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

To: Dawn Hill, Senate Chair
Margaret Rotundo, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

From: Geoffrey M. Gratwick, Senate Chair
Sharon Anglin Treat, House Chair
Joint Standing Committee on Insurance and Financial Services

Date: April 11, 2013

Subject: Insurance and Financial Services Committee Recommendations on the
Governor's Biennial Budget Bill (LR 1046)

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 1046) that were considered in public hearing on March 15, 2013: (1) the Department of Professional and Financial Regulation's Bureau of Financial Institutions, Bureau of Consumer Credit Regulation, Bureau of Insurance and Office of Securities; (2) the Dirigo Health Program; and (3) the Accident, Sickness and Health Insurance Program supporting the Office of Employee Health and Benefits and its programs within the Department of Administrative and Financial Services. We have reviewed and discussed these initiatives and appreciate your consideration of our recommendations and comments.

1. Department of Professional and Financial Regulation

The committee voted unanimously to support the baseline budgets and initiatives presented in LR 1046 (11-0 of members voting) for the Bureau of Consumer Credit Protection, Bureau of Financial Institutions, Bureau of Insurance and Office of Securities. (See IFS 9 to 18). The committee believes the core mission of these agencies to protect consumers is critically important during the current economic conditions in Maine and nationwide because these agencies regulate and oversee financial institutions, insurance companies, entities that extend or facilitate consumer credit and entities that sell investments or provide investment advice. The authorized allocations within the proposed budget support the level of oversight necessary to protect consumers and ensure the viability of the financial services entities operating in the State. We note that these

agencies and the department as a whole are fully supported through dedicated revenue paid by regulated entities.

The committee does want to call your attention to the importance of the Foreclosure Prevention Program within the Bureau of Consumer Credit Protection. Although the committee supports the budget initiatives that reflect a reduction in available funding for housing counselor contracts provided through the program, recent data indicates that the number of foreclosure filings and notices of mortgage loan defaults remain high. The committee understands that the State of Maine may benefit through a potential multi-state settlement with mortgage lenders. If Maine receives funding through a multi-state settlement, the committee strongly recommends that additional resources be allocated to the Bureau of Consumer Credit Protection's Foreclosure Prevention Program to restore the funding decrease reflected in this budget. At the same time, the committee has asked that the Bureau continue its effort to find administrative efficiencies in the program, especially as it relates to the mailing of informational materials to consumers that receive more than one notice of default within a certain period of time.

With regard to the Office of Securities, the committee also wants to make you aware of the emerging issue of crowdfunding platforms as a source of investment in small businesses. One of the initiatives within the Office of Securities' budget is to increase the hours of the Assistant Securities Administrator to 80 hours bi-weekly. These additional resources will be used to review anticipated federal rules governing equity crowdfunding platforms as an investment vehicle and to review the use of these platforms by Maine businesses to facilitate capital investment by individuals. The committee supports this initiative to ensure those individuals interested in these types of investments are provided adequate disclosures while minimizing delays in investments in small businesses, particularly startups.

2. Dirigo Health

The committee voted unanimously (11-0) to support the baseline budget and initiatives presented for the Dirigo Health Agency. See IFS 6. As the Dirigo Health Agency is planning for the termination of its coverage programs, the committee wants to ensure that those receiving coverage through those programs are provided assistance to transition to other health coverage beginning in January 1, 2014, particularly to coverage through the health insurance exchange. The committee has requested that the Dirigo Health Agency provide regular, periodic updates on its transition planning for the retention of needed staff resources through June 30, 2015 to assist enrollees moving to other health coverage and to wind down the operations of the DirigoChoice program and other coverage programs. The committee believes the proposed budget will provide the appropriate flexibility and resources to the agency for an effective transition.

While the budget proposal reduces the overall funding and staffing for the Dirigo Health Agency in FY 15, the proposal does recommend the continuation of 2 positions within the Maine Quality Forum and retains approximately \$1.5 million in FY 15 to fund those positions. The committee members fully support the mission of the Maine Quality Forum. During the course of our budget work session, the committee was briefed on the February 2013 Report from the "LD 1818 Working Group to Evaluate Options and Actions Available to Improve the Availability of and Access to Health Care Data and To Examine the All-payor Claims Database System in Maine". One of the recommendations of the LD 1818 Working Group is that the work of the Maine Quality Forum be

continued within the Maine Health Data Organization to support ongoing data projects focused on quality improvement across the health care delivery system, to maximize the public use of existing and future data assets of the Maine Health Data Organization, and to provide an opportunity for multi-stakeholder engagement, subject to the availability of funding and the identification of administrative efficiencies by the governing boards of the Dirigo Health Agency and the Maine Health Data Organization. We have attached an excerpt from the LD 1818 Working Group's report outlining this recommendation. The committee voted unanimously (11-0) to ask that you consider additional statutory language that would endorse this recommendation and transfer the 2 positions within the Maine Quality Forum and the funding allocation in FY 15 from the Dirigo Health Agency to the Maine Health Data Organization. If additional positions are needed and adequate funding is available, the committee also supports providing flexibility to the agency to increase staffing resources. We have asked our legislative analyst to draft a proposed amendment, in collaboration with the Dirigo Health Agency and the Maine Health Data Organization, and will forward that to you as soon as possible

3. Accident, Sickness and Health Insurance Program

The committee voted unanimously (11-0) to support the baseline budget related to the Accident Sickness and Health Insurance Program, including the relevant budget recommendations for the Accident, Sickness and Health Insurance Internal Service Fund, the Firefighters and Law Enforcement Officers Health Insurance Fund, the General Fund contribution to support health insurance coverage for participants in the Firefighters and Law Enforcement Health Insurance Program See IFS 1 to 4. The committee does not make any recommendation with regard to the Retiree Health Insurance Fund because the committee did not receive any testimony on this program.

4. Trade Adjustment Health Insurance Program

The committee voted unanimously (11-0) to support the baseline budget allocation for the Trade Adjustment Health Insurance Program. See IFS-4.

We hope that the input we have provided on the budget proposals within our subject matter jurisdiction is given significant weight in your committee deliberations. We have considered our recommendations carefully and thoughtfully. 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.

Attachments

cc: Insurance and Financial Services Committee

leverage public funding under sources such as the federal Health Information Technology Act and the Medicaid Meaningful Use Program.

- 6) Continuing the positions the Maine Quality Forum (MQF) within MHDO in order to support ongoing data projects focused on quality improvement across the Maine health care delivery system; maximizing the public use of existing and future data assets of the MHDO; and providing an opportunity for multi-stakeholder engagement. This recommendation is conditioned on the availability of funding, and on an analysis of administrative efficiencies and staffing needs.

After the completion of these "next step" items, further legislation may need to be considered to more fully inform ensuing policy discussions, modify existing laws, as well as implement new laws and rules.

Comments from individual committee members on earlier drafts of this report are included in Appendix J.

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

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	0.500	0.500	0.500	0.500
Personal Services	\$18,799	\$19,345	\$18,892	\$20,011
All Other	\$780,638	\$772,957	\$772,957	\$772,957
GENERAL FUND TOTAL	\$799,437	\$792,302	\$791,849	\$792,968

RETIREE HEALTH INSURANCE FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235
RETIREE HEALTH INSURANCE FUND TOTAL	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235

ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	13.000	13.000	13.000	13.000
Personal Services	\$863,448	\$886,052	\$876,380	\$916,422
All Other	\$934,716	\$918,110	\$895,354	\$895,354
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	\$1,798,164	\$1,804,162	\$1,771,734	\$1,811,776

FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$55,006	\$55,029	\$61,199	\$64,331
All Other	\$53,783	\$53,783	\$53,800	\$53,800
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL	\$108,789	\$108,812	\$114,999	\$118,131

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.

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

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	0.500	0.500	0.500	0.500
Personal Services	\$18,799	\$19,345	\$18,892	\$20,011
All Other	\$780,638	\$772,957	\$772,957	\$772,957
GENERAL FUND TOTAL	\$799,437	\$792,302	\$791,849	\$792,968

RETIREE HEALTH INSURANCE FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235
RETIREE HEALTH INSURANCE FUND TOTAL	\$48,400,235	\$48,400,235	\$48,400,235	\$48,400,235

ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	13.000	13.000	13.000	13.000
Personal Services	\$863,448	\$886,052	\$876,380	\$916,422
All Other	\$934,716	\$918,110	\$895,354	\$895,354
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	\$1,798,164	\$1,804,162	\$1,771,734	\$1,811,776

FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$55,006	\$55,029	\$61,199	\$64,331
All Other	\$53,783	\$53,783	\$53,800	\$53,800
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND TOTAL	\$108,789	\$108,812	\$114,999	\$118,131

11-0 IN

Trade Adjustment Assistance Health Insurance Z001

Initiative: BASELINE BUDGET

	History 2011-12	History 2012-13	2013-14	2014-15
FEDERAL EXPENDITURES FUND				
All Other	\$8,385	\$8,385	\$8,385	\$8,385
FEDERAL EXPENDITURES FUND TOTAL	\$8,385	\$8,385	\$8,385	\$8,385
	History 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
All Other	\$75,000	\$75,000	\$75,000	\$75,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$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**

	History 2011-12	History 2012-13	2013-14	2014-1
FEDERAL EXPENDITURES FUND				
All Other	\$8,385	\$8,385	\$8,385	\$8,385
FEDERAL EXPENDITURES FUND TOTAL	\$8,385	\$8,385	\$8,385	\$8,385
	History 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
All Other	\$75,000	\$75,000	\$75,000	\$75,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$75,000	\$75,000	\$75,000	\$75,000

11-0 IN

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$791,849	\$792,968
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	\$1,771,734	\$1,811,776
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	\$114,999	\$118,131
DEPARTMENT TOTAL - ALL FUNDS	\$51,162,202	\$51,206,495

Sec. A-19. Appropriations and allocations.

The following appropriations and allocations are made.

DIRIGO HEALTH

Dirigo Health Fund 0988

Initiative: BASELINE BUDGET

FEDERAL EXPENDITURES FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$17,398,723	\$11,521,047	\$11,521,047	\$11,521,047
FEDERAL EXPENDITURES FUND TOTAL	\$17,398,723	\$11,521,047	\$11,521,047	\$11,521,047

DIRIGO HEALTH FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	13.000	13.000	13.000	13.000
Personal Services	\$1,232,931	\$1,242,846	\$1,301,154	\$1,351,937
All Other	\$68,161,730	\$65,160,705	\$65,091,232	\$65,091,232
DIRIGO HEALTH FUND TOTAL	\$69,394,661	\$66,403,551	\$66,392,386	\$66,443,169

Justification:

A key part of the Dirigo Health Reform Legislation was the creation of the Dirigo Health Agency. The Reform created the Agency as an independent executive agency "to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers, including the self-employed, their employees and dependents, and individuals on a voluntary basis, and is also responsible for monitoring and improving the quality of health care in this State." (24-A M.R.S.A. §6902).

Dirigo Health Fund 0988

Initiative: Eliminates positions and reduces funding to reflect the dissolution of the Dirigo Health Agency in fiscal year 2013-14. Funding for staff and operating costs for one Public Executive III position and one Dirigo Health/Program Coordinator position which provide support for the Maine Quality Forum are not eliminated and continue in fiscal year 2014-15.

Ref. #: 1022

Committee Vote: 11-0 IN AFA Vote: _____

FEDERAL EXPENDITURES FUND	2013-14	2014-15
All Other	\$0	(\$11,521,047)
FEDERAL EXPENDITURES FUND TOTAL	\$0	(\$11,521,047)

Ref. #: 1023

Committee Vote: 11-0 IN AFA Vote: _____

DIRIGO HEALTH FUND	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	0.000	(11.000)
Personal Services	\$0	(\$1,066,027)
All Other	(\$33,330,961)	(\$63,869,164)
DIRIGO HEALTH FUND TOTAL	(\$33,330,961)	(\$64,935,191)

Justification:

No justification provided.

**DIRIGO HEALTH FUND 0988
PROGRAM SUMMARY**

FEDERAL EXPENDITURES FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$17,398,723	\$11,521,047	\$11,521,047	\$0
FEDERAL EXPENDITURES FUND TOTAL	\$17,398,723	\$11,521,047	\$11,521,047	\$0
DIRIGO HEALTH FUND	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	13.000	13.000	13.000	2.000
Personal Services	\$1,232,931	\$1,242,846	\$1,301,154	\$285,910
All Other	\$68,161,730	\$65,160,705	\$31,760,271	\$1,222,068
DIRIGO HEALTH FUND TOTAL	\$69,394,661	\$66,403,551	\$33,061,425	\$1,507,978

DIRIGO HEALTH

DEPARTMENT TOTALS	2013-14	2014-15
FEDERAL EXPENDITURES FUND	\$11,521,047	\$0
DIRIGO HEALTH FUND	\$33,061,425	\$1,507,978
DEPARTMENT TOTAL - ALL FUNDS	\$44,582,472	\$1,507,978

Sec. A-58. 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 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	15.500	15.500	15.500	15.500
Personal Services	\$1,118,929	\$1,133,793	\$1,195,020	\$1,252,652
All Other	\$977,539	\$977,534	\$977,143	\$977,143
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,096,468	\$2,111,327	\$2,172,163	\$2,229,795

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 all creditors and lenders other than banks and credit unions. 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, loan arrangers and credit bureaus. 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, and individual loan officers employed by non-bank lenders or loan brokers. The bureau enforces Truth in Lending, Regulation Z, 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: Eliminates one part-time Senior Consumer Credit Examiner position, transfers one Senior Consumer Credit Examiner position and reallocates 50% of the costs of one Office Associate II position and 25% of the cost of one Chief Field Investigator position between Other Special Revenue Fund accounts within the Bureau of Consumer Credit Protection program.

Ref. #: 2295

Committee Vote:

11-0 IN

AFA Vote: _____

	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS		
POSITIONS - LEGISLATIVE COUNT	(0.500)	(0.500)
Personal Services	(\$29,381)	(\$31,278)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$29,381)	(\$31,278)

Justification:

This initiative transfers additional percentages of certain employees' salaries and related expenses from the bureau's foreclosure fund to the baseline account, based on the time actually expended on work directly related to the Office of Consumer Protection. Affected employees include one Senior Consumer Credit Examiner (100%), one Office Associate II position (50%), one Chief Field Investigator position (25%) and eliminates one Senior Examiner half position.

Bureau of Consumer Credit Protection 0091

Initiative: Reduces funding for housing counselor contracts.

Ref. #: 2297

Committee Vote: 11-0 IN

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

	2013-14	2014-15
All Other	(\$49,050)	(\$142,050)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$49,050)	(\$142,050)

Justification:

The Statewide Outreach - 14 MRSA 6112 reduces housing counselor contracts by 30% in Fiscal Year 2014 and 10% in Fiscal Year 2015.

Bureau of Consumer Credit Protection 0091

Initiative: Eliminates one Office Specialist II position from Statewide Outreach - 4 MRSA 6112 account within the Bureau of Consumer Credit Protection program.

Ref. #: 2298

Committee Vote: 11-0 IN

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$53,476)	(\$57,185)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$53,476)	(\$57,185)

Justification:

With the decrease of services expected The Statewide Outreach account will eliminate one temporary Office Specialist II position which will no longer be needed.

Bureau of Consumer Credit Protection 0091

Initiative: Reduces funding to reflect a decrease in STA-CAP rates.

Ref. #: 2299

Committee Vote: 11-0 IN

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

	2013-14	2014-15
All Other	(\$3,627)	(\$4,411)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$3,627)	(\$4,411)

Justification:

This initiative reduces STA-CAP to more accurately reflect expenses.

BUREAU OF CONSUMER CREDIT PROTECTION 0091

PROGRAM SUMMARY

OTHER SPECIAL REVENUE FUNDS	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	15.500	15.500	14.000	14.000
Personal Services	\$1,118,929	\$1,133,793	\$1,112,163	\$1,164,189
All Other	\$977,539	\$977,534	\$924,466	\$830,682
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,096,468	\$2,111,327	\$2,036,629	\$1,994,871

Financial Institutions - Bureau of 0093

Initiative: BASELINE BUDGET

	History 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	20,000	20,000	20,000	20,000
Personal Services	\$1,546,695	\$1,560,772	\$1,638,070	\$1,695,250
All Other	\$644,377	\$644,377	\$644,153	\$644,153
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,191,072	\$2,205,149	\$2,282,223	\$2,339,403

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

Initiative: Eliminates one Principal Bank Examiner position in the Financial Institutions - Bureau of program.

Ref. #: 2308

Committee Vote: 11-0 IN

AFA Vote: _____

	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS		
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$83,248)	(\$88,713)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$83,248)	(\$88,713)

Justification:

Bureau of Financial Institutions will eliminate one Principal Bank Examiner position. This position is currently vacant. The Bureau will continue to redistribute examination responsibilities among existing staff members.

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

	History 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	20.000	20.000	19.000	19.000
Personal Services	\$1,546,695	\$1,560,772	\$1,554,822	\$1,606,537
All Other	\$644,377	\$644,377	\$644,153	\$644,153
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,191,072	\$2,205,149	\$2,198,975	\$2,250,690

Insurance - Bureau of 0092

Initiative: BASELINE BUDGET

	History 2011-12	History 2012-13	2013-14	2014-15
FEDERAL EXPENDITURES FUND				
All Other	\$950,000	\$1,000,000	\$1,000,000	\$1,000,000
FEDERAL EXPENDITURES FUND TOTAL	\$950,000	\$1,000,000	\$1,000,000	\$1,000,000
	History 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	77.000	77.000	78.500	78.500
POSITIONS - FTE COUNT	1.500	1.500	0.000	0.000
Personal Services	\$6,038,420	\$6,131,669	\$6,433,530	\$6,707,894
All Other	\$2,033,249	\$2,026,731	\$2,025,678	\$2,025,678
OTHER SPECIAL REVENUE FUNDS TOTAL	\$8,071,669	\$8,158,400	\$8,459,208	\$8,733,572

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 vigorous financial examinations of all domestic insurers as well as market conduct examinations to determine compliance with the Maine Insurance Code. Bureau staff also reviews all 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 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 Insurance Rate Analyst position, one Insurance Company Examiner position, one Senior Market Conduct Examiner position, one part-time Office Associate II position, one Office Assistant II position and one part-time Assistant Insurance Analyst position.

Ref. #: 2303

Committee Vote: 11-0 IN AFA Vote: _____

	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS		
POSITIONS - LEGISLATIVE COUNT	(5.500)	(5.500)
Personal Services	(\$336,066)	(\$356,963)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$336,066)	(\$356,963)

Justification:

This initiative eliminates one Senior Insurance Rate Analyst, one Insurance Company Examiner, one Senior Market Conduct Examiner, one Office Associate II, one Office Assistant II and one temporary Assistant Insurance Analyst in the Bureau of Insurance. These positions have been vacant for a certain amount of time and were positions whose duties have been effectively absorbed by existing Bureau positions. The Bureau does not anticipate any changes to the work performed and does its best to rationalize its work-force in response to changes in the overall insurance regulatory landscape.

Insurance - Bureau of 0092

Initiative: Provides funding for the increase in legal services provided by the Office of the Attorney General.

Ref. #: 2304

Committee Vote:

11-0 IN

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

2013-14

2014-15

All Other

\$61,962

\$84,413

OTHER SPECIAL REVENUE FUNDS TOTAL

\$61,962

\$84,413

Justification:

The Bureau of Insurance has received an increase in the cost of services estimated and supplied by the Office of the Attorney General.

Insurance - Bureau of 0092

Initiative: Reduces funding for insurance regulation federal grants.

Ref. #: 2305

Committee Vote:

11-0 IN

AFA Vote: _____

FEDERAL EXPENDITURES FUND

2013-14

2014-15

All Other

(\$990,000)

(\$990,000)

FEDERAL EXPENDITURES FUND TOTAL

(\$990,000)

(\$990,000)

Justification:

The Bureau of Insurance, Insurance Regulation Federal Grants account will be reducing funds in anticipation of future federal grant awards.

**INSURANCE - BUREAU OF 0092
PROGRAM SUMMARY**

FEDERAL EXPENDITURES FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$950,000	\$1,000,000	\$10,000	\$10,000
FEDERAL EXPENDITURES FUND TOTAL	\$950,000	\$1,000,000	\$10,000	\$10,000
OTHER SPECIAL REVENUE FUNDS	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	77.000	77.000	73.000	73.000
POSITIONS - FTE COUNT	1.500	1.500	0.000	0.000
Personal Services	\$6,038,420	\$6,131,669	\$6,097,464	\$6,350,931
All Other	\$2,033,249	\$2,026,731	\$2,087,640	\$2,110,091
OTHER SPECIAL REVENUE FUNDS TOTAL	\$8,071,669	\$8,158,400	\$8,185,104	\$8,461,022

Office of Securities 0943

Initiative: BASELINE BUDGET

	History 2011-12	History 2012-13	2013-14	2014-15
FEDERAL EXPENDITURES FUND				
All Other	\$10,113	\$10,113	\$10,113	\$10,113
FEDERAL EXPENDITURES FUND TOTAL	\$10,113	\$10,113	\$10,113	\$10,113
	History 2011-12	History 2012-13	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	12,000	12,000	12,000	12,000
Personal Services	\$1,051,191	\$1,062,750	\$978,646	\$1,007,869
All Other	\$481,634	\$479,454	\$479,245	\$479,245
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,532,825	\$1,542,204	\$1,457,891	\$1,487,114

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 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: Continues one limited-period Senior Securities Examiner position and one limited-period Securities Examiner-in-Charge position through June 6, 2015. These positions were previously authorized to continue in Public Law 2011, chapter 380.

Ref. #: 2343

Committee Vote: 11-0 IN AFA Vote: _____

	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS		
Personal Services	\$154,156	\$164,248
OTHER SPECIAL REVENUE FUNDS TOTAL	\$154,156	\$164,248

Justification:

This initiative continues two positions for the purpose of handling the increased examinations and audits for compliance of Securities laws and regulations. Office of Securities estimates an increase by a minimum of 24 additional examinations for biennium 2014-2015. Based upon historical trends, that number is likely to increase by an additional 15 to 20 due to additional license applications received during the remainder of fiscal year 2012-13 and fiscal year 2013-14. By the end of fiscal year 2014-15 the pool of investment advisors subject to examinations is expected to increase from 90 to 134.

Office of Securities 0943

Initiative: Provides funding to increase the hours of one Public Services Manager II position from 58 hours to 80 hours biweekly.

Ref. #: 2344

Committee Vote:

11-0 IN

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

Personal Services

2013-14	2014-15
\$25,892	\$26,384

OTHER SPECIAL REVENUE FUNDS TOTAL

\$25,892	\$26,384
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Justification:

Office of Securities will increase hours for one Assistant Securities Administrator position from 58 hours to 80 hours bi-weekly. This will allow for additional focus on facilitating capital investments for Maine businesses.

Office of Securities 0943

Initiative: Reduces funding to accurately reflect anticipated expenditures.

Ref. #: 2345

Committee Vote:

11-0 IN

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2013-14	2014-15
(\$33,738)	(\$33,142)

OTHER SPECIAL REVENUE FUNDS TOTAL

(\$33,738)	(\$33,142)
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Justification:

The Office of Securities has reduced funding in object line categories to accurately reflect actual expenses.

OFFICE OF SECURITIES 0943

PROGRAM SUMMARY

FEDERAL EXPENDITURES FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$10,113	\$10,113	\$10,113	\$10,113
FEDERAL EXPENDITURES FUND TOTAL	\$10,113	\$10,113	\$10,113	\$10,113
OTHER SPECIAL REVENUE FUNDS	History 2011-12	History 2012-13	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	12,000	12,000	12,000	12,000
Personal Services	\$1,051,191	\$1,062,750	\$1,158,694	\$1,198,501
All Other	\$481,634	\$479,454	\$445,507	\$446,103
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,532,825	\$1,542,204	\$1,604,201	\$1,644,604

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

DEPARTMENT TOTALS	2013-14	2014-15
FEDERAL EXPENDITURES FUND	\$20,113	\$20,113
OTHER SPECIAL REVENUE FUNDS	\$14,024,909	\$14,351,187
DEPARTMENT TOTAL - ALL FUNDS	\$14,045,022	\$14,371,300