

RODNEY L. WHITTEMORE, District 26, Chair
 LOIS A. SNOWE-MELLO, District 15
 JOSEPH C. BRANNIGAN, District 9



WESLEY E. RICHARDSON, Warren, Chair
 JONATHAN B. MCKANE, Newcastle
 JOYCE A. FITZPATRICK, Houlton
 SUSAN E. MORISSETTE, Winslow
 JOHN J. PICCHIOTTI, Fairfield
 SHARON ANGLIN TREAT, Hallowell
 ADAM A. GOODE, Bangor
 HENRY E. M. BECK, Waterville
 TERRY K. MORRISON, South Portland
 PAULETTE G. BEAUDOIN, Biddeford

COLLEEN MCCARTHY REID, Legislative Analyst
 MELISSA WRIGHT, Committee Clerk

State of Maine
 ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE
 COMMITTEE ON INSURANCE AND FINANCIAL SERVICES

MEMORANDUM

To: Richard W. Rosen, Senate Chair
 Patrick S. A. Flood, House Chair
 Joint Standing Committee on Appropriations and Financial Affairs

From: Rodney L. Whittemore, Senate Chair
 Wesley E. Richardson, House Chair
 Joint Standing Committee on Insurance and Financial Services

Date: February 1, 2011

Subject: Insurance and Financial Services Committee Recommendations on the
 Governor's Emergency FY11 Supplemental Budget Bill (LD 100)

We are writing to provide the recommendations of the Joint Standing Committee on Insurance and Financial Services on those portions of the Governor's Emergency FY11 Supplemental Budget Bill (LD 100) that were considered in public hearing on January 26, 2011. The following members of the committee were present and voting: Sen. Whittemore, Sen. Snowe-Mello, Rep. Richardson, Rep. Fitzpatrick, Rep. McKane, Rep. Morissette, Rep. Picchiotti, Rep. Treat, Rep. Beaudoin, Rep. Beck, Rep. Goode and Rep. Morrison. Sen. Brannigan was absent.

We have reviewed and discussed these initiatives carefully and appreciate your consideration of our recommendations and comments.

1. Sec. A-43. Ref #446: Office of Securities (IFS-1)

The committee voted unanimously (12-0) to support the baseline allocation of \$10,113 for the Office of Securities to receive and expend federal funds.

2. Part AA Language (IFS-2 and IFS-3)

Restoration of Commissioner position for Department of Professional and Financial Regulation. Sec. AA-1 (IFS-2) eliminates the provision that requires the Governor to appoint the Commissioner from among designated officials within the department. Ref # 434 (LCED-11) restores the headcount and funding for the commissioner's position for the remainder of the fiscal year with an allocation of \$71,215. The committee voted 7-5 on this initiative. Seven members of the committee (Sen. Whittemore, Sen. Snowe-Mello, Rep. Richardson, Rep. Fitzpatrick, Rep. McKane, Rep. Morissette and Rep. Picchiotti) voted in support of the initiative. The members

believe the Commissioner position will serve an important role as a liaison with the Governor. Also, the members note that funding for the restored position is dedicated revenue and does not impact the General Fund. Five members of the committee (Rep. Treat, Rep. Beaudoin, Rep. Beck, Rep. Goode and Rep. Morrison) voted to remove Sec. AA-1 and the corresponding allocation for the position (Ref. # 434). These members believe that the current structure for the commissioner position has worked well and that the headcount for the position was originally eliminated as a cost savings measure. In addition, the members feel that it would be more appropriate for this proposal to have been presented in the biennial budget bill or a separate bill, not in the supplemental budget.

Acceptance of federal funds by State Board of Nursing. Sec. AA-2 to AA-4 (IFS-2 and 3) extend statutory authority to the State Board of Nursing to accept federal funds on behalf of the State for the board's programs. The committee voted unanimously (12-0) in support of this initiative. The committee understands \$148,500 has been awarded to State Board of Nursing for a study of the future of Maine's nursing workforce.

3. Part FF Language (IFS -4)

The committee voted unanimously (12-0) to support the Part FF language which clarifies the original intent of Public Law 2009, chapter 571 that the state share of health insurance premiums for employees with a base annual rate of pay in excess of \$80,000 is either 90% or 85% depending on the specific benchmarks met by the employee.

Thank you for your consideration of our comments.

Enclosure: Attachments

Sec. A-43. Appropriations and allocations. The following appropriations and allocations are made.

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

Office of Securities 0943

Initiative: Provides funding to establish a baseline allocation for the Office of Securities program to receive and expend federal funds.

Ref. #: 446

Committee Vote:

IN 12-0

AFA Vote: _____

	2010-11	2011-12	2012-13
FEDERAL EXPENDITURES FUND			
All Other	\$10,113	\$0	\$0
FEDERAL EXPENDITURES FUND TOTAL	<u>\$10,113</u>	<u>\$0</u>	<u>\$0</u>

Justification:

The federal government is establishing more opportunities for the State of Maine to apply for federal funds related to the purposes of the Office of Securities. This initiative will establish an allocation from which the Office of Securities can manage these federal funds.

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

	2010-11	2011-12	2012-13
DEPARTMENT TOTALS			
FEDERAL EXPENDITURES FUND	\$10,113	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	<u>\$10,113</u>	<u>\$0</u>	<u>\$0</u>

1 Be it enacted by the People of the State of Maine as follows:

2 PART AA

3 Sec. AA-1. 10 MRSA §8002, first ¶, as amended by PL 2007, c. 539, Pt. T, §1,
4 is further amended to read:

5 The Commissioner of Professional and Financial Regulation, referred to in this
6 chapter as the "commissioner," is the chief administrative officer of the department and is
7 responsible for supervising the administration of the department. The commissioner is
8 appointed by the Governor, subject to review by the joint standing committee of the
9 Legislature having jurisdiction over banking and insurance matters, and to confirmation
10 by the Legislature. ~~In making the appointment under this paragraph, the Governor shall~~
11 ~~appoint one of the following officials as commissioner, who shall also continue to act as a~~
12 ~~superintendent or director, as the case may be: the Superintendent of Financial~~
13 ~~Institutions, the Superintendent of Consumer Credit Protection, the Superintendent of~~
14 ~~Insurance or the Director of the Office of Licensing and Registration.~~ The commissioner
15 serves at the pleasure of the Governor. Unless otherwise provided in law, the
16 commissioner may not exercise or interfere with the exercise of discretionary regulatory
17 authority granted by statute to the bureaus, offices, boards or commissions within and
18 affiliated with the department. As chief administrative officer of the department, the
19 commissioner has the following duties and authority to:

IN
7-5

20 Sec. AA-2. 32 MRSA §2153-A, sub-§13, as enacted by PL 1993, c. 600, Pt. A,
21 §123, is amended to read:

22 13. Other employees. May employ other individuals as may be necessary to carry
23 out the work of the board; and

24 Sec. AA-3. 32 MRSA §2153-A, sub-§14, as enacted by PL 1993, c. 600, Pt. A,
25 §123, is amended to read:

26 14. Funds. May set aside and budget funds for, make contracts for, and procure
27 goods or services the board determines necessary to accomplish its duties under this
28 chapter; and

IN
12-0

29 Sec. AA-4. 32 MRSA §2153-A, sub-§15 is enacted to read:

30 15. Accept federal funds. Notwithstanding section 2156, may accept for the State
31 any federal funds appropriated under any federal law relating to the authorized programs
32 of the board. The board may undertake the necessary duties and tasks to implement
33 federal law with respect to the authorized programs of the board.

Sec. A-43. Appropriations and allocations. The following appropriations and allocations are made.

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

Administrative Services - Professional and Financial Regulation 0094

Initiative: Provides funding to establish baseline allocation to receive and expend federal funds.

Ref. #: 433

Committee Vote: _____

AFA Vote: _____

FEDERAL EXPENDITURES FUND

All Other

2010-11	2011-12	2012-13
\$10,030	\$0	\$0

FEDERAL EXPENDITURES FUND TOTAL

\$10,030	\$0	\$0
----------	-----	-----

Justification:

This initiative will establish an allocation from which the State of Maine can take advantage of opportunities for federal funding consistent with the purposes of the Department of Professional and Financial Regulation.

Administrative Services - Professional and Financial Regulation 0094

Initiative: Establishes headcount and provides funding for the Commissioner of Professional and Financial Regulation position.

Ref. #: 434

Committee Vote: IN 7-5

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

POSITIONS - LEGISLATIVE COUNT

Personal Services

2010-11	2011-12	2012-13
1.000	0.000	0.000

\$71,215	\$0	\$0
----------	-----	-----

OTHER SPECIAL REVENUE FUNDS TOTAL

\$71,215	\$0	\$0
----------	-----	-----

Justification:

This initiative restores headcount and funding for a commissioner's position rather than appointing one of the Bureau directors to fulfill the duties.

Licensure in Medicine - Board of 0376

Initiative: Provides funding for an online licensing application and improvements to streamline boardroom technology.

Ref. #: 438

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2010-11	2011-12	2012-13
\$20,254	\$0	\$0

OTHER SPECIAL REVENUE FUNDS TOTAL

\$20,254	\$0	\$0
----------	-----	-----

