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

To: James M. Hamper, Senate Chair  
Margaret R. Rotundo, House Chair  
Joint Standing Committee on Appropriations and Financial Affairs

From: *R.W.* Rodney L. Whittemore, Senate Chair  
Henry E.M. Beck, House Chair *H.B.*  
Joint Standing Committee on Insurance and Financial Services

Date: March 26, 2015

Subject: Insurance and Financial Services Committee Recommendations on  
the Governor's Biennial Budget Bill (LR 1852)

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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 (LR 1852) that were considered in public hearing on March 18, 2015: (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 Dirigo Health Program. We reviewed and discussed these initiatives at work sessions on March 19, 2015 and March 24, 2015. Please accept the following recommendations and comments. The attached document also outlines the committee's recommendations.

**1. Accident, Sickness and Health Insurance Program (IFS to 3)**

The committee voted unanimously (13-0) to support the baseline budget related to the Accident, Sickness and Health Insurance Internal Service Fund, the Firefighters and Law Enforcement Officers 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 voted 8-5 in support of the baseline allocation of \$48,400,235. The committee notes that no public testimony was submitted at the hearing with regard to the Retiree Health Insurance Fund. Although there was no public testimony in opposition to the allocation, the members who did not support the allocation (Sen. Gratwick, Reps. Brooks, Cooper, Melaragno and Tucker) expressed concern that the “flat-funded” State contribution toward retiree health insurance premiums does not keep pace with overall increases in the costs of retiree health insurance and that any cost increases will be shifted to retirees.

## **2. Trade Adjustment Health Insurance Program (IFS 4)**

The committee voted unanimously (13-0) to support the baseline budget allocation for the Trade Adjustment Health Insurance Program.

## **3. Department of Professional and Financial Regulation (IFS 9 to 18)**

The committee voted unanimously to support the baseline budgets and initiatives presented in LR 1852 (13-0) for the Bureau of Consumer Credit Protection, Bureau of Financial Institutions, Bureau of Insurance and Office of Securities. The committee also unanimously supports the statutory changes proposed in Part SSS.

## **4. Dirigo Health (IFS 5 to 8)**

The committee voted unanimously (13-0) to support the baseline budget appropriation for the Dirigo Health. The budget proposal provides funding for the Maine Quality Forum, including 2 staff positions.

We also want to make you aware that earlier this session we agreed to submit a committee bill that would transfer statutory oversight for the Maine Quality Forum to the Maine Health Data Organization. The proposed legislation would also transfer the 2 staff positions and the General Fund appropriation to the Maine Health Data Organization to provide continued funding for the Maine Quality Forum. While the committee did previously recommend that this statutory language be included in the 126<sup>th</sup> Legislature’s biennial budget, the amendment was not included. At present, the committee bill is being drafted by the Revisor’s Office. We expect it to be printed and scheduled for public hearing in the coming weeks.

We have considered our recommendations carefully. We ask that you notify us or our committee staff 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.

cc: Members, Appropriations and Financial Affairs Committee  
Members, Insurance and Financial Services Committee  
Luke Lazure, Office of Fiscal and Program Review

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> - IN 13-0	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	0.500	0.500	0.500	0.500
Personal Services	\$18,250	\$19,037	\$20,776	\$20,907
All Other	\$772,957	\$772,957	\$772,957	\$772,957
<b>GENERAL FUND TOTAL</b>	<b>\$791,207</b>	<b>\$791,994</b>	<b>\$793,733</b>	<b>\$793,864</b>

<b>RETIREE HEALTH INSURANCE FUND</b> IN 8-5	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</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 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT IN 13-0	13.000	13.000	12.000	12.000
Personal Services	\$876,380	\$916,422	\$928,419	\$923,657
All Other	\$895,354	\$895,354	\$895,354	\$895,354
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL</b>	<b>\$1,771,734</b>	<b>\$1,811,776</b>	<b>\$1,823,773</b>	<b>\$1,819,011</b>

<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND</b>	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services IN 13-0	\$61,199	\$64,331	\$68,073	\$66,897
All Other	\$53,800	\$53,800	\$1,712,619	\$1,712,619
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL</b>	<b>\$114,999</b>	<b>\$118,131</b>	<b>\$1,780,692</b>	<b>\$1,779,516</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, long term care insurance and 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.

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

	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>GENERAL FUND</b>				
POSITIONS - LEGISLATIVE COUNT	0.500	0.500	0.500	0.500
Personal Services	\$18,250	\$19,037	\$20,776	\$20,907
All Other	\$772,957	\$772,957	\$772,957	\$772,957
<b>GENERAL FUND TOTAL</b>	<b>\$791,207</b>	<b>\$791,994</b>	<b>\$793,733</b>	<b>\$793,864</b>
	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>RETIREE HEALTH INSURANCE FUND</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>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND</b>				
POSITIONS - LEGISLATIVE COUNT	13.000	13.000	12.000	12.000
Personal Services	\$876,380	\$916,422	\$928,419	\$923,657
All Other	\$895,354	\$895,354	\$895,354	\$895,354
<b>ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL</b>	<b>\$1,771,734</b>	<b>\$1,811,776</b>	<b>\$1,823,773</b>	<b>\$1,819,011</b>
	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND</b>				
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$61,199	\$64,331	\$68,073	\$66,897
All Other	\$53,800	\$53,800	\$1,712,619	\$1,712,619
<b>FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL</b>	<b>\$114,999</b>	<b>\$118,131</b>	<b>\$1,780,692</b>	<b>\$1,779,516</b>

**Trade Adjustment Assistance Health Insurance Z001**

Initiative: BASELINE BUDGET

	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$8,385	\$8,385	\$8,385	\$8,385
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	\$8,385	\$8,385	\$8,385	\$8,385
	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
All Other	\$75,000	\$75,000	\$75,000	\$75,000
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$75,000	\$75,000	\$75,000	\$75,000

**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

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

	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$8,385	\$8,385	\$8,385	\$8,385
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	\$8,385	\$8,385	\$8,385	\$8,385
	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
All Other	\$75,000	\$75,000	\$75,000	\$75,000
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$75,000	\$75,000	\$75,000	\$75,000

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2015-16	2016-17
GENERAL FUND	\$793,733	\$793,864
FEDERAL EXPENDITURES FUND	\$8,385	\$8,385
OTHER SPECIAL REVENUE FUNDS	\$75,000	\$75,000
RETIREE HEALTH INSURANCE FUND	\$48,400,235	\$48,400,235
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	\$1,823,773	\$1,819,011
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	\$1,780,692	\$1,779,516
DEPARTMENT TOTAL - ALL FUNDS	<u>\$52,881,818</u>	<u>\$52,876,011</u>

Sec. A-17. Appropriations and allocations. The following appropriations and allocations are made.

**DIRIGO HEALTH**

**Dirigo Health Fund 0988**

Initiative: BASELINE BUDGET *IN 13-0*

GENERAL FUND	History 2013-14	History 2014-15	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0.000	2.000	2.000	2.000
Personal Services	\$0	\$71,478	\$300,974	\$293,960
All Other	\$0	\$305,522	\$1,027,590	\$1,027,590
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$377,000</b>	<b>\$1,328,564</b>	<b>\$1,321,550</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 42-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**

<b>GENERAL FUND</b>	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	0.000	2.000	2.000	2.000
Personal Services	\$0	\$71,478	\$300,974	\$293,960
All Other	\$0	\$305,522	\$1,027,590	\$1,027,590
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$377,000</b>	<b>\$1,328,564</b>	<b>\$1,321,550</b>

**DIRIGO HEALTH**

**DEPARTMENT TOTALS**

2015-16

2016-17

**GENERAL FUND**

\$1,328,564

\$1,321,550

**DEPARTMENT TOTAL - ALL FUNDS**

\$1,328,564

\$1,321,550

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

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	14.000	14.000	14.000	14.000
Personal Services	\$1,112,163	\$1,164,189	\$1,206,988	\$1,203,040
All Other	\$924,466	\$830,682	\$830,682	\$830,682
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$2,036,629</b>	<b>\$1,994,871</b>	<b>\$2,037,670</b>	<b>\$2,033,722</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: Reduces funding to reflect anticipated resources.

Ref. #: 2469

Committee Vote:

IN 13-0

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

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	(\$126,451)	(\$126,450)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>(\$126,451)</b>	<b>(\$126,450)</b>

**Justification:**

The program is reducing revenue projections to reflect the anticipated decrease in real estate transfer tax revenue designated for this program and reducing All Other to address the anticipated decrease in revenue.

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

	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	14.000	14.000	14.000	14.000
Personal Services	\$1,112,163	\$1,164,189	\$1,206,988	\$1,203,040
All Other	\$924,466	\$830,682	\$704,231	\$704,232
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$2,036,629</b>	<b>\$1,994,871</b>	<b>\$1,911,219</b>	<b>\$1,907,272</b>

**Financial Institutions - Bureau of 0093**

Initiative: BASELINE BUDGET

IN 13-0

	History 2013-14	History 2014-15	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	19.000	19.000	19.000	19.000
Personal Services	\$1,554,822	\$1,606,537	\$1,716,147	\$1,701,509
All Other	\$644,153	\$644,153	\$644,153	\$644,153
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$2,198,975</b>	<b>\$2,250,690</b>	<b>\$2,360,300</b>	<b>\$2,345,662</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.

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

	History 2013-14	History 2014-15	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	19.000	19.000	19.000	19.000
Personal Services	\$1,554,822	\$1,606,537	\$1,716,147	\$1,701,509
All Other	\$644,153	\$644,153	\$644,153	\$644,153
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$2,198,975</b>	<b>\$2,250,690</b>	<b>\$2,360,300</b>	<b>\$2,345,662</b>

**Insurance - Bureau of 0092**

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$10,000	\$10,000	\$10,000	\$10,000
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	\$10,000	\$10,000	\$10,000	\$10,000
	History 2013-14	History 2014-15	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	73,000	73,000	73,000	73,000
Personal Services	\$6,097,464	\$6,350,931	\$6,686,733	\$6,633,710
All Other	\$2,087,640	\$2,110,091	\$2,110,091	\$2,110,091
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$8,185,104	\$8,461,022	\$8,796,824	\$8,743,801

**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 24 M.R.S.A. and 24-A M.R.S.A. and the lawful regulations of the bureau.

**Insurance - Bureau of 0092**

Initiative: Eliminates one Senior Market Conduct Examiner position and one intermittent Office Assistant I position from various accounts within the Department of Professional and Financial Regulation.

Ref. #: 2477

Committee Vote:

IN 13-0

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

	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>		
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$79,773)	(\$81,280)
All Other	(\$945)	(\$962)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	(\$80,718)	(\$82,242)

**Justification:**

These position eliminations resulted from the review of vacant positions during the 2016-2017 biennial budget development.

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**INSURANCE - BUREAU OF 0092  
PROGRAM SUMMARY**

	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$10,000	\$10,000	\$10,000	\$10,000
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	73.000	73.000	72.000	72.000
Personal Services	\$6,097,464	\$6,350,931	\$6,606,960	\$6,552,430
All Other	\$2,087,640	\$2,110,091	\$2,109,146	\$2,109,129
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$8,185,104</u>	<u>\$8,461,022</u>	<u>\$8,716,106</u>	<u>\$8,661,559</u>

**Office of Securities 0943**

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
<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 2013-14	History 2014-15	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	12,000	12,000	12,000	12,000
Personal Services	\$1,158,694	\$1,198,501	\$1,104,694	\$1,087,596
All Other	\$445,507	\$446,103	\$446,103	\$446,103
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$1,604,201	\$1,644,604	\$1,550,797	\$1,533,699

**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 range change for the Administrator, Office of Securities position from range 88 to range 90 pursuant to Maine Revised Statutes, Title 2, section 6, subsection 2 and provides funding for related STA-CAP charges.

Ref. #: 2524

Committee Vote: IN 13-0

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

	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>		
Personal Services	\$12,560	\$12,169
All Other	\$201	\$195
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	\$12,761	\$12,364

**Justification:**

This initiative would move the Administrator, Office of Securities from range 88 to range 90 pursuant to the proposed amendment to Maine Revised Statutes, Title 2, section 6, subsection 2.

**Office of Securities 0943**

Initiative: Continues one Attorney position and one Senior Securities Specialist position previously established by Financial Order 002423 F5 and provides funding for related STA-CAP charges.

Ref. #: 2525

Committee Vote: IN 13-0

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



<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	2.000	2.000
Personal Services	\$173,850	\$177,121
All Other	\$2,782	\$2,834
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$176,632</b>	<b>\$179,955</b>

**Justification:**

This initiative requests that one current limited-period Attorney position and one current limited-period Senior Securities Specialist position be made permanent. The Attorney position will be instrumental in attempting to obtain restitution for victims, some of whom are elderly. The Securities Specialist position is part of a 5 person team responsible for performing the office's investigative activities including responding to investor complaints, conducting interviews, depositions, scheduling of bank records and performing an analysis of the information they have gathered to determine whether a violation of Maine's securities laws has occurred.

**Office of Securities 0943**

Initiative: Continues one Senior Securities Examiner position and one Securities Examiner In-Charge position previously authorized to continue in Public Law 2013, chapter 368 and provides funding for related STA-CAP charges.

Ref. #: 2526

Committee Vote: IN 13-0

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

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
POSITIONS - LEGISLATIVE COUNT	2.000	2.000
Personal Services	\$184,295	\$180,181
All Other	\$2,949	\$2,883
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$187,244</b>	<b>\$183,064</b>

**Justification:**

The two Examiner positions are essential to protect Maine consumers from fraudulent, deceptive and unethical practices in the securities industry through examinations and investigation of broker dealers, investment advisers and their agents. This initiative requests that one current limited-period Senior Securities Examiner position and one current limited-period Securities Examiner In-Charge position be made permanent.

**OFFICE OF SECURITIES 0943  
PROGRAM SUMMARY**

	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>FEDERAL EXPENDITURES FUND</b>				
All Other	\$10,113	\$10,113	\$10,113	\$10,113
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$10,113</b>	<b>\$10,113</b>	<b>\$10,113</b>	<b>\$10,113</b>
	<b>History 2013-14</b>	<b>History 2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>				
POSITIONS - LEGISLATIVE COUNT	12,000	12,000	16,000	16,000
Personal Services	\$1,158,694	\$1,198,501	\$1,475,399	\$1,457,067
All Other	\$445,507	\$446,103	\$452,035	\$452,015
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$1,604,201</b>	<b>\$1,644,604</b>	<b>\$1,927,434</b>	<b>\$1,909,082</b>

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

**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

**Financial Institutions - Bureau of 0093**

Initiative: RECLASSIFICATIONS

Ref. #: 2481

Committee Vote: IN 13-0

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

	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>		
Personal Services	\$85,777	\$83,097
All Other	\$1,245	\$1,206
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$87,022</u>	<u>\$84,303</u>

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**Insurance - Bureau of 0092**

Initiative: RECLASSIFICATIONS

Ref. #: 2478

Committee Vote: IN 13-0

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

	2015-16	2016-17
<b>OTHER SPECIAL REVENUE FUNDS</b>		
Personal Services	\$6,262	\$6,077
All Other	\$74	\$72
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$6,336</u>	<u>\$6,149</u>

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**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

<b>DEPARTMENT TOTALS</b>	<b>2015-16</b>	<b>2016-17</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$93,358</b>	<b>\$90,452</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$93,358</b></u>	<u><b>\$90,452</b></u>

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

DEPARTMENT TOTALS	2015-16	2016-17
FEDERAL EXPENDITURES FUND	\$20,113	\$20,111
OTHER SPECIAL REVENUE FUNDS	\$14,915,059	\$14,823,575
DEPARTMENT TOTAL - ALL FUNDS	<u>\$14,935,172</u>	<u>\$14,843,688</u>