separately charged or stated.</del>	<del>\$45,657,000</del>		no longer appears in MSTER; Remove from List?
164	Administrative Burden	C	Sales & Use	Exemption	Exemption for Single-use Carry-out Bag	<del>Sales tax exemption on the amount charged for a paper or plastic single-use carry out bag.</del>	<del>\$33,915</del>		no longer appears in MSTER; Remove from List?
169	Administrative Burden	C	Sales & Use	Exemption	Sales tax exemption for Paint Stewardship Program fee	Exempts from sales and use tax the fee imposed to fund the paint stewardship program. Effective December 1, 2018.	\$0	\$72,000	Add - New
170	Charitable	C	Sales & Use	Exemption	Sales tax exemption for nonprofit heating assistance organizations	Exempts from sales and use tax organizations that have been determined by the US IRS to be exempt from taxation under §501(c)(3) of the federal Internal Revenue Code of 1986 and whose primary purpose is to provide residential heating assistance to low-income individuals. Effective October 1, 2018.	\$0	\$475	Add - New

**State of Maine**  
**Changes to 2019 Tax Expenditure Classifications by Rationale and Legislative Review Category**

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	OPEGA Notes
171	Business Incentive	C	Income	Credit	Shipbuilding Facility Credit	Creates a nonrefundable income tax credit for 15 years (from tax years beginning on or after January 1, 2020) for major investments in a shipbuilding facility when criteria are met. Requires the credit to be reviewed by 2024 by OPEGA.	\$0	\$2,850,000	Add - New
172	Non-Business Incentive - Health & Safety	A	Income	Credit	Employer credit for family and medical leave	Creates a tax credit (for tax years beginning in 2018 and 2019) under the income tax and insurance premium tax equal to the federal credit for employer-paid family and medical leave. The credit is nonrefundable.	\$2,450,000	\$1,700,000	Add - New
173	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Property Used in Interstate Commerce	Tax exemption on sales of a vehicle, railroad car, aircraft or watercraft used in interstate or foreign commerce, subject to certain restrictions.	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	Add - New
174	Charitable	C	Sales & Use	Exemption	Sales tax exemption for certain nonprofit organizations supporting veterans	Exempts from sales and use tax the service provider tax for incorporated nonprofit organizations organized for the primary purpose of operating a retreat in the State for combat-injured veterans and their families free of charge. Effective October 1, 2018.		\$2,600	Add - New
175	Tax Fairness	C	Income	Credit	Dependent exemption tax credit	Creates a tax credit equal to \$300 for each qualifying child and dependent for whom the federal child tax credit was claimed for the same taxable year. The credit is nonrefundable. Applicable to tax years beginning on or after January 1, 2018.		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed
176	Conformity with IRC	B	Income	Deduction	Net operating loss subtraction modification	Creates a modification that reserves, for Maine tax purposes, the effects of the new federal limitation on the net operating loss deduction. Applicable for tax years beginning on or after January 1, 2018.		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed
177	Conformity with IRC	B	Income	Deduction	Global intangible low-taxed income subtraction modification	Creates a modification in the amount of the global intangible low-taxed income deduction claiming in accordance with federal code. Applicable for tax years beginning on or after January 1, 2018		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed
178	Charitable	C	Sales & Use	Exemption	Cellular or wireless services supported by Federal universal support funds	Telephone services available to income-eligible Maine consumers and supported by federal universal service support funds are not subject to the service provider tax. Effective January 1, 2019.		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed

**State of Maine**  
**Changes to 2019 Tax Expenditure Classifications by Rationale and Legislative Review Category**

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	OPEGA Notes
179	Tax Relief	C	Income	Exemption	Military annuity payments made to survivor	To the extent included in Federal AGI, annuity payments made to the survivor of a deceased member of the military who died as a result of service in active or reserve components of the United States Army, Navy, Air Force, Marines or Coast Guard under a survivor benefit plan or reserve component survivor benefit plan pursuant to 10 U.S. Code Chapter 73 are exempt from Maine income tax.		\$0 - \$50,000	Add - Missed in prior MSTERs as per MRS
180	Tax Relief	C	Income	Exemption	Family development account proceeds	Individuals whose family income is below 200% of the poverty level may open a family development account in connection with an approved community development organization. Account balances and withdrawals are exempt from Maine individual income tax to the extent included in Federal AGI.		\$0 - \$10,000	Add - Missed in prior MSTERs as per MRS
181	Tax Relief	C	Income	Exemption	Municipal property tax benefits for senior citizens	A municipality by ordinance, may adopt a program that permits claimants who are at least 60 years of age to earn benefits up to a maximum \$750 by volunteering to provide services to the municipality. The amount of benefits received during the tax year are exempt from Maine individual income tax.		\$0 - \$10,000	Add - Missed in prior MSTERs as per MRS
182	Tax Relief	C	Income	Deduction	Deduction for gain on sales of eligible timberlands	A subtraction modification is allowed on the Maine individual income tax return equal to the applicable percentage of the gain from the sale of sustainably managed, eligible timberlands that is included in Federal AGI.		\$20,000 - \$100,000	Add - Missed in prior MSTERs as per MRS

Sources: FY19 & 21 Revenue Loss estimates: Maine State Tax Expenditures Report 2020-2021. All other information: OPEGA analysis of Maine Revenue Services information and Maine Revised Statutes.

Full Review Schedule as of March 2019

ID #	Rationale	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	Status
9	Business Incentive - Equipment Investment	Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE)	Reimbursement to municipalities of revenue losses, with limitations, due to the property tax exemption for qualified business equipment.	\$40,786,623	\$48,750,000	In Progress (combined with BETR)
10	Business Incentive - Equipment Investment	Reimbursement for Taxes Paid on Certain Business Property (BETR)	Reimbursement of property tax paid on qualified business property, with limitations. FY15 tax loss shows a decrease from prior years resulting from recently enacted legislation.	\$27,600,000	\$23,600,000	In Progress (combined with BETE)
XX	Business Incentive - Job Creation	Pine Tree Development Zones (Second Evaluation)	Reimbursement of sales & use taxes on certain tangible personal property; exemption from sales taxes on tangible personal property and electricity; and credits for qualified businesses that expand or begin operations in the State (100% of Maine income tax liability is waived for the first 5 years, and 50% for years 6 to 10). Ends in 2028/2029.	\$4,260,000 - \$7,039,998	\$3,030,000 - \$5,809,998	Reported out 2017; Statutorily assigned to be completed by OPEGA by 01/15/2021.
92	Conformity with IRC	Maine Capital Investment Credit	Tax credit for depreciable property placed in service in Maine.	\$23,300,000	\$18,350,000	Evaluation Parameters Approved
4	Business Incentive - Financial Investment	Seed Capital Investment Tax Credit	Tax credit of up to 50% for capital investment in eligible businesses (including manufacturing, value-added natural resource enterprises, export businesses, advanced technology, and visual media production), with limitations.	\$3,700,000	\$4,500,000	
3	Business Incentive - Research Investment	Research Expense Tax Credit	Tax credit for qualified research expenses associated with certain technological and experimental research, with limitations. 15 year carry forward.	\$620,000	\$630,000	
11	Business Incentive - Research Investment	New Machinery for Experimental Research	Tax exemption on sales of machinery and equipment for certain research and development activities, and for biotechnology research.	\$50,000 - \$249,999	\$50,000 - \$249,999	
6	Business Incentive - Targeted Industry	Credit for Rehabilitation of Historic Properties	Income tax credit for expenditures in rehabilitation of certified historic properties, with limitations. Fiscal impact is expected to increase \$1.4 million in FY17 and perhaps more in future years as a result of recently enacted legislation. Tied to federal credit.	\$13,050,000	\$11,550,000	
5	Business Incentive - Targeted Industry	Tax Benefits for Media Production Companies	Tax credit (5% of nonwage production expenses, if >\$75,000) and reimbursement (12% of production wages) for certified productions of visual media production companies.	\$120,000	\$190,000	
14	Business Incentive - Targeted Industry	Deduction for Contributions to Capital Construction Funds for maintenance or replacement of fishing vessels	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	\$430,000	\$410,000	Move to Category A?
16	Non-Business Incentive - Education	Credit for Educational Opportunity	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree here.	\$23,500,000	\$35,100,000	
172	Non-Business Incentive - Health & Safety	Employer credit for family and medical leave	Creates a tax credit (for tax years beginning in 2018 and 2019) under the income tax and insurance premium tax equal to the federal credit for employer-paid family and medical leave. The credit is nonrefundable.	\$2,450,000	\$1,700,000	NEW
17	Non-Business Incentive - Health & Safety	Credit for Wellness Programs	Tax credit to employers with 20 or fewer employees for expenditures on wellness programs up to \$2,000.	\$15,000	\$14,000	Move to Category C?
19	Non-Business Incentive - Financial Investment	Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Individual income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	\$60,000	\$70,000	

Full Review Schedule as of March 2019

ID #	Rationale	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	Status
20	Non-Business Incentive - Financial Investment	Deduction for Interest and Dividends on U.S., Maine State and Local Securities	Corporate income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	\$20,000 - \$100,000	\$20,000 - \$100,000	
18	Non-Business Incentive	Earned Income Credit <b>Note: The amount shown is the General Fund Revenue loss from EITC net of reimbursements from TANF funds for the EITC. The gross revenue reduction from the EITC is approximately \$10.2 million in FY 2018.</b>	Tax credit equal a percentage of the federal earned income tax credit (EITC) received that year; EITC is a credit for individuals who have earned income under a certain limit.	\$2,850,000	\$2,800,000	
37	Tax Relief - Individuals	Additional Standard Deduction for the Blind and Elderly	Additional \$1,550 standard deduction if single, or \$1,250 if married available to taxpayers who are blind beginning in tax year 2016.	\$8,500,000	\$9,600,000	
29	Tax Relief - Individuals	Income Tax Credit for Child & Dependent Care Expense	Tax credit for child and dependent care expenses in the amount of 25% of the federal tax credit; the credit doubles for expenses incurred for quality child care services. Maximum of \$500.	\$4,100,000	\$4,000,000	
30	Tax Relief - Individuals	Deduction for Pension Income & IRA Distributions	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts, up to \$10,000.	\$31,100,000	\$30,900,000	
31	Tax Relief - Individuals	Deduction for Social Security Benefits Taxable at Federal Level	Deduction for social security benefits and railroad retirement benefits.	\$91,000,000	\$103,000,000	
32	Tax Relief - Individuals	Property Tax Fairness Credit	Property tax credit for Maine residents based on a formula, not to exceed \$600 for those under 65 years of age, or \$900 for those over 65, with income limitations.	\$25,700,000	\$24,900,000	
26	Tax Relief - Individuals	Credit for Modifications to Make Homes Accessible	Tax credit to individuals for a portion of the cost incurred in modifying a home to make it accessible for a person with a disability or physical hardship. Effective for tax years beginning on or after January 1, 2017.	\$11,000	\$21,000	
27	Tax Relief - Individuals	Sales Tax Fairness Credit	Tax credit to provide sales tax relief to low and middle income families.	\$25,800,000	\$24,300,000	
28	Tax Relief - Individuals	Adult Dependent Care Credit	Tax credit to individuals for a portion of adult dependent care expenses paid including expenses for adult day care, hospice services or respite care.	\$16,000	\$15,000	
33	Tax Relief - Targeted Industry	Railroad Track Materials	Tax exemption on sales of railroad track materials for installation on railroad lines within the State.	\$1,280,000	\$1,380,000	
34	Tax Relief - Targeted Industry	Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers	Refund of sales tax paid on purchases of parts and supplies for use for operation, repair or maintenance of a windjammer providing commercial cruises.	\$50,000 - \$249,999	\$50,000 - \$249,999	
36	Tax Relief - Individual or Targeted Industry	Certain Telecommunications Services	Tax exemption on sales of interstate and international telecommunications services.	\$11,260,000	\$12,100,000	
154	Specific Policy Goal/Mandate	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Allows licensed cigarette distributors to purchase cigarette stamps with a face value of \$2 at a discount of 1.15%. (General Fund)	\$1,750,000	\$1,784,721	
155	Specific Policy Goal/Mandate	Air & Water Pollution Control Facilities	Tax exemption on sales of certified air and water pollution control facilities and parts or accessories, construction materials, and chemicals or supplies of these facilities.	\$500,000 - \$1,999,998	\$500,000 - \$1,999,998	
165	Administrative Burden	Sales Through Coin Operated Vending Machines	Tax exemption on sales of certain products through vending machines by retailers who make the majority of their sales via vending machines.	\$460,000	\$490,000	
1	Business Incentive - Financial Investment	New Markets Capital Investment Credit	Tax credits of up to 39% of a project's total cost for qualified equity investments in low-income community businesses made via a community development entity, with limitations.	\$15,252,000	\$6,569,000	Reported out 2017

Full Review Schedule as of March 2019

ID #	Rationale	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	Status
2	Business Incentive - Job Creation	Pine Tree Development Zones	Reimbursement of sales & use taxes on certain tangible personal property; exemption from sales taxes on tangible personal property and electricity; and credits for qualified businesses that expand or begin operations in the State (100% of Maine income tax liability is waived for the first 5 years, and 50% for years 6 to 10). Ends in 2028/2029.	\$4,260,000 - \$7,039,998	\$3,030,000 - \$5,809,998	Reported out 2017
7	Business Incentive - Job Creation	Major Business Headquarters Expansion	Refundable credit of 2% of taxpayer's investment for a major business that expands or locates its headquarters in Maine and hires the required number of new employees.	Credit is not available until tax year 2020	\$760,000	Limited Scope Review Reported out in 2017
8	Business Incentive - Job Creation	Employment Tax Increment Financing	Reimbursement to certain businesses of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits), subject to limitations including unemployment rates in the area; ends in 2028.	\$12,289,270 longer includes JTIF programs)	\$12,000,000 (No longer includes JTIF programs)	Reported out 2019