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STATE OF MAINE  
ONE HUNDRED AND TWENTY-EIGHTH LEGISLATURE  
COMMITTEE ON INSURANCE AND FINANCIAL SERVICES

To: James M. Hamper, Senate Chair  
Drew Gattine, House Chair  
Joint Standing Committee on Appropriations and Financial Affairs

From:  Rodney L. Whittemore, Senate Chair  
 Mark W. Lawrence, House Chair  
Joint Standing Committee on Insurance and Financial Services

Date: March 23, 2017

Subject: Insurance and Financial Services Committee Recommendations on the Governor's Biennial Budget Bill (LD 390)

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We are writing to provide the recommendations of the Joint Standing Committee on Insurance and Financial Services on those portions of the Governor's Biennial Budget Bill (LD 390) that were considered in public hearing on March 6, 2017: (1) the Department of Administrative and Financial Services, Accident, Sickness and Health Insurance Program ; (2) the Department of Administrative and Financial Services, Trade Adjustment Health Insurance Program; (3) the Department of Professional and Financial Regulation's Bureau of Financial Institutions, Bureau of Consumer Credit Regulation, Bureau of Insurance and Office of Securities; and (4) the Maine Quality Forum. We have reviewed and discussed these initiatives and appreciate your consideration of our recommendations and comments.

**1. Accident, Sickness and Health Insurance Program (A-3 to A-4)**

The committee voted unanimously (11-0 of the members present) to support the budgets related to the Accident, Sickness and Health Insurance Internal Service Fund, the Firefighters and Law Enforcement Officers Health Insurance Fund, the Retiree Health Insurance Fund and the General Fund appropriations and allocations within the Accident-Sickness-Health Insurance account.

With regard to the Retiree Health Insurance Fund, the committee also supports the one initiative to increase the allocation in each year by \$34,000,000 to better reflect the annual expenditures from the fund for retiree health insurance costs.



## **2. Trade Adjustment Health Insurance Program (A-39)**

The committee voted unanimously (11-0 of the members present) to support the baseline budget allocation for the Trade Adjustment Health Insurance Program.

## **3. Department of Professional and Financial Regulation (A-512 to A-513; A-515 to A-516; A-521; B-4)**

The committee voted unanimously to support the baseline budgets and initiatives (11-0 of the members present) for the Bureau of Consumer Credit Protection, Bureau of Financial Institutions, Bureau of Insurance and Office of Securities. The committee also supports the reclassification of a position within the Office of Securities.

## **4. Dirigo Health (A-167)**

The Maine Quality Forum is funded through the General Fund, including funding for 2 staff positions and \$1,027,590 for ongoing and future contracts to promote quality initiatives. The committee voted (10-1 of the members present) to reduce the General Fund appropriation to the All Other line by \$175,000 annually. One member of the committee voted to maintain the funding levels as proposed in the budget and was not in favor of the reduction supported by other committee members.

We also recognize that the Maine Quality Forum is the only remaining program of the Dirigo Health Agency; other operations of the Dirigo Health Agency, including the Dirigo Choice health insurance program, were terminated in December 2013. At present, the management and day-to-day operations of the Maine Quality Forum and the Maine Health Data Organization are overseen by one executive director. Although the committee did discuss the potential for merging the Maine Quality Forum with the Maine Health Data Organization, we do not currently support that recommendation because of the distinct and separate mission of each organization. Instead, to remove any confusion about the status of the Dirigo Health Agency, we recommend that the statutory authority for the Dirigo Health Agency be repealed, except for the provisions relating to the Maine Quality Forum. We would be pleased to provide draft legislation to implement this recommendation at your request.

We have attached the budget worksheets provided by the Office of Fiscal and Program Review. We hope that the input we have provided on the budget proposals within our subject matter jurisdiction is useful in your committee deliberations. We have considered our recommendations carefully. We ask that you notify us of any work sessions related to the budgets of the entities within our policy jurisdiction so that committee members can attend and provide our comments directly.

Thank you for your consideration of our comments.

Enc.

cc: Members, Joint Standing Committee on Insurance and Financial Services



**Sec. A-1. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Accident - Sickness - Health Insurance 0455**

Initiative: BASELINE BUDGET

<b>GENERAL FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	0.500	0.500	0.500	0.500
Personal Services	\$20,493	\$20,621	\$24,025	\$24,061
All Other	\$772,957	\$772,957	\$772,957	\$772,957
<b>GENERAL FUND TOTAL</b>	<b>\$793,450</b>	<b>\$793,578</b>	<b>\$796,982</b>	<b>\$797,018</b>

<b>RETIREE HEALTH INSURANCE FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235
<b>RETIREE HEALTH INSURANCE FUND TOTAL</b>	<b>\$48,400,235</b>	<b>\$48,400,235</b>	<b>\$48,400,235</b>	<b>\$48,400,235</b>

<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	12.000	12.000	12.000	12.000
Personal Services	\$928,419	\$923,657	\$986,463	\$1,002,370
All Other	\$895,354	\$895,354	\$895,354	\$895,354
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL</b>	<b>\$1,823,773</b>	<b>\$1,819,011</b>	<b>\$1,881,817</b>	<b>\$1,897,724</b>

<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$70,245	\$68,990	\$69,506	\$70,117
All Other	\$1,710,447	\$1,710,526	\$51,707	\$51,707
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL</b>	<b>\$1,780,692</b>	<b>\$1,779,516</b>	<b>\$121,213</b>	<b>\$121,824</b>

**Justification:**

The Division of Employee Health & Benefits is responsible for (1) the management and administration of the State employee health plan, dental plan, direct reimbursement accounts, deferred compensation, vision care, retired teacher health premium reimbursement; (2) the central management and administration of the Workers' Compensation claims for State employees; (3) management of contracted services for the Employee Assistance Programs (EAP); and (4) the development of health & safety policies and programs to reduce the incidence of illnesses and injuries to employees. The Division is comprised of two primary units with the following responsibilities:

The Employee Health unit (1) administers the State employee health plan providing a point-of-service plan and Medicare Advantage plan to approximately 40,000 covered lives. This unit administers subscriber enrollment, premium billing, claim resolution, and contract management for the health, dental, and voluntary benefits (flex spending accounts, deferred compensation, vision care and long term care insurance). This unit supports the State Employee Health Commission

which serves as trustees to the State employee health plan. The unit facilitates agreements with Commission members in order to develop policies and practices designed to contain plan costs while ensuring access to high quality, affordable health care services. This unit partners with a variety of vendors to analyze claims experience, identify trends and develop benefit design features. (2) Another area of responsibility is the EAP, which provides confidential assessment, referral, and counseling services for all State employees and their family members. The EAP assesses client needs and refers employee to appropriate community based providers. Additionally, the EAP provides short-term professional counseling services related to a wide range of personal issue, which may affect job performance. The primary objective of EAP is to provide direct services to enhance the productivity, performance, and quality of life of State employees. (3) Finally, the unit coordinates employee health and safety initiatives in cooperation with seventeen departmental health and safety committees. The unit provides consultation for work site assessments, ergonomic training, and other intervention strategies to reduce the risk of exposure to work related injuries. As part of the statewide safety programs, this unit manages the alcohol and drug testing policies and programs in order to comply with the Federal Highway Administration (FWHA) rules.

The Workers' Compensation Unit is responsible for case management of claims filed in the Executive, Legislative, and Judicial branches. The unit directs agencies in the timely reporting and payment of claims, monitors and controls medical costs, implements return-to-work programs, interprets Workers' Compensation law and policies for agencies and directs a management information system. The unit works closely with line agency representatives to ensure compliance with established reporting and payment standards and to develop policies and procedures to maximize efficiency and ensure effective management of all claims.

**Accident - Sickness - Health Insurance 0455**

Initiative: Adjusts funding to align allocations with projected available resources.

Ref. #: 120

Committee Vote: 11-0

AFA Vote: \_\_\_\_\_

**RETIREE HEALTH INSURANCE FUND**

	<b>2017-18</b>	<b>2018-19</b>
All Other	\$34,000,000	\$34,000,000
<b>RETIREE HEALTH INSURANCE FUND TOTAL</b>	<u>\$34,000,000</u>	<u>\$34,000,000</u>

**Justification:**

For a number of years, the need for additional allocation has been addressed through the financial order process. This initiative will provide sufficient allocation in the account for anticipated expenses in the 2018-2019 biennium.

**ACCIDENT - SICKNESS - HEALTH INSURANCE 0455  
PROGRAM SUMMARY**

<b>GENERAL FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	0.500	0.500	0.500	0.500
Personal Services	\$20,493	\$20,621	\$24,025	\$24,061
All Other	\$772,957	\$772,957	\$772,957	\$772,957
<b>GENERAL FUND TOTAL</b>	<b>\$793,450</b>	<b>\$793,578</b>	<b>\$796,982</b>	<b>\$797,018</b>
<b>RETIREE HEALTH INSURANCE FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	\$48,400,235	\$48,400,235	\$82,400,235	\$82,400,235
<b>RETIREE HEALTH INSURANCE FUND TOTAL</b>	<b>\$48,400,235</b>	<b>\$48,400,235</b>	<b>\$82,400,235</b>	<b>\$82,400,235</b>
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	12.000	12.000	12.000	12.000
Personal Services	\$928,419	\$923,657	\$986,463	\$1,002,370
All Other	\$895,354	\$895,354	\$895,354	\$895,354
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL</b>	<b>\$1,823,773</b>	<b>\$1,819,011</b>	<b>\$1,881,817</b>	<b>\$1,897,724</b>
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$70,245	\$68,990	\$69,506	\$70,117
All Other	\$1,710,447	\$1,710,526	\$51,707	\$51,707
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL</b>	<b>\$1,780,692</b>	<b>\$1,779,516</b>	<b>\$121,213</b>	<b>\$121,824</b>

**Trade Adjustment Assistance Health Insurance Z001**

Initiative: BASELINE BUDGET

	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$8,385	\$8,385	\$8,385	\$8,385
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$8,385</b>	<b>\$8,385</b>	<b>\$8,385</b>	<b>\$8,385</b>
	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
All Other	\$75,000	\$75,000	\$75,000	\$75,000
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>

**Justification:**

The purpose of this program is to provide a group health insurance product for individuals certified to receive federal assistance for health coverage under the terms of the tax credit program within the federal Trade Adjustment Assistance Reform Act of 2002. Individuals certified under the Trade Adjustment Assistance Reform Act are workers who have been displaced as a result of foreign competition

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**TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE Z001  
PROGRAM SUMMARY**

	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-</b>
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$8,385	\$8,385	\$8,385	\$8,385
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$8,385</b>	<b>\$8,385</b>	<b>\$8,385</b>	<b>\$8,385</b>
	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
All Other	\$75,000	\$75,000	\$75,000	\$75,000
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>

*In Committee Vote:  
11-0*



**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

<b>DEPARTMENT TOTALS</b>	<b>2017-18</b>	<b>2018-19</b>
<b>GENERAL FUND</b>	<b>\$796,982</b>	<b>\$797,018</b>
<b>FEDERAL EXPENDITURES FUND</b>	<b>\$8,385</b>	<b>\$8,385</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$75,000</b>	<b>\$75,000</b>
<b>RETIREE HEALTH INSURANCE FUND</b>	<b>\$82,400,235</b>	<b>\$82,400,235</b>
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND</b>	<b>\$1,881,817</b>	<b>\$1,897,724</b>
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND</b>	<b>\$121,213</b>	<b>\$121,824</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$85,283,632</b>	<b>\$85,300,186</b>

**Sec. A-18. Appropriations and allocations.** The following appropriations and allocations are made.

**DIRIGO HEALTH**

**Dirigo Health Fund 0988**

Initiative: BASELINE BUDGET

<b>GENERAL FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	\$297,168	\$290,283	\$313,217	\$315,457
All Other	\$1,027,590	\$1,027,590	\$1,027,590	\$1,027,590
<b>GENERAL FUND TOTAL</b>	<b>\$1,324,758</b>	<b>\$1,317,873</b>	<b>\$1,340,807</b>	<b>\$1,343,047</b>

**Justification:**

The Dirigo Health Agency was established as an independent executive agency in 2003. The Agency was established to arrange for the provision of comprehensive, affordable health care coverage for eligible small employers and individuals on a voluntary basis and for monitoring and improving the quality of health care in the State through the activities of the Maine Quality Forum (MQF). The Agency operates under the supervision of a Board of Trustees.

As of December 31, 2013 the Agency is no longer administering any of its health care coverage programs. The Agency continues its work specific to healthcare quality as defined in Title 24-A Chapter 87, Section 6951. MQF's activities range from the public reporting of data related to healthcare associated infection rates in our hospitals to patient experience of care survey results. In collaboration with our private and public sector partners, the MQF continues to support initiatives in the market that have a goal of improving health care quality in the State of Maine. Examples of several of the MQF's initiatives include: Patient Centered Medical Home Pilot; Patient Experience of Care; Collection and Analysis of Standardized Measures of Quality and Culture of Safety. Many of the MQF's initiatives are aligned with the States SIM grant.

The MQF is one of four conveners for the States Patient Centered Medical Home Pilot and holds the agreement with CMS for the Multi-Payer Advanced Primary Care Practice demonstration which brings the Medicare beneficiaries into the PCMH pilot with over \$20 million in new money for the physician practices that are participating in the pilot. The MQF continues to support the project director of this effort and we are funding the evaluation of the pilot. The MQF is required to submit an annual report on the state of Healthcare acquired infections in Maine hospitals to the Joint Standing Committee on Health and Human Services.

In addition, in FY14 the MQF developed and launched its Maine Patient Experience Matters website which can be found at: <http://www.maine-patient-experiencematters.org/> The Maine Patient Experience Matters initiative is the first statewide survey of patients' experience in Maine. The website provides information from the patients' perspective about the care they receive at adult primary care, specialty and pediatric practices across the State. The website allows consumers to compare results across participating practices in the State. In 2014 the MQF launched a second round of our statewide effort to promote, standardize, and measure patient experiences of care.

We annually submit a report on the state of Healthcare acquired infections in Maine hospitals to the Joint Standing

Committee on Health and Human Services. The MQF continues to support initiatives that have a goal of improving health care quality in the State of Maine.

Recent publications include: 2014 Annual Report on Healthcare Associated Infections (HAI) in Maine; Advancing Patient Safety in the Ambulatory Setting-Maine's Pilot of the AHRQ Medical Office Survey on Patient Safety Culture-Final Report and Patient Experience Matters Website: <http://www.maine-patient-experiencematters.org/>.

**DIRIGO HEALTH FUND 0988  
PROGRAM SUMMARY**

	History 2015-16	History 2016-17	\$852,590 2017-18	\$852,590 2018-19
<b>GENERAL FUND</b>				
POSITIONS - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	\$297,168	\$290,283	\$313,217	\$315,457
All Other	\$1,027,590	\$1,027,590	<del>\$1,027,590</del>	\$1,027,590
<b>GENERAL FUND TOTAL</b>	\$1,324,758	\$1,317,873	\$1,340,807	\$1,343,047
			1,165,807	1,168,047

*Amend Committee vote:*

*10-1*

*reduce all other by \$175,000  
annually*

**DIRIGO HEALTH**

**DEPARTMENT TOTALS**

**GENERAL FUND**

**DEPARTMENT TOTAL - ALL FUNDS**

	2017-18	2018-1 <sup>o</sup>
	\$1,340,807	\$1,343,047
	<u>\$1,340,807</u>	<u>\$1,343,047</u>

Sec. A-57. Appropriations and allocations. The following appropriations and allocations are made.

**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

**Bureau of Consumer Credit Protection 0091**

Initiative: BASELINE BUDGET

	History 2015-16	History 2016-17	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	14,000	14,000	14,000	14,000
Personal Services	\$1,206,988	\$1,203,040	\$1,231,005	\$1,261,981
All Other	\$704,231	\$704,232	\$704,232	\$704,232
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$1,911,219</b>	<b>\$1,907,272</b>	<b>\$1,935,237</b>	<b>\$1,966,213</b>

**Justification:**

The Bureau of Consumer Credit Protection protects the citizens of Maine from unfair and deceptive practices with respect to various financial services, including consumer credit and debt collection. This is accomplished through enforcing state laws to assist consumers who are subject to illegal credit-related practices, educating consumers and creditors as to their rights and responsibilities under those laws and encouraging the development of fair and economically-sound consumer credit practices. The agency enforces the Maine Consumer Credit Code, Title 9-A, as it applies to creditors and lenders, including non-bank mortgage lenders. Enforcement responsibilities also extend to other statutes, including the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, and Maine's "Plain Language" Law. The agency regulates retail creditors, pawnshops, rent-to-own stores, mortgage companies and brokers, loan arrangers and credit bureaus. The bureau administers the state's foreclosure assistance hotline, housing counseling and referral program. In addition, the office is responsible for ensuring legal compliance by money transmitters, money order issuers, operators of non-bank Automated Teller Machines, debt management service providers (credit counselors), payroll processors, real estate settlement companies, repossession companies, foreclosure "property preservation" companies and individual loan officers employed by non-bank lenders or loan brokers. The bureau enforces Truth in Lending, Regulation Z and credit disclosure requirements. Maine has received exemptions from federal oversight due to the State's diligent enforcement of the principles of the Truth-in-Lending Act and the Fair Debt Collection Practices Act.

**Bureau of Consumer Credit Protection 0091**

Initiative: Provides funding for an increase in technology costs and related STA-CAP charges.

Ref. #: 2800

Committee Vote:

11-0

AFA Vote: \_\_\_\_\_

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	\$5,291	\$5,637
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$5,291</b>	<b>\$5,637</b>

**Bureau of Consumer Credit Protection 0091**

Initiative: Provides funding for supplies, general operations and related STA-CAP charges.

Ref. #: 2802

Committee Vote:

11-0

AFA Vote: \_\_\_\_\_

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	\$18,939	\$19,747
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$18,939</u>	<u>\$19,7</u>

**Justification:**

This request increases allocation for general operations, supplies and related STA-CAP charges. Fewer vacancies and an increase in the number of regulated entities have increased general operating and supplies costs. Current allocation has proved inadequate for normal operations and required cutting some essential mission functions, such as consumer outreach.

**Bureau of Consumer Credit Protection 0091**

Initiative: Establishes one Consumer Credit Examiner position and provides funding for related STA-CAP charges.

Ref. #: 2803

Committee Vote: 11-0

AFA Vote: \_\_\_\_\_

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	1.000	1.000
Personal Services	\$68,600	\$72,144
All Other	\$742	\$780
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$69,342</u>	<u>\$72,924</u>

**Justification:**

This request establishes and provides funding for one Senior Consumer Credit Examiner position. The number of entities regulated by the Bureau has increased, and current examination staff is not sufficient to conduct regular examinations of licensees as necessary to ensure consumers are receiving the protections set forth by state statutes. Examinations are required to be completed on a specified schedule. An additional examiner is needed to continue to meet these timeframes and properly oversee licensees.

**Bureau of Consumer Credit Protection 0091**

Initiative: Reduces funding to align allocations with projected available resources.

Ref. #: 2804

Committee Vote: 11-0

AFA Vote: \_\_\_\_\_

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	(\$35,641)	(\$35,539)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>(\$35,641)</u>	<u>(\$35,539)</u>

**Justification:**

This request reduces allocation in the Statewide Outreach account to bring expenses in line with available resources.

**Bureau of Consumer Credit Protection 0091**

Initiative: Provides funding for travel to off-site examinations and related STA-CAP charges.

ef. #: 2809

Committee Vote: 11 - 0

AFA Vote: \_\_\_\_\_

**OTHER SPECIAL REVENUE FUNDS**

All Other

**2017-18**      **2018-19**

\$71,263      \$71,263

**OTHER SPECIAL REVENUE FUNDS TOTAL**

\$71,263      \$71,263

**Justification:**

The Bureau of Consumer Credit Protection is requesting an increase in All Other allocation for travel for examinations and related STA-CAP charges. The number of entities licensed by the bureau has increased substantially, and now totals more than 8,000. Accordingly, the number of exams conducted has also increased significantly, requiring additional allocation for in-state travel. In addition, the bureau is required to participate in more multi-state and federal/state coordinated examinations, mandating out-of-state travel. All costs of examinations performed, including proportional examiner salaries, are reimbursed by the companies being examined.

**BUREAU OF CONSUMER CREDIT PROTECTION 0091  
PROGRAM SUMMARY**

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	14.000	14.000	15.000	15.000
Personal Services	\$1,206,988	\$1,203,040	\$1,299,605	\$1,334,125
All Other	\$704,231	\$704,232	\$764,826	\$766,120
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$1,911,219</u>	<u>\$1,907,272</u>	<u>\$2,064,431</u>	<u>\$2,100,245</u>

**Financial Institutions - Bureau of 0093**

Initiative: BASELINE BUDGET

	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	19,000	19,000	19,000	19,000
Personal Services	\$1,801,924	\$1,784,606	\$1,849,318	\$1,883,815
All Other	\$645,398	\$645,359	\$645,359	\$645,359
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$2,447,322</b>	<b>\$2,429,965</b>	<b>\$2,494,677</b>	<b>\$2,529,174</b>

**Justification:**

The Bureau of Financial Institutions is an agency within the Department of Professional and Financial Regulation. The bureau is funded by dedicated revenue from the financial institutions it regulates. The bureau regulates all state-chartered banks and credit unions through the administration and enforcement of the Maine Banking Code and the Maine Consumer Credit Code. The bureau is divided into 2 divisions: one for research, administration and regulatory activities and the other for examinations. The bureau's statutory mission is to assure the strength, stability and efficiency of all financial institutions, ensure reasonable and orderly competition, encourage the development and expansion of financial services advantageous to the public welfare and protect consumers against unfair practices by financial institutions that provide consumer credit.

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**FINANCIAL INSTITUTIONS - BUREAU OF 0093  
PROGRAM SUMMARY**

	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	19,000	19,000	19,000	19,000
Personal Services	\$1,801,924	\$1,784,606	\$1,849,318	\$1,883,815
All Other	\$645,398	\$645,359	\$645,359	\$645,359
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$2,447,322</b>	<b>\$2,429,965</b>	<b>\$2,494,677</b>	<b>\$2,529,174</b>

*In Committee Vote: 11-0*



**Insurance - Bureau of 0092**

Initiative: BASELINE BUDGET

	History 2015-16	History 2016-17	2017-18	2018-19
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$10,000	\$10,000	\$10,000	\$10,000
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
	History 2015-16	History 2016-17	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	72,000	72,000	72,000	72,000
Personal Services	\$6,613,222	\$6,558,507	\$6,668,622	\$6,831,539
All Other	\$2,109,220	\$2,109,201	\$2,109,201	\$2,109,201
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$8,722,442</b>	<b>\$8,667,708</b>	<b>\$8,777,823</b>	<b>\$8,940,740</b>

**Justification:**

The Bureau of Insurance is responsible for the regulation and supervision of the insurance industry in Maine. This includes, but is not limited to, insurance companies, producers (formerly referred to as "agents"), health maintenance organizations (HMOs), employers' self-insured for workers' compensation and other insurance entities. To meet this responsibility, the bureau is empowered to license insurance companies to operate in the State of Maine, as well as non-profit hospital, medical or other health service organizations, health maintenance organizations, captive insurance companies, insurance producers, medical utilization review entities, third-party administrators, continuing care retirement communities, advisory organizations and reinsurance intermediaries/managers. The bureau registers preferred provider organizations, risk purchasing groups, risk retention groups, managing general agents and employee leasing plans. The bureau regularly conducts financial examinations of all domestic insurers as well as market conduct examinations to determine compliance with the Maine Insurance Code. Bureau staff also reviews the financial statements, Securities and Exchange Commission filings and other publicly available information on all licensed and authorized insurance companies doing business in Maine. The financial review emphasis is placed on domestic insurance companies. The bureau also examines and issues licenses to qualified applicants as insurance producers, consultants and adjusters. All policy forms and contracts used in Maine must be filed by insurance companies for approval by the bureau which administers the rating laws that apply to certain lines of insurance. The bureau may seek suspension or revocation of licenses in instances where licensees have failed to comply with the statutory provisions of Maine Revised Statutes, Title 24 and Maine Revised Statutes, Title 24-A and the lawful regulations of the bureau.

**Insurance - Bureau of 0092**

Initiative: Eliminates one vacant Senior Market Conduct Examiner position and reduces funding for related All Other costs.

Ref. #: 2824

Committee Vote:

11-0

AFA Vote:

	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>		
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$81,489)	(\$85,387)
All Other	(\$963)	(\$1,009)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>(\$82,452)</b>	<b>(\$86,396)</b>

**Justification:**

The duties can be effectively absorbed by existing Bureau positions. The Bureau does not anticipate any changes to the work performed and does its best to reshape its work-force in response to changes in the overall insurance regulatory landscape.

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**INSURANCE - BUREAU OF 0092  
PROGRAM SUMMARY**

<b>FEDERAL EXPENDITURES FUND</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	\$10,000	\$10,000	\$10,000	\$10,000
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>History 2015-16</b>	<b>History 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
POSITIONS - LEGISLATIVE COUNT	72,000	72,000	71,000	71,000
Personal Services	\$6,613,222	\$6,558,507	\$6,587,133	\$6,746,152
All Other	\$2,109,220	\$2,109,201	\$2,108,238	\$2,108,192
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$8,722,442</b>	<b>\$8,667,708</b>	<b>\$8,695,371</b>	<b>\$8,854,344</b>

**Office of Securities 0943**

Initiative: BASELINE BUDGET

	History 2015-16	History 2016-17	2017-18	2018-19
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$10,113	\$10,113	\$10,113	\$10,113
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	\$10,113	\$10,113	\$10,113	\$10,113
	History 2015-16	History 2016-17	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	16,000	16,000	16,000	16,000
Personal Services	\$1,475,399	\$1,457,067	\$1,528,730	\$1,549,968
All Other	\$452,035	\$452,015	\$452,015	\$452,015
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$1,927,434	\$1,909,082	\$1,980,745	\$2,001,983

**Justification:**

The Office of Securities was formed to protect Maine citizens against fraud and other abusive practices in connection with the sale of securities. The office's major functions include licensing persons engaged in the business of selling securities or providing investment advice, registering securities being offered and sold in Maine and investigating and prosecuting alleged violations of the securities laws. The office conducts outreach for licensees and investors and provides assistance to small business owners who are seeking to raise capital. The Office of Securities administers and enforces the Maine Uniform Securities Act, the laws governing the sale of business opportunities and the Maine Commodity Code.

**Office of Securities 0943**

Initiative: Provides funding for the approved reorganization of one Securities Examiner In-Charge position to a Public Service Manager II position and related STA-CAP charges.

Ref. #: 2881

Committee Vote: 11-0                      AFA Vote: \_\_\_\_\_

	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>		
Personal Services	\$10,641	\$14,668
All Other	\$172	\$238
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$10,813	\$14,906

**Justification:**

This request funds the reorganization of one Securities Examiner In-Charge position to one Public Service Manager II position and related STA-CAP charges associated with it. This reorganization is needed to better reflect the duties and responsibilities of the position. Since the economic downturn in 2008 and following the creation of this position, there has been a significant increase in the complexity of securities products as well as modifications to business operations in the securities industry and development of new business models intended to address the changing financial climate. This position has changed such that the incumbent provides management level subject matter expertise for purposes of policy development and operational strategy as well as investigative assistance in addition to day to day oversight of the examination, licensing, and outreach functions of the office. Associated with FY '17 Emergency Supplemental Budget initiative I-A-26.

**Office of Securities 0943**

Initiative: Reduces funding to align allocations with projected available resources.

Ref. #: 2882

Committee Vote: 11-0

AFA Vote: \_\_\_\_\_

	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>		
All Other	(\$30,000)	(\$30,000)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>(\$30,000)</u>	<u>(\$30,000)</u>

**Justification:**

This request reduces allocation in the Securities Investor Education and Training Fund to bring expenses in line with available resources.

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**OFFICE OF SECURITIES 0943  
PROGRAM SUMMARY**

	History 2015-16	History 2016-17	2017-18	2018-19
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$10,113	\$10,113	\$10,113	\$10,113
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$10,113</u>	<u>\$10,113</u>	<u>\$10,113</u>	<u>\$10,113</u>
	History 2015-16	History 2016-17	2017-18	2018-19
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	16,000	16,000	16,000	16,000
Personal Services	\$1,475,399	\$1,457,067	\$1,539,371	\$1,564,636
All Other	\$452,035	\$452,015	\$422,187	\$422,253
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$1,927,434</u>	<u>\$1,909,082</u>	<u>\$1,961,558</u>	<u>\$1,986,889</u>

**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

<b>DEPARTMENT TOTALS</b>	<b>2017-18</b>	<b>2018-19</b>
<b>FEDERAL EXPENDITURES FUND</b>	<b>\$20,113</b>	<b>\$20,113</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$15,216,037</b>	<b>\$15,470,652</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$15,236,150</b>	<b>\$15,490,765</b>

Sec. B-1. Appropriations and allocations. The following appropriations and allocations are made.

**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

**Office of Securities 0943**

Initiative: RECLASSIFICATIONS

Ref. #: 2886

Committee Vote: 11-0

AFA Vote: \_\_\_\_\_

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
Personal Services	\$6,422	\$6,431
All Other	\$104	\$108
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$6,526</u>	<u>\$6,539</u>

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**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

<b>DEPARTMENT TOTALS</b>	<b>2017-18</b>	<b>2018-19</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$6,526</b>	<b>\$6,539</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$6,526</b></u>	<u><b>\$6,539</b></u>