

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



Maine Department of Health and Human Services  
Commissioner's Office  
11 State House Station  
109 Capitol Street  
Augusta, Maine 04333-0011  
Tel.: (207) 287-3707; Fax: (207) 287-3005  
TTY: Dial 711 (Maine Relay)

**IN THE MATTER OF:**

Milestone Recovery )  
f/k/a The Milestone Foundation, Inc. )  
c/o Molly Barker Gilligan, Esq. )  
Bernstein, Shur, Sawyer & Nelson, P.A. )  
100 Middle Street, PO Box 9729 )  
Portland, ME 04104 )

**FINAL DECISION**

This is the Department of Health and Human Services' Final Decision.

The Second Amended Recommended Decision of Hearing Officer Strickland, mailed June 25, 2019 and the responses and exceptions filed on behalf of the Department have been reviewed.

I hereby adopt the findings of fact and I accept the Recommendation of the Hearing Officer that the September 12, 2017, Director of Audit Decision was correct, with a revised surplus balance of \$38,123.00.

DATED: 8-2-19

SIGNED: Jeanne M. Lambrew

JEANNE M. LAMBREW, Ph.D., COMMISSIONER  
DEPARTMENT OF HEALTH & HUMAN SERVICES

**YOU HAVE THE RIGHT TO JUDICIAL REVIEW UNDER THE MAINE RULES OF CIVIL PROCEDURE, RULE 80C. TO TAKE ADVANTAGE OF THIS RIGHT, A PETITION FOR REVIEW MUST BE FILED WITH THE APPROPRIATE SUPERIOR COURT WITHIN 30 DAYS OF THE RECEIPT OF THIS DECISION.**

**WITH SOME EXCEPTIONS, THE PARTY FILING AN APPEAL (80B OR 80C) OF A DECISION SHALL BE REQUIRED TO PAY THE COSTS TO THE DIVISION OF ADMINISTRATIVE HEARINGS FOR PROVIDING THE COURT WITH A CERTIFIED HEARING RECORD. THIS INCLUDES COSTS RELATED TO THE PROVISION OF A TRANSCRIPT OF THE HEARING RECORDING.**

cc: Halliday Moncure, AAG, Office of the Attorney General

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



Maine Department of Health and Human Services  
Administrative Hearings  
11 State House Station  
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Halliday Moncure, AAG  
Office of the Attorney General  
6 State House Station  
Augusta, ME 04333

Molly Barker Gilligan, Esq.  
Bernstein, Shur, Sawyer & Nelson, P.A.  
100 Middle Street, P.O. Box 9729  
Portland, ME 04104

RE: Milestone Recovery f/k/a The Milestone Foundation, Inc. – Agency Appeal of  
Director of Division of Audit Decision dated September 12, 2017.

Dear Ms. Moncure and Ms. Gilligan,

In accordance with the Commissioner's Remand Order dated May 14, 2019, please find the attached Second Amended Administrative Hearing Recommendation dated June 24, 2019.

Please note that the attached Second Amended Administrative Hearing Recommendation increases the amount of the recommended "surplus balance" from \$38,068.00 to \$38,123.00; the calculation of that figure is explained in the "Conclusions of Law" section.

Please note also that the attached Second Amended Administrative Hearing Recommendation provides an additional opportunity for the parties to submit exceptions and responses.

Once again, the parties' patience in this matter is appreciated.

DATED: 6-24-19

SIGNED: \_\_\_\_\_

  
Jeffrey P. Strickland, Esq.  
Hearing Officer

encl: Second Amended Administrative Hearing Recommendation dated June 24, 2019, with attachments

cc: Jeanne M. Lambrew, Ph.D., Commissioner  
Joseph M. Pickering, Esq., Chief Administrative Hearing Officer

Janet T. Mills  
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Jeanne M. Lambrew, Ph.D., Commissioner  
Department of Health and Human Services  
11 SHS, 109 Capitol Street  
Augusta, ME 04333

DATE OF MAILING: JUN 25 2019

RE: Milestone Recovery f/k/a The Milestone Foundation, Inc. – Agency Appeal of  
Director of Division of Audit Decision dated September 12, 2017.

**SECOND AMENDED ADMINISTRATIVE HEARING RECOMMENDATION**

An administrative hearing in the above-captioned matter was held on August 15, 2018, at Portland, Maine, before Hearing Officer Jeffrey P. Strickland. The hearing record was left open through December 28, 2018, for closing arguments. The Hearing Officer's authority was conferred pursuant to 5 M.R.S. § 9062 by the Commissioner, Department of Health and Human Services.

**DISPUTED ACTION AND ISSUE ON APPEAL:**

Appellant Milestone Recovery f/k/a The Milestone Foundation, Inc. appeals the Department of Health and Human Services' September 12, 2017, Director of Division of Audit Decision on Appellant's Appeal of the Department's March 30, 2017, Examination Report Transmittal. The Commissioner's November 30, 2017, Order of Reference states the issue on appeal as follows:

*"Was the Department correct when it determined for the fiscal year ended 6/30/2016, Milestone Foundation, Inc., now known as Milestone Recovery, owes the Department \$43,250 for agreement #OSA-16-320 because the agency did not follow MAAP regarding commitment and adjustments for restricted revenues?"*

**PROCEDURAL HISTORY:**

An Administrative Hearing Recommendation was mailed on February 11, 2019, and the parties subsequently submitted Exceptions and Responses to the Division of Administrative Hearings. To the extent these requested corrections to the Administrative Hearing Recommendation (See 10-144 C.M.R. Ch. 1, § VI(J)(2)), an Amended Administrative Hearing Recommendation was mailed to the parties on March 13, 2019. The Department subsequently submitted its "Second Exceptions and Responses," which the Hearing Officer upon receipt directed be addressed to the Commissioner as per the instructions for filing Exceptions and Responses contained in the Amended Administrative Hearing Recommendation at p. 9.

On May 14, 2019, the Commissioner in accordance with 10-144 C.M.R. Ch. 1, § VI(J)(2) remanded the matter to the Hearing Officer *"for such further proceedings as are necessary to issue a Second Amended Administrative Hearing Recommendation which sets forth specific citations to the record and/or calculations based on the record for each of the dollar amounts in the Conclusions of Law and otherwise fully responds to the 'Second Exceptions and Responses of the Department of Health and Human Services'"*.

**APPEARING ON BEHALF OF THE DEPARTMENT:**

Halliday Moncure, Assistant Attorney General  
Anthony Madden, Deputy Director, Division of Audit

**APPEARING ON BEHALF OF APPELLANT:**

John Branson, Esq., Branson Law Office, P.A.  
Angela Morse, Esq., Special Counsel, Board of Overseers of the Bar (limited appearance)  
Molly Barker Gilligan, Esq., Bernstein, Shur, Sawyer & Nelson, P.A.  
Marianne Sensale-Guerin, Director – Finance and Administration, Milestone Recovery  
Rory O'Brion, CPA, Senior Manager, Runyon Kersteen Ouellette, Certified Public Accountants

**ITEMS INTRODUCED INTO EVIDENCE:**

Hearing Officer Exhibits:

H-1: The following items, collectively:

- Strickland letter (OAH rescheduling notice) dated May 23, 2018.
- Moncure letter (Department attorney entry of appearance) dated May 14, 2018.
- Strickland letter (OAH rescheduling notice) dated March 7, 2018.
- Strickland letter (OAH scheduling notice) dated December 6, 2017.
- Order of Reference dated November 30, 2017.
- Fair Hearing Report Form dated November 27, 2017.
- Director of Division of Audit Decision dated September 12, 2017.
- Branson letter (Appellant illustrative aid) dated August 10, 2018.
- Branson email chain (Appellant Illustrative Aid) dated August 10, 2018.
- Moncure email chain (Appellant and The Department witnesses) dated August 8, 2018.
- Moncure letter (Department proposed exhibits) dated August 7, 2018.

H-2: The following items, collectively:

- Davidson email chain (filing extension noted; exhibit and recording copies received) dated November 29, 2018.
- Gilligan letter (Appellant attorney entry of appearance) dated November 8, 2018.

- Strickland email chain (Board of Overseers Special Counsel limited appearance noted; Appellant's closing argument filing extension request granted) dated October 4, 2018.
- Morse email (Board of Overseers of the Bar Special Counsel notice of limited appearance; Appellant's closing argument filing extension request) dated October 4, 2018.
- IN RE: John H. Branson, Esq. Order for Appointment of Receiver M. Bar R. 32 Me. Docket No. BAR-18 dated September 27, 2018.
- IN RE: John H. Branson, Esq. Order of Disability Suspension M. Bar R. 27(a) Me. Docket No. BAR-18 dated September 27, 2018.

Department Exhibits:

- D-1: Agreement to Purchase Services OSA 16-320 dated July 1, 2015.
- D-2: 10-144 C.M.R. Ch. 30 (2012); 2 C.F.R. § 215 (2006); OMB Circular No. A-122.
- D-3: 10-144 C.M.R. Ch. 1 (2006).
- D-4: Marianne Sensale-Guerin email (revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report dated August 10, 2016).
- D-4A: Revised Agreement Closeout Report dated August 10, 2016.
- D-4B: Revised fourth quarter Quarterly Report of Revenue and Expenses dated August 10, 2016.
- D-5A: Work Paper – Agreement Closeout Report dated August 17, 2016.
- D-5B: Work Paper – Quarterly Report of Revenue and Expenses dated August 17, 2016.
- D-6: Independent Auditor Report – Audited Financial Statements – Year Ended June 30, 2016.
- D-7: Examination Report Transmittal dated March 30, 2017.
- D-8: Notice of Appeal of Examination Report Findings dated March 30, 2017, dated June 1, 2017;  
 “Exhibit A” Milestone Foundation, Inc. Financial Statements, Year Ended June 30, 2016;  
 “Exhibit B” Agreement Closeout Report, revised, dated April 14, 2017;  
 “Exhibit C” Quarterly Report, revised, dated April 14, 2017.
- D-9: Director of Division of Audit Decision dated September 12, 2017.
- D-10: Notice of Appeal of Director of Division of Audit Decision dated September 12, 2017, dated November 14, 2017.

D-11: *Department of Health and Human Services* Directions for the Agreement Closeout Report.

D-12: Fair Hearing Report Form dated November 27, 2017.

D-13: Order of Reference dated November 30, 2017.

D-14: Strickland letter (OAH scheduling notice) dated December 6, 2017.

D-15: Strickland letter (OAH rescheduling notice) dated May 23, 2018.

Appellant Exhibits:

None.

**FINDINGS OF FACT:**

1. Appellant is a nonprofit organization that provides substance abuse treatment and emergency shelter services. Ex. D-1.
2. Appellant signed an agreement with the Department of Health and Human Services on July 1, 2015, ("the Agreement") wherein for the agreement period July 1, 2015, through June 30, 2016, it would provide Detoxification, Extended Care, and Emergency Shelter Services according to the terms of a cost sharing settlement that included State and Federal pass-through funding in the respective amounts of \$854,275.00 and \$431,155.00 and an agency commitment amount of \$152,593.00. Ex. D-1.
3. Appellant's obligations under the Agreement included submitting financial statements following the close of each quarter ("Quarterly Report of Revenue and Expenses") and the agreement period ("Agreement Closeout Report") showing revenue and expenses in terms of availability for cost sharing ("cost shared" or "non cost shared"). Ex. D-1.
4. Appellant's agreement budget identified "restricted municipal / county" funds in the amount of \$205,400.00 as non cost shared revenue. Ex. D-1.
5. Appellant's revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report show total revenue available for cost sharing for the agreement period in the amount of \$1,743,809.95. Ex. D-8.
6. Appellant's revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report show total expenses available for cost sharing for the agreement period in the amount of \$1,752,821.09. Ex. D-8.

7. Appellant's revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report indicate that revenue available for cost sharing included Agency Commitment funds in the amount of \$90,088.38. Ex. D-8.
8. Appellant's revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report indicate that revenue available for cost sharing included City of Portland funds in the amount of \$220,400.00. Ex. D-8.
9. The cost sharing settlement required under the Agreement is a mathematical formula whereby the Department's share of expenses for the agreement period ("Agreement expenditures") is calculated by determining total revenue and expenses available for cost sharing in accordance with MAAP and multiplying total expenses available for cost sharing by the ratio of State and Federal funds to total revenue available for cost sharing expressed as decimal values or "percentages." Ex. D-1.

#### CONCLUSIONS OF LAW:

1. "Total revenue available for cost sharing" for the agreement period is \$1,806,315.00, that amount being the sum of the following amounts: 1) \$1,743,810.00 total revenue available for cost sharing per the revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report dated April 14, 2017; and 2) \$62,505.00 adjustment for variance between the "budgeted amount" of \$152,593.00 and "actual agency commitment" of \$90,088.38 as per the agreement budget ("Budget Form 1") and revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report dated April 14, 2017, respectively. *See* Ex. D-1 / Attachment "A" and Ex. D-8 / Attachment "C". The above figures are also reflected in the Director of Division of Audit Decision dated September 12, 2017, at line 7, column 6 ("Per Agency") and column 13 ("Variance"). *See* Ex. D-9 / Attachment "D".

In its Second Exceptions and Responses dated April 2, 2019, the Department at p. 2 asserts that total revenue available for cost sharing is \$1,585,915.00, as per the Director of Division of Audit Decision at line 7, column 10 ("Per Audit"), and not \$1,806,315.00. *See* Ex. D-9 / Attachment "D". The difference of those amounts (\$220,400.00) is "UNRESTRICTED COUNTY/MUNICIPAL REVENUE" ("City of Portland funds"), as per the revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report. *See* Ex. D-8 / Attachment "C". That amount is also reflected in the Director of Division of Audit Decision at line F, column 10 as an "Agreement Adjustment". *See* Ex. D-9 / Attachment "D".

2. "Total expenses available for cost sharing" for the agreement period are \$1,752,821.00, as per the revised fourth quarter Quarterly Report of Revenue and Expenses and

Agreement Closeout Report dated April 14, 2017. *See* Ex. D-8 / Attachment "C". The above figure is also reflected in the Director of Division of Audit Decision dated September 12, 2017, at line 7, column 7 "Per Agency." *See* Ex. D-9 / Attachment "D".

In its Second Exceptions and Responses dated April 2, 2019, the Department at p. 2 asserts that total expenses available for cost sharing are \$1,532,421.00, as per the Director of Division of Audit Decision at line 7, column 11 ("Per Audit"), and not \$1,752,821.00. *See* Ex. D-9 / Attachment "D". The difference of those amounts (\$220,400.00) is "UNRESTRICTED COUNTY/MUNICIPAL REVENUE" ("City of Portland funds"), as per the revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report. *See* Ex. D-8 / Attachment "C". That amount is also reflected in the Director of Division of Audit Decision as an "Agreement Adjustment" at line F, column 11. *See* Ex. D-9 / Attachment "D".

3. "Total allocated expenses" for the agreement period are \$1,247,307.00, that amount being the sum of the amounts calculated pursuant to the cost sharing methodology required under the Agreement as follows: 1) \$828,909.00, which is the result of multiplying "total expenses available for cost sharing" (\$1,752,821.00) by the ratio of "State agreement funds" to "total revenue available for cost sharing" (47.29%), i.e.,  $\$854,275.00 / \$1,806,315.00 = 47.29\%$ ,  $\times \$1,752,821.00 = \$828,909.00$ ; and 2) \$418,398.00, which is the result of multiplying total expenses available for cost sharing (\$1,752,821.00) by the ratio of Federal agreement funds to total revenue available for cost sharing (23.87%), i.e.,  $\$431,155.00 / \$1,806,315.00 = 23.87\%$ ,  $\times \$1,752,821.00 = \$418,398.00$ . *See* Ex. D-1 / Attachment "B".

In its Second Exceptions and Responses dated April 2, 2019, the Department at p. 2 asserts that total allocated expenses are \$1,242,180.00, as per the Director of Division of Audit Decision in the section entitled "Agreement Settlement". *See* Ex. D-9 / Attachment "D". The Department's calculation is based on the reduced amounts for "total revenue available for cost sharing" and "total expenses available for cost sharing" of \$1,585,915.00 and \$1,532,421.00, respectively. As noted in CONCLUSIONS #1 and #2, the latter amounts represent a reduction to those reflected in the revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report by the \$220,400.00 identified as "UNRESTRICTED COUNTY/MUNICIPAL REVENUE". The rationale for this adjustment, per the Department's Second Exceptions and Responses, is that "Milestone expressly agreed to treat the funds from the City of Portland as 'restricted' through its contract with the Department" and thus unavailable for cost sharing. As will be discussed in REASON FOR RECOMMENDATION, the Department's position regarding this issue is incorrect in that the applicable rule expressly requires that such funds are to be "treated as unrestricted



revenue for cost sharing purposes" and "cost shared in the final settlement", and does not provide that the parties may agree to do otherwise.

4. "Surplus balance" for the agreement period is \$38,123.00, that amount being the difference of "total allocated expenses" (\$1,247,307.00) and "amount received from DHHS" or "total agreement amount received by provider" (\$1,285,430.00) per the revised fourth quarter Quarterly Report of Revenue and Expenses and Agreement Closeout Report dated April 14, 2017. See Ex. D-8 / Attachment "C".

**RECOMMENDED DECISION:**

The Hearing Officer recommends that the Commissioner AFFIRM the September 12, 2017, Director of Audit Decision, with a revised surplus balance of \$38,123.00.

**REASON FOR RECOMMENDATION:**

Department of Health and Human Services Rule Chapters applicable to this proceeding include 10-144 C.M.R. Ch. 1, Administrative Hearings Regulations and 10-144 C.M.R. Ch. 30, Maine Uniform Accounting and Auditing Practices for Community Agencies ("MAAP").

Appellant is a non-profit social services agency with facilities in Portland and Old Orchard Beach. On July 1, 2015, Appellant executed a contract with the Department of Health and Human Services wherein the latter agreed to provide Maine General Fund and Substance Abuse Treatment and Prevention Block Grant funding in the total amount of \$1,285,430.00 on a cost shared basis for Non Hospital Based Detoxification, Extended Care, and Emergency Shelter Services. Appellant in addition to providing those services agreed to contribute \$152,593.00 toward cost sharing.

Per the parties' July 1, 2015, Agreement to Purchase Services OSA-16-320 ("the Agreement"), the Department was required to pay agreement funds to Appellant in monthly installments over the twelve-month agreement period July 1, 2015, through June 30, 2016. Appellant was required to submit a "Quarterly Report of Revenue and Expenses" within 30 days of the close date for the first three quarters and within 60 days of the close date for agreement period along with an "Agreement Closeout Report" for final settlement purposes. The Agreement also included "Rider F-1 ASF" ("Pro Forma") which illustrates the settlement methodology to be used in closing out the agreement period. In sum, the Pro Forma shows that allowable expenses are allocated among State agreement funds, Federal agreement funds, and all other unrestricted revenue in proportion to total revenue available for cost sharing.

The disputed action is a Director of Division of Audit Decision concerning a Department Examination wherein the Department found that Appellant owed a surplus balance of

\$80,435.00 due to errors in its Agreement Closeout Report. Specifically, The Department noted that the Agreement Closeout Report had not included \$103,988.00 of the total \$152,593.00 agency commitment as revenue and that State and Federal agreement revenue exceeded agreement expenditures for the agreement period by \$80,435.00 when total revenue available for cost sharing was adjusted to include the entire agency commitment.

Appellant requested a "Director of Division of Audit Appeal", and in connection therewith submitted the Independent Auditor Report from its 2016 Maine Uniform Audit and Accounting Practices ("MUAPP") audit along with a revised Quarterly Report of Revenue and Expenses and Agreement Closeout Report. The Department accepted the revised Agreement Closeout Report, but found that Appellant nonetheless owed a surplus balance of \$43,250.00 due to the same and other errors. Specifically, the Department noted that the revised Agreement Closeout Report did not include \$62,505.00 of the total agency commitment as revenue and that City of Portland funds that had been identified as non cost shared revenue in the Pro Forma were identified as cost shared revenue and agreement expenditures on the revised Agreement Closeout Report. The Director of Audit Appeal concluded that agreement revenue exceeded agreement expenditures for the agreement period by \$43,250.00 after adjusting cost shared revenue and agreement expenditures to account for those errors.

On appeal, Appellant argues that the Department's adjustment to revenue to account for the balance of its agency commitment was unreasonable because the funds in question did not exist. Appellant argues that the applicable rule supports this contention in that the plain language of MAAP § .04(C)(4)(a) presupposes that the agency has the funds in the first place ("The agency's stated commitment to the program shall be included in the final settlement whether or not the community agency transferred [emphasis added] these funds to the program").

Appellant's witness Marianne Sensale-Guerin testified that, in preparing the agreement budget, she was advised by the Department to increase the amount of agency commitment by the difference of projected revenue and expenses so that those figures would balance. The evidence supports that Appellant ultimately was unable to generate the full amount of its agency commitment (\$152,593.00) through its fundraising activities, and that Appellant was forced to borrow \$9,011.14 against its line of credit in order to meet its financial obligations, the fact of which was not accounted for in Appellant's revised financial statements. Appellant further noted that its actions in pledging that amount were purely voluntary, in that the Agreement did not require Appellant to make such a commitment. Finally, Appellant argued that the interpretation of MAAP § .04(C)(4)(a) urged by the Department would have the effect of requiring agencies in similar circumstances to borrow money in order to meet their expenses, and furthermore would operate as an incentive for agencies to overstate projected revenues in formulating proposed agreement budgets in order to avoid similar outcomes.

Appellant's argument concerning the construction of MAAP § .04(C)(4)(a) is unsupported. The requirement of § .04(C)(4)(a) is also stated in the preceding § .04(C)(3) as follows: "In addition, any variance, if any, between the actual agency commitment and the budgeted amount shall be adjusted on the agreement settlement form prior to cost sharing." Budget revisions that require prior written approval, per the latter subsection, include certain expenses and where "The total agency commitment differs from the budgeted amount." In the absence of prior written approval, the budgeted amount must be included as cost shared revenue. *See generally, Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) Summary of Comments and Responses*, pp. 29-30, ¶ 47 ("An agency commitment, similar to the Department agreement amount, is a set amount of dollars that the agency and the Department have agreed to put into a particular program . . . The funding a community agency commits to the program is considered a commitment and not just a figure to balance its budget. If an agency wishes to change its commitment, for whatever reason, a budget revision should be requested."). *See also*, 45 C.F.R. 75.2 ("Voluntary committed cost sharing means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the Federal award on the part of the non-Federal entity and that becomes a binding requirement of a Federal award."). In view of the above, the Hearing Officer recommends that the Commissioner resolve this issue in favor of the Department.

Appellant further argues that the adjustment of expense and revenue by \$220,400.00 to reflect the Pro Forma was incorrect in that the revenue in question was incorrectly characterized as restricted at the time the Agreement was prepared. Appellant's witness Marianne Sensale-Guerin testified that she was uncertain at the time concerning this issue, having previously seen the revenue treated both ways, and that she therefore decided to pose the question to the Department. According to her testimony, Ms. Sensale-Guerin at some point sent paperwork concerning the grant to the Department, and ultimately spoke on the telephone with someone in "contracts" who told her that the funds were restricted revenue and had to be identified as such on the Pro Forma. While Ms. Sensale-Guerin's testimony indicates that she doubted the accuracy of that information, she nonetheless followed the direction of the individual she had spoken with and identified the revenue as restricted in the Pro Forma. Ms. Sensale-Guerin testified that she continued to question that information in the following months but was unable to engage anyone at the Department concerning the subject. Ms. Sensale-Guerin in any event became convinced at some point that she had mischaracterized the revenue, and unilaterally decided to report the revenue correctly as unrestricted revenue in connection with the Department's Year Ended June 30, 2016, Quarterly Report of Revenue and Expenses and Agreement Closeout Report.

The Department in rebuttal of the above points out that the revenue in question is reflected in Appellant's budget at line 28 as "RESTRICTED MUNICIPAL/COUNTY" funds, and asserts, "this funding was restricted by the City of Portland for emergency shelter services." The Department further notes that, in treating this revenue as unrestricted in connection with its

year-end financial reports, Appellant did not eliminate those amounts prior to cost sharing in accordance with the methodology illustrated by the Pro Forma and as required by MAAP. With respect to Ms. Sensale-Guerin's testimony concerning her efforts to obtain assistance with this issue, the Department points out that this occurred prior to the parties' execution of the contract and points to the entire agreement clause at ¶ 27 of Rider B. The Department notes that Appellant per the terms of the contract agreed to abide by the MAAP rules and argues that the parties agreed as a material term of the contract to treat the revenue in question as restricted, with respect to the amount specifically, for purposes of cost sharing settlement.

Relative to the above, § .04(C) reads in pertinent part as follows: "In addition, revenues that have been designated to the program by such sources as local governments, United Way or other private organizations or individuals will be identified as such in the agreement budget and treated as unrestricted revenue for cost sharing purposes. All unrestricted revenues are to be cost shared in the final settlement with the Department."

Even if the contract required the parties to treat the City of Portland funding as restricted, the rule requires that municipal funding be treated as unrestricted. In a conflict between the contract and the rule, the rules govern. § .04(C)(1)(e) specifically states, "Review and approval of community agency submissions by the Department does not relieve the community agency from being audited according to MAAP and federal regulations in cases where this approval may be counter to MAAP and federal regulations." The Department's instructions for completing the Agreement Cost Report state, "In the event of a conflict with federal circulars, MAAP, or program restrictions, the rule/regulation takes precedence." *See also, Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) Summary of Comments and Responses*, pp. 9-10, ¶ 16 ("The Department cannot contract to violate its own rules. Both the regulated community and the Department are on notice of and obligated as a matter of law to follow those rules.").

The applicable rule indicates that the amounts reflected in the Pro Forma are solely for purposes of illustrating the agreed-upon methodology: "Each agreement shall contain a pro forma to illustrate the close-out method to be applied. Illustrative amounts should be filled in on the pro forma." § .05(A). In sum, while the cost sharing settlement methodology as well as the agreement fund and agency commitment amounts are treated as contractual obligations under MAAP, other values applicable to cost settlement are determined in accordance with MAAP requirements, and the evidence shows that Appellant's treatment of the City of Portland funds as cost shared revenue was correct. Accordingly, the Hearing Officer recommends the Commissioner resolve this issue in favor of Appellant.

Finally, Appellant disputes the Department's determination with respect to the percentage values applied to total expenses available for cost sharing in determining Agreement

expenditures. Specifically, Appellant argues that the Agreement requires that the percentage values shown in the Pro Forma which represent the ratio of agreement funds to budget, versus actual, revenue, are contractually obligated. No merit is found to this argument in that, again, the settlement methodology is based on actual, and not budgeted, revenues and expenses, meaning the percentage values shown in the Pro Forma are illustrative only.

### SUMMARY AND CONCLUSION:

Appellant is a non-profit social services agency that received Maine General Fund and Substance Abuse Treatment and Prevention Block Grant funding through the Department from July 1, 2015, through June 30, 2016, for Non Hospital Based Detoxification, Extended Care, and Emergency Shelter Services. The disputed action is a Director of Division of Audit Decision dated September 12, 2017, wherein the Department determined that Appellant owed a "surplus balance" (meaning, in effect, the difference of "agreement funds" and "agreement expenditures") of \$43,250.00 for that period based on the parties' July 1, 2015, Agreement to Purchase Services ("Agreement") and Appellant's August 10, 2016, Agreement Closeout Report.

The Department's Director of Division of Audit Decision concluded that Appellant's Agreement Closeout Report, which reflected that no surplus balance was owed, had incorrectly failed to include the entire agency commitment per the Agreement in calculating total revenue available for cost sharing (i.e., only \$90,088.38 of the \$152,593.00 agency commitment amount being accounted for in the Agreement Closeout Report) and had incorrectly treated municipal funds totaling \$220,400.00 as "unrestricted revenue" in calculating total revenue and expenses available for cost sharing. Adjusting the amounts shown in Appellant's Agreement Closeout Report to reflect these findings<sup>1</sup>, the Department determined that Appellant owed a surplus balance of \$43,250.00. The surplus balance is understood to have been determined as the difference of "agreement funds"<sup>2</sup> of \$1,285,430.00 and "agreement expenditures"<sup>3</sup> of \$1,242,180.00, the latter being the sum of: 1) "total expenses available for cost sharing" multiplied by the ratio (percentage) of "Federal funds" to "total revenue available for cost sharing"; and 2) "total expenses available for cost sharing" multiplied by the ratio (percentage) of "State funds" to "total revenue available for cost sharing".

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<sup>1</sup> Specifically, by adding an "agency commitment adjustment" of \$62,505.00 to total revenue available for cost sharing per the Agreement Closeout Report and subtracting the \$220,400.00 in municipal funds from total revenue available for cost sharing and from total expenses available for cost sharing per the Agreement Closeout Report.

<sup>2</sup> Per the applicable rule, "Agreement funds means all agreement funds received by the community agency from the Department that require a periodic financial or service claim to the Department for settlement purposes. It includes State and Federal pass-through funds." § .01(B)(3). (Alternately, "Department Payments." See, Appendices F and G.)

<sup>3</sup> Per the applicable rule, "Agreement expenditures means the amount of agreement funds earned based on financial and service claims submitted to the Department." § .01(B)(4). (Alternately, "Allocated Expenses." See, Appendices F and G.)

The parties' arguments concerning the closeout method employed by Appellant in preparing the Agreement Closeout Report essentially relate to the use of "budget" (per the Agreement) versus "actual" (per the Agreement Closeout Report) values in the amounts of total revenue and expense available for cost sharing. The Department argues to the effect that the applicable rule requires Appellant to include the full amount of "agency commitment" per the Agreement in total revenue available for cost sharing, and that Appellant is obligated under the Agreement to exclude municipal funds actually received from total revenue and expense available for cost sharing given that the funds in question were characterized as "restricted" in the budget and Pro Forma. Appellant argues to the effect that it was only required to include whatever portion of the total "agency commitment" it was able to generate through fundraising in total revenue available for cost sharing and that it correctly characterized municipal funds actually received as "unrestricted" and properly included those funds in total revenue and expense available for cost sharing. Appellant further argues that the percentage values used in the Pro Forma in determining "Allocated Expenses" or "agency expenditures" apply to the Agreement Closeout Report.

Relative to the first issue, the rule as discussed expressly requires that the entire amount of "agency commitment" per the Agreement be included in total revenue available for cost sharing. The plain meaning of the rule is clear from its explicitly stated requirement to the latter effect, as discussed previously, and directs a determination that the Department correctly adjusted Appellant's "total revenue available for cost sharing" to include the entire agency commitment.

The Hearing Officer rejects Appellant's argument regarding the percentage values to be applied in determining "Allocated Expenses" or "agreement expenditures" for purposes of settlement. To begin with, the rule expressly requires the use of "budget" values solely with respect to those amounts identified as "agency commitment" and "agreement funds" in the Agreement, thus requiring by implication that "actual" amounts received or expended be used otherwise in determining revenue and expense available for settlement or closeout purposes. While the Pro Forma for whatever reason confusingly references as "% of budget" the percentage values applied in determining "Allocated Expenses" or "agreement expenditures", as pointed out by Appellant, there is no support in the applicable rule for the proposition that these values are "fixed" or that they are based on "budget" vs. "actual" amounts for purposes other than serving "to illustrate" the agreed-upon settlement or closeout methodology. Accordingly, the Department's Director of Division of Audit Decision was correct to the extent the percentage values determined therein were based on "actual" as opposed to "budget" amounts.

With respect specifically to the characterization, per the Agreement, of municipal funds as "restricted revenue", the rule states, "revenues that have been designated to the program by such sources as local governments, . . . will be identified as such in the agreement budget and treated as unrestricted revenue for cost sharing purposes" and, "All unrestricted revenues are to be cost shared in the final settlement with the Department." Significantly, the rule also states,

"Client fees (private) must be made available for cost sharing, unless specifically restricted against identified expenses in the budgeting process." Given that the latter is the only such allowance made under the rule (i.e., for characterizing a revenue source as "restricted" via the Agreement), the rule cannot be understood to make similar allowances where such are not expressly stated, particularly not where the rule expressly provides for the opposite as with municipal funds ("revenues that have been designated to the program by such sources as local governments, . . ."). As noted above, the Hearing Officer has found that the parties cannot contract a violation of the rule. If there is a contradiction between the rule and the agreement, the rule applies.

With respect to Appellant's assertion that the \$9,011.00 shortfall was addressed by means of borrowing funds to meet expenditures and argument to the effect that the latter amount therefore should be included in total revenue available for cost sharing as "agency commitment", the record does not show that this issue was raised in connection with Appellant's "Step a appeal" resulting in the Director of Division of Audit Decision dated September 12, 2017. That being the case, argument concerning this issue cannot be addressed in connection with this proceeding.

In light of the above, the Department's Director of Division of Audit Decision was correct to the extent the latter included the entire amount of "agency commitment" in "total revenue available for cost sharing" and based the ratios or percentage values used in calculating "agreement expenditures" or "Allocated Expenses" on "actual" as opposed to "budget" amounts, but not to the extent "municipal funds" identified as "restricted" in the Agreement were excluded in calculating total revenues and expenditures available for cost sharing. The Director of Division of Audit Decision was furthermore correct to the extent it did not include the \$9,011.00 which Appellant borrowed to address its budget shortfall as "agreement revenue" given that this issue was not raised by Appellant in connection with its "Step a appeal". Accordingly, the evidence supports that the Department's Director of Division of Audit Decision should be upheld, with a revised "surplus balance" owed in the amount of \$38,123.00.

#### **RESPONSES TO SECOND EXCEPTIONS AND RESPONSES OF THE DEPARTMENT:**

1. Titles of Exhibits D-4B and D-9: The Hearing Officer agrees with and gives effect to the Department's proposal that the title of Exhibit D-4B be changed to reflect that it is "revised." The Hearing Officer appreciates the Department's suggestion of changing the title of Exhibit D-9 to "Director of Audit Appeal Decision," but has decided instead to adopt the terminology of MAAP § .04(D) by changing the title of Exhibit D-9 to "Director of Division of Audit Decision."

2. Citations to the record and/or calculations based on the record for dollar amounts in the Conclusions of Law: The Hearing Officer has modified the Conclusions of Law to include citations to the record and/or calculations based on the record for each of the dollar amounts, and for additional clarification has incorporated copies of pertinent exhibits, identified as Attachments "A" through "D."

3A. Conclusion that municipal funds received from the City of Portland are unrestricted: The Department argues, "Milestone expressly agreed to treat the funds from the City of Portland as 'restricted' through its contract with the Department." The Department points to the fact that lines 22 – 34 of Budget Form 1 "show the amounts that are not cost shared" and cites the definition of "restricted revenue" per MAAP § .01(B)(35) ("income from organizations or individuals that require the funds to be used for a specific purpose by the donor"). The Department additionally argues, "Here, among other sources, line 28 [of Budget Form 1] shows that Milestone budgeted \$205,440 in 'restricted municipal/county' funds; this funding was restricted by the City of Portland for emergency shelter services."

Relative to the above, the Hearing Officer as discussed previously has rejected the contention that the parties can contract in this manner. The Hearing Officer interprets MAAP § .04(C)(4) as requiring municipal funds to be "treated as unrestricted revenue for cost sharing purposes".

The Hearing Officer further rejects the contention that line 28 of Budget Form 1 shows that City of Portland funding "was restricted by the City of Portland for emergency shelter services". Specifically, Budget Form 1 designates each revenue source listed to one or more of the three services / programs under columns 3 – 5 (Portland Detox Services, OOB Extended Care Services, and Portland Emergency Shelter Services, respectively), irrespective of whether that source is identified as "cost shared revenue" (lines 5 – 20) or "non-cost shared revenue" (lines 22 – 34). For example, "PRIVATE CLIENT FEES" (line 16) are designated to Portland Detox Services (column 3) but are nonetheless listed as "cost shared revenue". See Exhibit D-1 / Attachment "A". In sum, the fact of City of Portland funds being designated to Portland Emergency Shelter Services is irrelevant to whether they are to be "treated as unrestricted revenue for cost sharing purposes".

3B. Effect of Milestone's alleged lack of response or clear guidance from DHHS employees and reliance upon extraneous communications with DHHS employees outside of the Contract: The applicable rule clearly identifies local government funds designated to the program as "unrestricted revenue" and requires that "[a]ll unrestricted revenues are to be cost shared in the final settlement with the Department." *Id.* While the rule states that "unrestricted revenue" must be specifically identified as such in the agreement budget, the requirement that unrestricted revenue be cost shared in the final settlement with the Department applies to "all" unrestricted revenue and is not contingent upon its identification as cost shared in the budget, the parties' agreement to treat it as cost shared, or any other factor. The parties' understandings, intentions, expectations, etc., concerning the treatment of the City of Portland funds at issue are therefore irrelevant to the determination in this case. Stated otherwise, the misidentification of City of Portland funding as "non-cost shared revenue" in Budget Form 1 does not provide a basis for disregarding the expressly-stated requirement per MAAP § .04(C) that such funds are to be "treated as unrestricted revenue for cost sharing purposes" and that "[a]ll unrestricted revenues are to be cost shared in the final settlement with the Department."



**RIGHT TO FILE EXCEPTIONS AND RESPONSES:**

THE PARTIES MAY SUBMIT WRITTEN EXCEPTIONS AND RESPONSES TO THIS RECOMMENDED DECISION. EXCEPTIONS AND RESPONSES MUST BE RECEIVED BY THE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN TWENTY (20) DAYS OF THE DATE OF MAILING NOTED ON THE FIRST PAGE OF THIS RECOMMENDED DECISION. A REASONABLE EXTENSION OF THE TIME LIMIT FOR FILING EXCEPTIONS AND RESPONSES MAY BE GRANTED BY THE CHIEF ADMINISTRATIVE HEARING OFFICER IF ALL PARTIES EXPRESSLY AGREE TO THE EXTENSION OR FOR GOOD CAUSE SHOWN. EXCEPTIONS AND RESPONSES SHOULD BE ADDRESSED TO THE COMMISSIONER, DEPARTMENT OF HEALTH AND HUMAN SERVICES, SUBMITTED TO THE OFFICE OF ADMINISTRATIVE HEARINGS, 11 STATE HOUSE STATION, AUGUSTA, ME 04333-0011, AND COPIED TO ALL PARTIES. THE COMMISSIONER WILL MAKE THE FINAL DECISION.

DATED: 6-24-19

SIGNED: \_\_\_\_\_

  
Jeffrey P. Strickland, Esq.  
Hearing Officer

cc: Halliday Moncure, AAG  
Molly Barker Gilligan, Esq.

encl: Exhibit D-1, Budget Form 1 (Attachment "A")  
Exhibit D-1, Rider F-1 ASF Pro Forma (Attachment "B")  
Exhibit D-8, Q4 and Agreement Closeout Reports (Attachment "C")  
Exhibit D-9, Director of Division of Audit Decision (Attachment "D")

LINE	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7
1	REVENUE SOURCES	TOTAL PROGRAMS (this agreement)	PROGRAM: DETOX, PORTLAND	PROGRAM: OOB	PROGRAM: SHELTER, PORTLAND	PROGRAM:	PROGRAM:
4	AGREEMENT FEDERAL REVENUE						
5	FEDERAL ODRS AGREEMENT FUNDS						
6	FEDERAL BLOCK GRANT AGREEMENT FUNDS	431,168	431,168				
8	AGREEMENT STATE REVENUE						
9	STATE ODRS AGREEMENT FUNDS OF						
10	STATE ODRS AGREEMENT FUNDS-FDU	841,279	841,279	84,131	162,879		
11	STATE ODRS AGREEMENT FUNDS-OTHER						
12	RESTRICTED UNITED WAY						
13	RESTRICTED MUNICIPAL COUNTY						
14	OTHER RESTRICTED INCOME (PROGRAM)						
16	PRIVATE CLIENT FEES	118,000	118,000				
17							
18	AGENCY COMMITMENT TO PROGRAM	162,893	87,388	4,611	80,893		
19							
20	TOTAL COST SHARED REVENUE	1,663,823	1,348,556	84,442	245,378		
21	NON-COST SHARED REVENUE						
22	MAINTENANCE	825,369	87,826	408,000			
23	OTHER RESTRICTED FEDERAL/STATE USBA	172,831			172,831		
24	THIRD PARTY IN-KIND						
25	PROGRAM CLIENT FEES	83,169	1,600	78,469	8,400		
26	GRANT STAFF	80,213		80,213			
27	UDA TESTING	18,480			18,480		
28	RESTRICTED MUNICIPAL COUNTY	205,440			205,440		
29	RESTRICTED REVENUE (PURPOSE)						
30							
31							
32							
33							
34	TOTAL NON-COST SHARED REVENUE	1,188,647	280,866	604,678	483,431		
35	TOTAL REVENUE (Line 34)	2,741,880	1,629,422	689,120	728,809		
36	TOTAL AGENCY-WIDE REVENUE	2,880,810					

\* If adding rows, please make sure only contributing revenues are copied into rows added


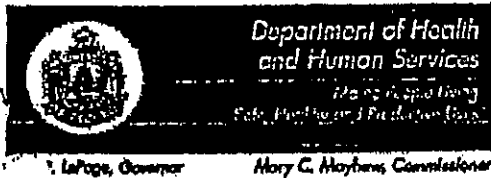
		RIDER F-1 PRO FORMA (for Instructions and MAAP IV)		
PRO FORMA				
AGENCY NAME:	MEESTONE FOUNDATION, INC.			
FISCAL YEAR END:	6/30/2014			
FUNDING DEPARTMENT:	LHHS			
DHHS AGREEMENT#:	05A16320			
AGREEMENT START DATE:	7/1/2013			
AGREEMENT END DATE:	6/30/2018			
AGREEMENT AMOUNT:	\$1,285,000.00			
PROGRAM NAME:	DETROIT EXTENDED CARE EMERGENCY SHELTER			
PART I: AGREEMENT TOTALS				
	REVENUE	EXPENSE	BALANCE	
1 PFR AGREEMENT BUDGET	2,741,660	2,741,660		
AGREEMENT ADJUSTMENTS				
2 MAINECARE	688,568	688,568		
3 OTHER RESTRICTED FEDERAL/STATE/MSHA	172,831	172,831		
4 PROGRAM CLIENT FEEB	83,159	83,159		
5 FOOD STAMP	20,011	20,011		
6 LIA TESTING	18,660	18,660		
7 RESTRICTED MUNICIPAL/COUNTY	205,440	205,440		
8				
9 TOTAL ADJUSTMENTS	1,183,667	1,183,667		
10 TOTALS AVAILABLE FOR COST SHARING	1,553,023	1,553,023		
PART II: AGREEMENT COST SHARING				
	% OF BUDGET	REVENUE	EXPENSE	BALANCE
11 AGREEMENT # (STATE FUNDS) to ACR	55.01%	854,275	854,275	
12 AGREEMENT # (FEDERAL FUNDS) to ACR	27.70%	431,183	431,183	
13 ALL OTHER - UNRESTRICTED	17.29%	287,593	287,593	
14 ALL OTHER - RESTRICTED (PROGRAM)				
15 TOTALS	100.00%	1,553,023	1,553,023	
NOTES TO ADJUSTMENTS				

EXHIBIT C



Agency:  
Program(s):  
Agreement Period:  
This Reporting Period:  
Agreement Number:  
CT Number:

MILESTONE FOUNDATION, INC		
DETOX/SHELTER/EXTENDED CARE		
07/01/15	through	08/30/18
04/01/16	through	08/30/18
OSA-15-320		

## QUARTERLY REPORT OF REVENUE AND EXPENSES

AGREEMENT BUDGET	ACCRUAL YEAR TO DATE	EXPENSES AS % OF BUDGET
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### REVENUE SOURCES TO BE COST SHARED

#### AGREEMENT FEDERAL REVENUE

Federal DHHS Agreement Funds (Enter Amount from Budget Form 1, Line 5 and YTD Amount)

\$ -	\$ -	0%
------	------	----

Federal BLOCK GRANT Agreement Funds (Enter Amount from Budget Form 1, Line 6 and YTD Amount)

\$ 431,155.00	\$ 431,155.00	100%
---------------	---------------	------

#### AGREEMENT STATE REVENUE

State DHHS Agreement Funds - GF (Enter Amount from Budget Form 1, Line 9 and YTD Amount)

\$ 854,275.00	\$ 854,275.00	100%
---------------	---------------	------

State DHHS Agreement Funds - FHM (Enter Amount from Budget Form 1, Line 10 and YTD Amount)

\$ -	\$ -	0%
------	------	----

State DHHS Agreement Funds - OTHER (Enter Amount from Budget Form 1, Line 11 and YTD Amount)

\$ -	\$ -	0%
------	------	----

#### UNRESTRICTED COUNTY/MUNICIPAL REVENUE (Enter Amount from Budget Form 1 and YTD Amount)

List Sources Separately below:

Restricted City of Portland

\$ 205,440.00	\$ 220,400.00	107%
---------------	---------------	------

\$ -	\$ -	0%
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#### PRIVATE CLIENT FEES (Enter Amount from Budget Form 1 and YTD Amount)

List Sources Separately below:

PRIVATE INSURANCE

\$ 115,000.00	\$ 147,891.57	128%
---------------	---------------	------

\$ -	\$ -	0%
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#### UNRESTRICTED REVENUE (Enter Amount from Budget Form 1 and YTD Amount)

Revenue not for specific use by Donor or funds committed to budget by Agency

List Sources Separately below:

UNRESTRICTED DONATIONS-Agency Commitment

\$ 162,593.00	\$ 90,088.38	56%
---------------	--------------	-----

\$ -	\$ -	0%
------	------	----

\$ -	\$ -	0%
------	------	----

#### TOTAL COST SHARED REVENUE

auto calculated

\$ 1,768,483.00	\$ 1,743,808.95	99%
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### NON COST SHARED REVENUE SOURCES

MAINECARE (Enter Amount from Budget Form 1, Line 22 and YTD Amount)

\$ 688,588.00	\$ 636,358.55	93%
---------------	---------------	-----

OTHER RESTRICTED FEDERAL/STATE (Enter Amount from Budget Form 1, Line 23 and YTD Amount)

\$ 172,831.00	\$ 258,543.29	148%
---------------	---------------	------

THIRD PARTY IN-KIND (Enter Amount from Budget Form 1, Line 24 and YTD Amount)

\$ -	\$ -	0%
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PROGRAM FEES (Enter Amount from Budget Form 1, Line 25 and YTD Amount)

\$ 83,158.00	\$ 88,825.39	108%
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#### OTHER NON COST SHARED REVENUE (Enter Amount from Budget Form 1 and YTD Amount)

List Revenue as shown on Budget Form 1:

FOOD STAMPS

\$ 20,011.00	\$ 12,649.88	63%
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LWA TESTING

\$ 18,680.00	\$ 17,815.05	95%
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RESTRICTED MUNICIPAL/COUNTY-CITY OF PORTLAND

\$ -	\$ -	0%
------	------	----

\$ -	\$ -	0%
------	------	----

\$ -	\$ -	0%
------	------	----

\$ -	\$ -	0%
------	------	----

\$ -	\$ -	0%
------	------	----

\$ -	\$ -	0%
------	------	----

#### TOTAL NON COST SHARED REVENUE

auto calculated

\$ 983,227.00	\$ 1,015,292.94	103%
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#### TOTAL REVENUE

auto calculated

\$ 2,741,690.00	\$ 2,759,102.89	101%
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### EXPENSE SUMMARY

PERSONNEL EXPENSES (Enter Amount from Budget Form 2, Line 7 and YTD Amount)

\$ 2,024,551.00	\$ 2,003,493.71	99%
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EQUIPMENT PURCHASES (Enter Amount from Budget Form 2, Line 8 and YTD Amount)

\$ -	\$ -	0%
------	------	----

RECIPIENT AWARDS (Enter Amount from Budget Form 2, Line 9 and YTD Amount)

\$ -	\$ -	0%
------	------	----

#### ALL OTHER EXPENSES

Occupancy - Depreciation (Enter Amount from Budget Form 2, Line 11 and YTD Amount)

\$ -	\$ 12,678.49	0%
------	--------------	----

Occupancy - Interest (Enter Amount from Budget Form 2, Line 12 and YTD Amount)

\$ -	\$ 3,426.00	0%
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Occupancy - Rent (Enter Amount from Budget Form 2, Line 13 and YTD Amount)

\$ 80,832.00	\$ 79,215.38	98%
--------------	--------------	-----

Utilities/Heat (Enter Amount from Budget Form 2, Line 14 and YTD Amount)  
 Telephone (Enter Amount from Budget Form 2, Line 15 and YTD Amount)  
 Maintenance/Minor Repairs (Enter Amount from Budget Form 2, Line 16 and YTD Amount)  
 Bonding/Insurance (Enter Amount from Budget Form 2, Line 17 and YTD Amount)  
 Equipment Rental/Lease (Enter Amount from Budget Form 2, Line 18 and YTD Amount)  
 Materials/Supplies (Enter Amount from Budget Form 2, Line 19 and YTD Amount)  
 Vacancy (non-occupancy) (Enter Amount from Budget Form 2, Line 20 and YTD Amount)  
 Travel (Enter Amount from Budget Form 2, Line 21 and YTD Amount)  
 Client-Related Travel (Enter Amount from Budget Form 2, Line 22 and YTD Amount)  
 Other Travel (Enter Amount from Budget Form 2, Line 23 and YTD Amount)  
 Consultants - Direct Service (Enter Amount from Budget Form 2, Line 24 and YTD Amount)  
 Consultants - Other (Enter Amount from Budget Form 2, Line 25 and YTD Amount)  
 Independent Public Accountants (Enter Amount from Budget Form 2, Line 26 and YTD Amount)  
 Technology Services/Software (Enter Amount from Budget Form 2, Line 27 and YTD Amount)  
 Third Party In-Kind (Enter Amount from Budget Form 2, Line 28 and YTD Amount)  
 Service Provider Tax (Enter Amount from Budget Form 2, Line 29 and YTD Amount)  
 Training/Education (Enter Amount from Budget Form 2, Line 30 and YTD Amount)  
 Miscellaneous (Enter Amount from Budget Form 2, Line 31 and YTD Amount)  
 Indirect Allocated - G&A (Enter Amount from Budget Form 2, Line 33 and YTD Amount)

\$	89,296.00	\$	74,204.81	76%		
\$	10,169.00	\$	12,926.42	127%		
\$	24,477.00	\$	39,624.36	162%		
\$	92,224.00	\$	33,753.49	105%		
\$	8,564.00	\$	7,930.00	121%		
\$	141,463.00	\$	116,803.76	83%		
\$	5,472.00	\$	33,798.36	618%		
\$	75,008.00	\$	53,764.66	72%		
\$	10,175.00	\$	17,449.19	171%		
\$	15,329.00	\$	20,783.41	136%		
\$	96,895.00	\$	96,342.98	100%		
\$	39,183.00	\$	48,746.02	124%		
\$	17,910.00	\$	17,910.00	100%		
\$	5,445.00	\$	4,874.25	91%		
\$	-	\$	-	-		
\$	34,428.00	\$	33,482.34	97%		
\$	22,489.00	\$	42,300.59	188%		
\$	-	\$	14,507.52	-		
\$	-	\$	-	-		
<b>TOTAL ALL OTHER EXPENSES</b>	<i>auto calculated</i>	\$	717,139.00	\$	764,820.32	107%
<b>TOTAL EXPENSES</b>	<i>auto calculated</i>	\$	2,741,690.00	\$	2,768,114.03	101%

**TOTAL ALL OTHER EXPENSES**

*auto calculated*

**TOTAL EXPENSES**

*auto calculated*

**ADJUSTMENTS**

Make-Care Total (Enter Amount from Budget Form 1, Line 22 and YTD Amount)  
 Other Restricted Federal/State (Enter Amount from Budget Form 1, Line 23 and YTD Amount)  
 Third Party In-Kind Expenses (Enter Amount from Budget Form 1, Line 24 and YTD Amount)  
 Program Fees (Enter Amount from Budget Form 1, Line 25 and YTD Amount)  
 Subrecipient Awards (Enter Year to Date Amount Paid to Subrecipients)  
 Other Non Cost Share Adjustments (Enter Amount from Budget Form 1 and YTD Amount)

\$	688,566.00	\$	638,359.55	93%
\$	172,831.00	\$	268,543.29	148%
\$	-	\$	-	-
\$	83,159.00	\$	89,925.39	108%
\$	-	\$	-	-

List Separately:

**FOOD STAMPS**

**LUA TESTING**

\$	20,011.00	\$	12,849.68	63%
\$	18,860.00	\$	17,815.05	95%
\$	-	\$	-	-
\$	-	\$	-	-
\$	-	\$	-	-
\$	-	\$	-	-
\$	-	\$	-	-
\$	-	\$	-	-

**TOTAL ADJUSTMENTS**

*auto calculated*

\$	983,227.00	\$	1,015,292.94	103%
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**CASH REIMBURSEMENT**

**TOTAL EXPENSES**

*auto calculated*

**TOTAL ADJUSTMENTS**

*auto calculated*

**NET REIMBURSABLE EXPENSES (TOTAL EARNED BY PROVIDER)**

*auto calculated*

\$	2,741,690.00	\$	2,768,114.03	101%
\$	983,227.00	\$	1,015,292.94	103%
\$	1,768,463.00	\$	1,752,821.09	100%

Negotiated % (Enter % from Rider F-1 Agreement Settlement Form)

73.71%

**CASH REIMBURSABLE AMOUNT = NEGOTIATED % X NET REIMBURSABLE EXPENSES**

\$ 1,292,004.43

Total Agreement Amount Received by Provider (Quarters 1 - 3 Entered by AA; Quarter 4 Entered by Provider)

\$ 1,285,430.00

Subrecipient Awards

\$ -

Net Agreement Amount Retained by Provider

\$ 1,285,430.00

**AMOUNT DUE TO AGENCY/(AMOUNT DUE TO DHHS)**

*to be completed by DHHS*

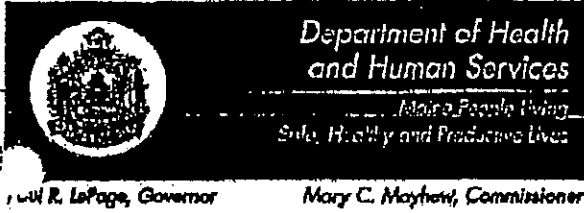
\$ 6,574.43

Report completed by: Marianne Sensale-Guerin

Date: 04/14/2017

Report reviewed by:

Date



Community Agency: Milestone Foundation  
 Program/Service: Daycare/Shelter/Extended Care  
 Agreement Number: OSA-18-320  
 CT Number: \_\_\_\_\_  
 Agreement Period: 07/1/2015 through 06/30/16  
 Agreement Amount: 1,285,430.00

### AGREEMENT CLOSEOUT REPORT

(Provider fills orange calls only. See Agreement Closeout Instructions and MAAP)

REVENUE	EXPENSE	BALANCE
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#### PART I - AGREEMENT TOTALS

Refer to Rider F-1 Pro-Forma Part I for guidance

1 Actual income and expense per agency records and reports	\$ 2,759,102.89	\$ 2,768,114.03	\$ (9,011.14)
2 Enter Agreement Adjustments below as (negative) or positive amounts. (See instructions)			
a MaineCare	\$ (638,359.55)	\$ (638,359.55)	\$ -
b MSHA	\$ (258,543.29)	\$ (258,543.29)	\$ -
c Client Fees	\$ (89,925.39)	\$ (89,925.39)	\$ -
d Food Stamps	\$ (12,849.68)	\$ (12,849.68)	\$ -
e WIA Testing	\$ (17,815.05)	\$ (17,815.05)	\$ -
f	\$	\$	\$ -
g	\$	\$	\$ -
3 Total Agreement Adjustments	\$(1,015,292.84)	\$(1,015,292.84)	\$ -
4 Total Available for Cost Sharing	\$ 1,743,809.95	\$ 1,752,821.09	\$ (9,011.14)

#### PART II - AGREEMENT COST SHARING

Refer to Rider F-1 Pro-Forma Part II for guidance

	% OF BUDGET			
5 Agreement State Funds (Verify against Rider F-1 Pro forma Part II.)	48.99%	\$ 854,276.00	\$ 858,707.05	\$ (4,432.05)
6 Agreement Federal Funds (Verify against Rider F-1 Pro forma.)	24.72%	\$ 431,155.00	\$ 433,297.37	\$ (2,142.37)
All Other (Verify against Rider F-1 Pro forma.)	26.29%	\$ 458,379.95	\$ 460,816.66	\$ (2,436.71)
8 Total Available for Cost Sharing ( Locked cell:Formula links to Line 4.)	100.00%	\$ 1,743,809.95	\$ 1,752,821.09	\$ (9,011.14)

#### PART III - AGREEMENT SETTLEMENT

9 Agreement Expense (Sum line 5 & line 6 plus sub-recipient expenses and other adjustments on Line 2.)	\$ 1,292,004.43
10 Agreement Amount (This locked cell fills & links to Agreement Amount in the header.)	\$ 1,285,430.00
11 Lesser of Line 9 or Line 10 (The formula in this cell will calculate this amount.)	\$ 1,285,430.00
12 Amount Received from DHHS Provider must fill this cell.(See instructions)	\$ 1,285,430.00
13 Line 11 minus Line 12	\$ -
14 a) If Line 13 is +, Amount is due Agency OR	\$ -
b) If Line 13 is (-), Amount is due DHHS	\$ -
c) If Line 13 is zero, no amount is due to the Agency or DHHS	\$ -

Checks: If an amount is owed DHHS, submit a check payable to "Treasurer, State of Maine" to: Attn: Closeout Reports, Accounts Receivable, 221 State Street, State House Station 11, Augusta, ME 04333. Attach a copy of this report to the check. Include a separate check for interest due from funds paid under the agreement.

Preparer's Signature: Marianne Sensale-Guerin

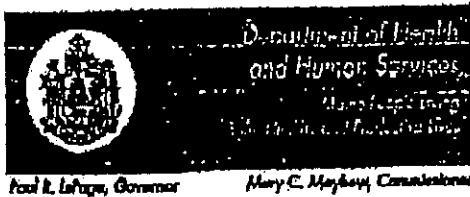
Date: 04/14/2017

Reviewed by DHHS: \_\_\_\_\_

Date: \_\_\_\_\_

#### PART IV - NOTES AND COMMENTS

Line	Date	Notes/Comments



Department of Health and Human Services  
 Financial Services - Audit  
 11 State House Station  
 Augusta, Maine 04333-0011  
 Tel.: (207) 287-2400; Fax: (207) 287-2601  
 TTY Users: Dial 711 (Maine Relay)  
 Fraud Hotline: (866) 348-1129

### Appeal Decision

September 12, 2017

**RE: Milestone Foundation, Inc. - Fiscal Year 2016**

Robert Fowler, Executive Director  
 Milestone Foundation, Inc.  
 65 India Street  
 Portland, ME 04101

Dear Mr. Fowler:

We are in receipt of your letter dated June 1, 2017 in which you appeal the Department's *Examination Report* of Milestone Foundation, Inc. for the fiscal year ended June 30, 2016, dated March 30, 2017.

Your Agency is appealing the balance due to the Department in the amount of \$30,435 for agreement #OSA-16-320 and the three findings contained in the report. Below are the agency's and Division of Audit's (Division) positions specific to the areas of dispute.

#### 1. Agency Position Findings:

- **Finding #1:** You state that you do not agree with finding #1 which relates to adjustment of the Agency's Agreement Closeout Report (ACR). Your agency also states that your independent audit of financial statements occurred after the ACR was submitted to the Department. Your independent audit revealed that there were mistakes on the original ACR and that the revised ACR and fourth quarter reports indicate that there is no balance due to the Department.
- **Finding #2:** Your agency has been in discussions with the Department regarding a plan to repay the balances owed to the Department. Also, there is a dispute regarding the balances due for the 2014 fiscal year, and you are expecting to hear soon about that matter.
- **Finding #3:** You state that the accounts that are of concern to the Department have an average balance under federally insured limits. The Agency is prepared, if necessary to move accounts as necessary to avoid the problem in the future despite the administrative burden it presents.

#### Division of Audit Position:

- **Finding #1:** We have taken your revised ACR and fourth quarter reports into consideration. However, we disagree that there is no balance due to the Department. The revised fourth quarter report and ACR fails to include the budgeted amount of agency commitment (\$152,593). We have made an adjustment on revised Exhibit A-1 to adjust to the budgeted amount of agency commitment (MAAP Section .04C4(a)). Additionally, we have made an adjustment to eliminate City of Portland dollar for dollar as indicated on the agreement pro forma (MAAP Section .04C2(b)). The results of our adjustments is a balance due to the Department in the amount of \$43,250.
- **Finding #2:** The Division recognizes that your agency has been in discussions with the Department regarding a plan to repay the balances, the basic premise remains that the balance remains unpaid.
- **Finding #3:** Our finding was based on the IPA's note that balances may exceed federally insured limits. We concur with the IPA's finding and recommendation.

As a result of the Appeal the revised balance due to the Department of \$43,250 and there is no change to the findings.

#### Department Appeals, Resolutions and Sanctions:

Upon receipt of this appeal decision, your agency has sixty (60) days to accept the Department's decision or continue your appeal. For complete appeal rights see *Notice of Appeal Rights for Community Agencies*.


If your Agency accepts this appeal decision, please submit a corrective action plan and remit the \$43,250 balance to the Department.

9

Appeal Decision  
Milestones Foundation, Inc.  
Fiscal Year Ended: June 30, 2016  
Page 2 of 2

If you have any questions, please do not hesitate to contact Thomas Constantine, Audit Supervisor at 287-2832.

Sincerely,

  
Anthony Madden  
Deputy Director

cc:

Division of Contract Management - Budget, DHHS  
Daniel Sylvester, Director, OADS  
John H. Branson, Branson Law Office, PA  
Runyon, Kirsteen & Oullets CPA's



Agency: Milwaukee Foundation, Inc.  
 Name: Milwaukee Foundation, Inc.  
 Program: Detail/ Shelter  
 FYS: 8/00/2018

Account Profile:  
 Number: OEA-18-520  
 From: 7/1/2018  
 To: 8/30/2018  
 Status: Final  
 SubStatus: Cost

Account Activity:  
 Budget: 1,285,430  
 Payments: 1,285,430  
 Balance: -

DEB#  
 AS#  
 Exhibit A-1  
 (attached)

Line	Per Agreement Pro-Funds			Per Account			Rate	Per Audit			Variance			
	Revenue	Expense	Balance	Revenue	Expense	Balance		Revenue	Expense	Balance				
<b>Part I - Agreement Totals</b>														
	Prior Year Start Period													
	Current Year Start Period	2,741,880	2,741,880											
	Adjustments													
	<b>Total Revenue/Expense</b>	<b>2,741,880</b>	<b>2,741,880</b>	<b>2,788,103</b>	<b>2,788,114</b>	<b>(6,011)</b>		<b>2,788,103</b>	<b>2,788,114</b>	<b>(6,011)</b>				
<b>Agreement Adjustments</b>														
A	MaineCare	(888,866)	(888,866)	A	(834,367)	(834,367)		A	(834,367)	(834,367)				
B	MCHA	(172,831)	(172,831)	B	(258,543)	(258,543)		B	(258,543)	(258,543)				
C	Client Fees	(83,189)	(83,189)	C	(89,825)	(89,825)		C	(89,825)	(89,825)				
D	Food Services	(20,011)	(20,011)	D	(12,890)	(12,890)		D	(12,890)	(12,890)				
E	IMA Services	(18,880)	(18,880)	E	(17,815)	(17,815)		E	(17,815)	(17,815)				
F	City of Portland	(208,440)	(208,440)	F				F	(220,400)	(220,400)				
G	Adjust commitment to FYE Agency			G				G	82,805	82,805	82,805			
	<b>Total Adjustments</b>	<b>(1,188,067)</b>	<b>(1,188,067)</b>		<b>(1,018,293)</b>	<b>(1,018,293)</b>			<b>(1,173,185)</b>	<b>(1,236,605)</b>	<b>82,805</b>			
	<b>Totals Available for Cost Sharing</b>	<b>1,553,813</b>	<b>1,553,813</b>		<b>1,743,810</b>	<b>1,762,821</b>	<b>(6,011)</b>		<b>1,615,918</b>	<b>1,552,421</b>	<b>83,494</b>			
<b>Part II - Agreement Cost Shares</b>														
	Funding Source	Revenue %	Available Revenue	Allocated Expense	Balance	Revenue %	Available Revenue	Allocated Expense	Balance	Revenue %	Available Revenue	Allocated Expense	Balance	Variance
EA	OEA-18-520 BOM	58.01%	854,278	854,278	-	48.86%	854,278	850,707	(4,472)	53.87%	854,278	828,518	28,790	23,182
BA	OEA-18-520 Federal	27.78%	431,185	431,185	-	24.75%	431,185	433,287	(2,102)	27.19%	431,185	418,895	14,490	16,832
SA	All Other	17.23%	287,883	287,883	-	26.28%	488,388	488,817	(429)	18.95%	300,488	290,241	10,244	12,881
A	Totals	100.00%	1,553,813	1,553,813	-	100.00%	1,743,810	1,762,821	(6,011)	100.00%	1,615,918	1,552,421	83,494	82,805

EA: None is self-insured;  
 BA: Per AcCR user actual receipts from 4th Quarter Report  
 SA: A-first commitment to approved Budgeted amount (\$182,823 less \$90,084)

Agreement Settlement:  
 Agreement Payments: 1,285,430  
 Allocated Expenses: 1,242,180  
 Balance: 43,250

Line 7, Column 6  
 (CONCLUSION #1)

Line F, Column 10  
 (CONCLUSION #1)

Line 7, Column 10  
 (CONCLUSION #1)

Line 7, Column 13  
 (CONCLUSION #1)

Line 7, Column 7  
 (CONCLUSION #2)

Line F, Column 11  
 (CONCLUSION #2)

Line 7, Column 11  
 (CONCLUSION #2)

Allocated Expenses  
 (CONCLUSION #3)

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



Maine Department of Health and Human Services  
Commissioner's Office  
11 State House Station  
221 State Street  
Augusta, Maine 04333-0011  
Tel.: (207) 287-3707; Fax: (207) 287-3005  
TTY: Dial 711 (Maine Relay)

**IN THE MATTER OF:**

Milestone Recovery	)	
f/k/a The Milestone Foundation, Inc.	)	
c/o Molly Barker Gilligan, Esq.	)	<b>REMAND ORDER</b>
Bernstein Shur	)	
PO Box 9729	)	
Portland, ME 04104	)	

The Recommended Decision of Hearing Officer Strickland, mailed February 11, 2019, the Amended Recommended Decision mailed March 13, 2019, and the responses and exceptions filed by the parties have been reviewed.

Pursuant to Section VI., J. 2. of the Office of Administrative Hearings Regulation, I hereby remand this matter to the Hearing Officer for such further proceedings as are necessary to issue a Second Amended Recommended Decision which sets forth the specific citations to the record and/or calculations based on the record for each of the dollar amounts in the Conclusions of Law and otherwise fully responds to the "Second Exceptions and Responses of the Department of Health and Human Services".

Finally, I order that the remand process be accomplished as expeditiously as possible.

DATED: 5.14.19 SIGNED: Jeanne M. Lambrew  
JEANNE M. LAMBREW, Ph.D., COMMISSIONER  
DEPARTMENT OF HEALTH & HUMAN SERVICES

cc: Halliday Moncure, AAG  
Molly Barker Gilligan, Esq.

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



Maine Department of Health and Human Services  
Administrative Hearings  
11 State House Station  
221 State Street  
Augusta, Maine 04333-0011  
Tel.: (207) 624-5350; Fax: (207) 287-8448  
TTY: Dial 711 (Maine Relay)

Halliday Moncure, AAG  
Office of the Attorney General  
6 State House Station  
Augusta, ME 04333

Molly Barker Gilligan, Esq.  
Bernstein, Shur, Sawyer & Nelson, P.A.  
100 Middle Street, P.O. Box 9729  
Portland, ME 04104

RE: Milestone Recovery f/k/a The Milestone Foundation, Inc. – Agency Appeal of  
Director of Audit Decision dated September 12, 2017.

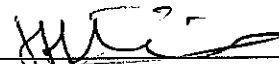
Dear Ms. Moncure and Ms. Gilligan,

Reference is made to the parties' March 1, 2019, and March 11, 2019, exceptions and responses. To the extent the latter also include requests for correction of my February 11, 2019, Administrative Hearing Recommendation in this case, I am herewith issuing the enclosed Amended Administrative Hearing Recommendation, dated March 12, 2019, in accordance with 10-144 C.M.R. Ch. 1, § VI(J)(2). As regards Claimant's request concerning proposed documentary exhibits distributed in advance of the August 15, 2018, administrative hearing in this case, these per my understanding amount to duplicates of others admitted on Respondent's motion, and for that reason were not offered by Claimant, in connection with that proceeding.

I am also enclosing, for the parties' convenience, a copy of the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) Summary of Comments and Responses that is referenced in the enclosed Amended Administrative Hearing Recommendation. Finally, the parties are advised that the enclosed Amended Administrative Hearing Recommendation, as indicated therein, provides for another opportunity to file exceptions and responses.

The parties' patience in this matter is appreciated.

DATED: 3-12-19

SIGNED:   
Jeffrey P. Strickland, Esq.  
Hearing Officer

encl: Amended Administrative Hearing Recommendation dated March 12, 2019  
Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP)  
Summary of Comments and Responses

cc: Jeanne M. Lambrew, Ph.D., Commissioner  
Miranda Benedict, Esq., Acting Chief Administrative Hearing Officer

Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP)  
Summary of Comments and Responses

The Maine Department of Health and Human Services (DHHS) held a public hearing on December 16, 2011 to obtain comments on a complete repeal and replace of MAAP regulations. This document summarizes all comments received during the public comment period ending December 26, 2011.

**Comments Not Specific to Sections of the Proposed Rule:**

1. A number of commenters stated that the proposed rule is an improvement over the version adopted on January 1, 2011. (1)(2)(3)(4)(5) One commenter stated that the proposed rule is the result of excellent work done by many people and would like to thank them all for their time and careful consideration. (1)

One commenter stated that he appreciated the work of the MAAP Advisory Committee and also noted the Department's willingness to make substantive changes that make these rules better than what was proposed previously. (2)

Another commenter stated her appreciation for the work by the Department and the MAAP Advisory Committee in making the rule less onerous for the commenter's members. (4)

Another commenter stated that she appreciated the collaboration to date between the MAAP Advisory Committee and the Department to make substantive changes and improvements to the former rules. (5)

Response – The Department thanks the commenters for their comments. The Department did not make any changes to the final rule as a result of these comments.

**Comments Specific to Proposed Rule**

§ .01 B. 6.

2. One commenter stated that a budget revision is a substantive change to the terms and conditions of an agreement and should be considered an amendment and used as an example under Section .01 B. 2. Agreement amendment. (6)

Response – The Department disagrees. An agreement amendment as defined in Section .01 B. 2 is a legally binding change or modification of the existing agreement. The DHHS Division of Purchased Services Policy and Procedure Manual clearly identifies the conditions under which an amendment to an agreement must be made. A budget revision as defined in Section .01 B. 6 is an approved change or modification to the existing budget and does not constitute a change to the total budget amount. The DHHS Division of Purchased Services Policy and Procedure manual clearly identifies the

conditions under which a budget revision will be approved. Moreover, the DHHS Division of Purchased Services Policy and Procedure Manual defines an amendment to be a “substantive change to the original agreement, which change(s) is agreed to by all parties to the agreement. An amendment will be in written form and signed by all parties to the agreement.” The DHHS Division of Purchased Services Policy and Procedure Manual defines Revision as a “nonsubstantive change to the original agreement usually suggested by one party and agreed to by other parties. It requires prior written approval agreed to by all parties.” The Department did not make any changes to the final rule as a result of this comment.

§ .01 B. 33.

3. One commenter stated that it was his understanding that this new definition of program income has been added in order to clarify the cost sharing/settlement where multiple funding sources share in the expense of a funded service. The commenter stated that this clarification needs to be part of the definition. The commenter proposes the following language:
  - a. “Program income, for the purpose of the cost sharing agreement/settlement where multiple funding sources share in the expense of a funded service, means gross income earned by .....”. (2)

Response – The definition of program income contained in the MAAP rule, with the exception of the last sentence, is replicated from the definition of program income found in Federal Circular OMB A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*. The last sentence of the definition of program income, (“MaineCare revenue, whether fee for service, unit based or cost settled, is program income.”) was added by the Department to clarify the Department’s position that MaineCare income meets the definition of program income contained in OMB Circular A-110, Subpart A, § \_\_\_\_\_.2(x) Program income. The Department did not make any changes to the final rule as a result of this comment.

§ .01 B. 35.

4. One commenter stated that the definition of restricted income should be changed to the definition agreed to by the previous MAAP Advisory Committee and included in the rule adopted on January 1, 2011 and subsequently repealed. The commenter noted that the previous definition stated: “Restricted revenue is income from organizations or individuals that require the funds be used for a specific purpose within a program.” The commenter stated that all restricted revenue is eliminated dollar for dollar with expense prior to cost sharing and limits the ability of the community agencies to retain surpluses. The commenter said that community agencies keep all deficits, and the amount of surplus agencies are allowed to keep is so small that it hampers the agency’s ability to maintain the agency as a “going concern”. The commenter stated that the effect of the definition is that contributions to a program from a source like the United Way are used to supplant

State agreement funds. The commenter stated that he does not believe this is the donor's intent. (2)

Another commenter stated that the definition of restricted and unrestricted revenue and the issue of inclusion or exclusion of charitable donations with respect to cost sharing are issues for the agencies that the commenter represents. The commenter stated that charitable contributions are critical to an agency's ability to maintain core services and to meet the needs of vulnerable clients. The commenter stated that the agencies she represents do not accept that the Department's definitions and interpretation are within the mainstream of practice. The commenter stated that she does not think that the DHHS proposed interpretation complies with generally accepted accounting principles or guidance provided by any authoritative accounting body regarding the definition of unrestricted contributions and their eligibility to cost share. The commenter supports the language put forward by Paul Morgan, CFO of Penquis (see commenter (2) above). The commenter said that the definition of restricted revenue should be changed to read: "restricted revenue is income from organizations or individuals that require the funds be used for a specific purpose within a program." The commenter reiterated that eliminating restricted revenue from cost sharing limits the ability of community agencies to retain surpluses. She said that community agencies keep all deficits, but the amount of surplus retained is so small that it hampers a community agency's ability to maintain an agency as a "going concern". The commenter stated that the effect of the definition is that contributions from a source like the United Way are used to supplant state agreements funds, presumably not the donor's intent. The commenter recommended that the definition that was agreed to by the previous MAAP Advisory Committee and in the prior draft rules be used. (3)

One commenter stated that cost sharing contract definitions are unduly restrictive, subverting donor intent. The commenter stated that the definition of restricted income in the proposed rule supports recent interpretations of MAAP regulations in which other source donations need to be fully spent before State dollars are spent for purchased services. The commenter said that this interpretation does not appear to be a common interpretation across other states and represents a radical approach to cost sharing. The commenter stated that the agencies the commenter represents are concerned that philanthropic dollars raised in good faith to augment services purchased by the State, are instead being used by the State to cover the costs of the purchased services, contrary to donor intent to better serve the targeted populations. The commenter said that, as donors begin to understand this practice, it will have a chilling effect on charitable giving for the services which the commenter said he does not believe is the intent of the legislature nor in the best interest of the nonprofit service providers or the people they serve. The commenter urged the Department to revisit this interpretation and work with the regulated community to come up with definitions that are more in line with practices in other states and beneficial to all parties. (4)

Response: The Department believes that restricted donations, most of which are recurring, that are restricted for a particular agency program should be spent in the

program year for which they are intended. Furthermore, Financial Accounting Standards Board Accounting Standards Codification 958-205-45-11 states:

If an expense is incurred for a purpose for which both unrestricted and temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred, unless the expense is for a purpose that is directly attributable to another specific external source of revenue.

The Department has interpreted this statement to mean that if an agency has incurred expenses which are eligible to be paid from either unrestricted or restricted funds, the agency must charge the restricted funds first. Therefore, the elimination of restricted revenue dollar for dollar against restricted expense prior to cost sharing is in keeping with generally accepted accounting principles. The Department did not make any changes to the final rule as a result of this comment.

§ .01 B. 45.

5. One commenter stated that the definition for unrestricted revenue is problematic and recommends that the language of the prior Advisory Committee be used. That language defined unrestricted revenue as follows: “Unrestricted revenue from funding sources to a community agency that is not restricted for a specific purpose within a program by the donor. Revenue that has been designated to a specific program, but not a specific purpose is considered unrestricted revenue.” (2)

Another commenter stated that the definition for unrestricted revenue is problematic and recommends that the language of the prior Advisory Committee be used. That language defined unrestricted revenue as follows: “Unrestricted revenue from funding sources to a community agency that is not restricted for a specific purpose within a program by the donor. Revenue that has been designated to a specific program, but not a specific purpose is considered unrestricted revenue.” The commenter stated that she does not believe the purpose of charitable gifts is to supplant monies authorized by the legislature to provide service to victims in Maine. She stated that domestic violence organizations receive donations throughout the year that are intended to expand the range of services either in kind or in quantity. The commenter stated that own contributions, United Way award, and other grant awards, for example, need to be managed in a way that allows them to be leveraged for increased capacity within organizations to meet increased client needs and decreased state/federal revenues. She stated that donors need to be assured that the money they provide will not end up supplanting the State’s burden and returned to the State. The commenter stated that she believes that cost sharing principles allow for that burden of financial responsibility to be shared and that proper locations for charitable gifts are within applicable cost sharing parameters. (3)

Response: For reasons explained in the response to comments listed in #5 concerning restricted revenue, the Department has made no changes to the final rule as a result of this comment.



§ .02 B. 3.(a), § .02 C. 1.(b) and § .03 A. 2.(a)

6. One commenter stated that the three requirements noted above require additional audit work which will increase costs for the community agencies. The commenter suggested that, in this time of scarce resources, perhaps something other than an audited SEDA might suffice. (1)

Response – Title 5, Part 4, Chapter 148-C, Maine Uniform Accounting and Auditing Practices for Community Agencies requires community agencies expending \$500,000 or more of agreement funding from the Department must have an entity wide financial and compliance audit of the agency’s financial statements and agreement supplemental schedules prepared by a qualified independent public accountant. The Department did not make any changes to the final rule as a result of this comment.

§ .02 C. 1.

7. One commenter stated that this section was changed to add that the SEDA would match to interim quarterly reports submitted to the Department. The commenter stated that this is an improvement over previous language that the SEDA needed to match to the Agreement Close-out report. The commenter said that the problem is that an agency fiscal year may not match up to the interim quarterly report period. The commenter recommends the following wording to resolve this issue: “Purpose: The SEDA provides the Department with information identifying agreement expenditures based on the Agreement Close-Out Report(s) (ACR) and interim quarterly reports submitted to the Department during the fiscal year, when those reports match to the fiscal year end of the agency.” (2)

Response – The Department agrees with the commenter that when an agency’s fiscal year does not match up to an interim quarterly report, the rule should provide additional guidance. § .02 C. 1. has been changed to read as follows:

Purpose: The SEDA provides the Department with information identifying agreement expenditures based on the Agreement Close-out Report(s) (ACR) and interim quarterly reports submitted to the Department during the current fiscal year. When an agency has a fiscal year end that does not match up to the interim quarterly report period, the agency will obtain the necessary interim information from its accounting records.

§ .02 C. 1. And 3.

8. One commenter stated that the MAAP rules requires the SEDA to match the Agreement Close-out Report (ACR) but that there is nothing in the rule that specifies the timeframe an agency has to submit the ACR. The commenter stated that current practice by some Agreement Administrators is that the ACR due in 30 to 45 days at the end of an agreement. The commenter stated that this time frame is inadequate to capture all accounting data necessary to submit an accurate ACR. The commenter recommended the

following language be added to the rule: “Agreement Close-out Reports are due to the Department no later than ninety (90) days from the end of the agreement. Agreement Administrators may require the Agreement Close-out reports earlier, but no earlier than sixty (60) days after the agreement end date.” (2)

Response – The due dates of interim and final reports to the Department are the purview of the Division of Purchased Services and are beyond the scope of these rules. The Department did not make any changes as a result of this comment.

§ .02 F. 6.

9. One commenter stated that he likes the ability to submit the MAAP report electronically to the Division of Audit. The commenter said he would like to see language in the rule directing agreement administrators and others who need a copy of the agency MAAP submission to obtain the copy through the Division of Audit rather than requesting it from the community agency. The commenter suggested language as follows: “Department personnel who need or want a copy of the community agency submitted reports will obtain them through the Division of Audit.” (2)

Response – The Department agrees that a community agency should not have to submit the required MAAP reports to the Department multiple times. The language of § .02 F. 6 has been changed as follows:

Electronic submission is recommended and should be sent to [dhhs.audit@mainegov](mailto:dhhs.audit@mainegov) for submission to the Maine Department of Health and Human Services. Electronic submissions to the Maine Department of Transportation should be sent to [OfficeofAudit.MaineDOT@maine.gov](mailto:OfficeofAudit.MaineDOT@maine.gov). State personnel who require a copy of the MAAP report for a community agency should contact the Division of Audit for the Maine Department of Health and Human Services or the Office of Audit for the Maine Department of Transportation.

§ .03 C. 1.

10. Two commenters encouraged the Department to adopt the federal 25% of total expenditures testing for low-risk auditees. The commenters stated that whenever the state varies from the federal requirements, audit and compliance costs increase. The commenters said that they do not believe that the value of the additional testing offsets the increase in costs. The commenters suggested the Department add a new item 2 that addresses testing of 25% for a low-risk auditee. (1) (2)

Another commenter stated that her agency supports using the federal 25% of total expenditures for low-risk auditees and would encourage the addition of that language to the rule. (5)

Response - The Department agrees and made the following changes: Section .03, C.1.(b) has been changed to allow an Independent Public Accountant to classify an agency as a low-risk auditee and perform compliance testing on agreements that make up at least 25% of total expenditures claimed. Section .03, C.2 was added to define the criteria to be classified as a low-risk auditee.

§ .03 C. 2.

11. One commenter recommended that the Department adopt the American Institute of Public Accountants (AICPA) definition of materiality, which is not a specific number but is based on facts and circumstances. (1)

Response – Paragraph .13 of the Statement of Auditing Standards (SAS) 117, *Compliance Audits*, promulgated by the AICPA, states that the auditor should establish and apply materiality levels for compliance based on the governmental audit requirement. In paragraph .A8 of the Application Guidance and Explanatory Material, it states that “because the governmental audit requirement usually is established by the grantors and the auditor’s report on compliance is primarily for their use, the auditor’s determination of materiality usually is influenced by the needs of the grantors.” For many years, the Department has had budget compliance requirements for all cost settled agreements. Materiality for budget compliance has been quantified to meet the needs of the Department. The Department did not make any changes as a result of this comment.

§ .03 C. 2.

12. One commenter said that the Department’s new position on the treatment of subcontracts as restricted funding with no variance between budgeted and actual allowed is problematic. The commenter said that a subcontract amount is not necessarily known at the time the agreement is being negotiated with the Department. The commenter stated that, because the level of work may change and the agency may need to move funds between other categories, there should be some flexibility to do this without requiring a budget revision. Additionally, the commenter states that Department Agreement Administrators do not want to review and approve budget revisions many times during the course of the agreement. The commenter asked, if the service being purchased is supplied and the agency has to shift its budgeted category amount around to do that, why should the agency be penalized for not accomplishing an administrative task of a budget revision? The commenter recommended that the subcontract category be included in the paragraph describing the variance allowed for personnel and the all other category. (2)

Another commenter stated that her agency does not support the Department’s new position on the treatment of subcontracts as restricted funding and with no variance between budgeted and actual allowed. The commenter said she does support the Department’s existing practice of allowing a budget to actual variance similar to personnel and the “all other” category. The commenter stated that, if there are certain types of subcontracts that can be identified and defined within the rules to demonstrate

circumstances where there would not be any variance between budget to actual, while other types could have a variance, that would be an acceptable alternative. (5)

Response – The Department agrees and has the made the following changes: In Section .03 C. 3 (b) has been changed to state:

Total expenses per subcontract vary from the budgeted amount by at least 10% or \$1,000, whichever is greater.

§ .03 C. 5.(e)

13. One commenter stated that this section requires community agencies to monitor agreement advances and return interest from advances to the Department. The commenter stated that this section should include an offset for the agreements that the Department is in arrears paying, with any net interest due to the Department. Additionally, the commenter stated that federal rules allow community agencies to retain up to \$250 of interest income annually. The commenter recommended that this section read as follows: “The community agency has a system in place to monitor agreement advances and amounts owed to them from the Department and ensure that interest from the net of these amounts in excess of \$250 annually is reimbursed to the Department.” (2)

Response – It is the Department’s intention that community agencies follow applicable federal circulars with regard to cash management compliance requirements. This particular section relates to the minimum workpaper requirements for Independent Public Accountants in documenting the testing of a community agency’s administrative controls and compliance requirements. In the interest of clarity, the Department has modified the wording as follows:

The community agency has a system in place to monitor agreement advances and ensure interest from advances is reimbursed to the Department in accordance with applicable federal circulars.

§ .03 C. 5.(f)

14. One commenter stated that the Department requires the community agency to liquidate balances owed to the Department within 90 days of the end of the agreement. The commenter stated that there currently is nothing in MAAP that says when the Department must liquidate balances due to community agencies. The commenter recommended that the following be added as a separate letter to this section: “The Department will liquidate all balances due the community agency within 90 days of receiving the Agreement Close-out Report.” (1)

Response – Payments made by the Department to a community agency are beyond the scope of these rules. In addition, this particular section of the rule relates to minimum workpaper requirements for Independent Public Accountants that document testing of the

community agency's administrative controls and compliance requirements. The Department did not make any changes as a result of this comment.

15. One commenter stated that the A-133 and MAAP IPA reports are due no later than 9 months after the fiscal year end. The commenter stated that, until A-133 and MAAP reports are completed, there is no established notice of debt. The commenter stated that until various cost reports are submitted, and organizations are able to complete MAAP requirements, therefore no determination of debt (obligation) has taken place. (6)

Response: The Department disagrees with this comment. The Notice of Debt required in accordance with 22 M.S.R.S §1714-A are rules that are specific to MaineCare payments and are not applicable to social service agreements. Social Service agreements are subject to applicable Federal circulars and MAAP as detailed in Section .04 of the MAAP rule. Nonprofit and educational entities must follow OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*. In addition, non-profit agencies must also follow OMB Circular A-122, *Cost Principles for Non-Profit Organizations* and educational entities must follow OMB A-21, *Cost Principles for Educational Institutions*. Local governments and For-Profit entities must follow both OMB Circular OMB A-102, *Grants and Cooperative Agreements with State and Local Agencies* and OMB A-87, *Cost Principles for State and Local Governments*. For non-profit and educational institutions, OMB Circular A-110, § \_\_.71(b), states that "a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions." The Department did not make any changes as result of this comment.

§ .04, C. 1.(d), § .04. C. 1.(e), § .05, A. 2. and § .05. B. 9.

16. Two commenters stated that all of the sections listed (above) give authority to Department employees, but, as written, hold the community agencies, not the Department employees, responsible for any errors or omissions committed by the Department employees. The commenters stated that under these proposed rules, the only truly responsible party to any Department agreement is the community agency, which the commenters said is being held to the unrealistic requirement of having to negotiate and manage both sides of the agreement. The commenters stated that this is inherently unfair. The commenters said that by giving authority without accountability or consequence, this provides no incentive for Department employees to do their work well. The commenters added that this is a major flaw in the MAAP rule that could be resolved by stating in the rule that where there is a contradiction between MAAP and the Department agreement, the terms of the agreement will prevail. (1) (2)

Another commenter stated that where there are discrepancies between a contract and MAAP regulations, the contract language should prevail. The commenter stated that the current draft rules do not adequately fix the situations where a service provider fulfills a contract only to find out after the fact that the contract language contradicts MAAP

regulations. The commenter stated that in these situations, the Department has ruled that even though the services have been provided, the costs are not allowable under MAAP and the money has been recalled. The commenter stated that this practice unfairly places the burden on the regulated community and provides no incentive for those writing the contracts to ensure compliance with MAAP. The commenter encouraged the Department to add language to the rules that specifically states that when there are discrepancies between a contract and the MAAP regulations, the contract language will be honored. (4)

Response – The Department cannot contract to violate its own rules. Both the regulated community and the Department are on notice of and obligated as a matter of law to follow those rules. No change was made to this rule as a result of these comments.

§ .04 C. 1. (d) and (e)

17. One commenter stated that MAAP defines an agreement as legally binding in Section .01, B. 1. The commenter stated that this is in conflict with State contract language. The commenter noted that the State’s boiler-plate language in Rider B, 20 states that “agreements must have the approval of the State Controller and the State Purchases Review Committee before it is considered a valid enforceable agreement.” The commenter stated that changes in the documents that do not follow such approval process are neither valid nor enforceable, and are therefore not auditable agreements. (6)

Response – Minor changes to an agreement, such as a budget revision, do not require the approval of the State Controller and the State Purchases Review Committee. Other changes, such as the amount of the agreement or the dates of the agreement, are considered contract amendments and are subject to the approval of the State Controller and the State Purchases Review Committee. The Department did not make any changes to the final rule as a result of this comment.

§ .04 C. 3.

18. One commenter stated that the community agency must request a budget revision at least thirty (30) days prior to the agreement termination date. The commenter noted that if the revision approval is not granted in writing prior to the date of the required final report, all costs that exceed the budget thresholds shall be deemed questioned costs. The commenter also noted that any variance between the actual agency commitment and the budgeted amount shall be adjusted on the agreement settlement form prior to cost sharing. The commenter stated that this rule again places all the responsibility for failed state performance on the community agency. The commenter stated that the Department must be held accountable for its performance and that there must be consequences for the Department’s failure to respond to a budget revision in a timely manner. The commenter stated that if the Department does not respond in a timely fashion, the revision request should be treated as approved. (1)

Another commenter stated that this section requires community agencies to request a budget revision 30 days before the end of the agreement. The commenter stated that

there is no corresponding requirement for when an Agreement Administrator needs to respond with an approval or rejection of the budget revision. The commenter stated that the section simply says if the agency does not have an approval by the time the close-out report is due, the agency must settle on the budget in existence prior to the budget revision request and any variance outside the thresholds will be deemed questioned costs. The commenter recommended the following change to the last paragraph of the section:

The community agency must request a budget revision at least thirty (30) days prior to the agreement termination date. The Agreement Administrator must respond in writing accepting or rejecting the budget revision or propose an alternative budget revision within fifteen (15) days of receiving the budget revision request. If the Agreement Administrator does not reply within this time period the budget revision is deemed accepted by the Agreement Administrator as long as the community agency can prove receipt of the budget revision request by the Department. If the revision approval is not granted, all costs that exceed the approved agreement budget thresholds shall be deemed questioned costs. In addition, any variance, if any, between the actual agency commitment and the budgeted amount shall be adjusted on the agreement settlement form prior to cost sharing. (2)

Another commenter said that her agency can support the requirement of requesting a budget revision 30 days before the end of the agreement, if there is a corresponding requirement for an Agreement Administrator to respond with an approval or rejection of the budget revision in a given timeframe or that no response deems acceptance. The commenter stated that her experience has been to not receive formal approval and so the commenter would expect a lot of frustration and uncertainty if this requirement were not equally balanced. (5)

Another commenter stated that MAAP defines an agreement as legally binding in Section .01, B. 1, which the commenter said is in conflict with State contract language. The commenter noted that the State's boiler-plate language in Rider B, 20 states that "agreements must have the approval of the State Controller and the State Purchases Review Committee before it is considered a valid enforceable agreement." The commenter stated that changes in the documents that do not follow such approval process are neither valid nor enforceable, and are therefore not auditable agreements. (6)

Response – In its Policy & Procedures Manual, the DHHS Division of Purchased Services gives Agreement Administrators fifteen (15) days to approve a budget revision. It is not the intention of these MAAP rules to reiterate policies and procedures for Department personnel, as those policies and procedures are beyond the scope of these rules. The Department did not make any changes to the final rule as a result of comments made by commenters (1), (2) and (5).

Minor changes to an agreement, such as a budget revision, do not require the approval of the State Controller and the State Purchases Review Committee. The Department did not make any changes to the final rule as a result of the comment made by commenter (6).

§ .04. C. 3.(d)

19. One commenter stated that this section should be amended to read: “The total agency commitment differs from the budgeted amount by at least 10% or \$1,000, whichever is greater.” (1)

Response – An agency commitment is defined in the MAAP rule as the amount of funding the community agency has pledged to the program. Unlike expenses where the budgeted expenses do not always match actual expenses, the agency commitment is a fixed number, where the budgeted commitment should equal the actual funds committed. Therefore, the Department does not allow for a variance in what should be a fixed amount. Should the agency need to change its commitment for good cause during the year, the agency can request a budget revision. The Department did not make any changes to the final rule as a result of this comment.

§ .04 C. 4.

20. One commenter stated the second sentence of this section should be changed to: “The Department enters into agreements where the Department participates in programs with multiple funding sources. Below are the Department cost sharing principles to be followed in the budget and settlement process for the funds committed to programs with multiple funding sources.” (1)

Response – The Department has opted to describe the settlement process for all agreements, whether the agreement is funded by Department funds or multiple funds. If the agreement involves only Department funds, many of the steps described in the section would not be applicable. The Department has changed the title of this section to “Cost Sharing Settlements” from the original “Cost Sharing Settlements (Multiple Funding Sources).”

§ .04 C. 4.(a)

21. One commenter stated that the last sentence in this section exemplifies the mischaracterization of the settlement process. The commenter stated that the settlement process is not a “cost sharing” process. The commenter said that the process developed in MAAP for settlement is a process of revenue sharing, and its purpose is to bring principles that allow the State to share in all possible funding sources versus paying for an equitable amount of costs. (6)

Response – Section .01 B. 14. defines a cost shared settlement as an agreement where multiple funding sources share in the expense of a funded service. Whether or not Department funding pays for an equitable amount of costs is beyond the scope of these rules. The Department did not make any changes to the final rule as a result of this comment.



§ .04, C. 4.(i)

22. One commenter stated that calling the final financial report the “agreement closeout report” is inaccurate. The commenter stated that the Agreement Closeout Reports are due within 90 days after the agency’s fiscal year end (and are typically unaudited by the IPA), whereas the MAAP reports are due within 9 months and represent the true “final financial report”. (6)

Response – The Department disagrees. Under Section .02, C. the community agency will prepare the Schedule of Expenditures of Department Agreements (SEDA) based on its final closeout report(s) and any interim reports for agreements that have not closed. The IPA will opine on the SEDA as it was prepared by the agency. The nine-month time frame is to give an agency time to have its audit completed. The final closeout report, which is due no later than 90 days after the agreement termination date, is the report that the Department will settle. Any reports submitted after that time will not be accepted, as the Department has unencumbered any remaining funds in the agreement. The Department did not make any changes as a result of this comment.

§ .04 C. 6. and §.05 B.

23. One commenter stated that this section references the “examination process” but fails to establish a clear process for both parties. The commenter stated that it seems reasonable to establish time frames for State responsibilities similar to those established for community agencies. (6)

Another commenter stated that MAAP sets forth the time frame within which community agencies must file their reports to the Department. The commenter stated that this section indicates the time frames within which community agencies must respond to a Department examination of their submitted reports. The commenter said that this section is silent as to the time frame within which the Department must perform an examination of the community agency’s submitted reports. The commenter stated that this has been an area of great frustration in the past where it could be several years after the audit report has been submitted before the Department issues an examination report. The commenter stated that without timely feedback, the community agency does not receive timely feedback of any problems encountered with the settlement. The commenter said that a second problem with untimely examinations is that the agency has only sixty (60) days to respond to an examination. The commenter stated that when the examination is for an older year, the agency needs to go to the historical filing sites and pull out the agreement files to review them to ensure that agency is in agreement with the Department, and if not, research and prepare a response, all the while continuing current operations. The commenter said that while the Division of Audit has made a concentrated effort to get caught up on its examinations, there needs to be something in the MAAP rules so history does not repeat itself. The commenter recommended the following language be added to Section .04, C. 6.(c):

The Division of Audit shall prepare an examination report of community agencies selected for Department examination. The results will be communicated to the community agency and the Department within nine months of the community agency submission of their statements to the Division of Audit. Failure to issue an examination report to the community agency within this timeframe constitutes acceptance by the Department of the report as filed. (2)

Response – The Division of Audit has made a concentrated effort to become current with its examinations of community agencies. However, the Division of Audit is not guaranteed that sufficient resources will be provided in the future to allow the Division to continue in its efforts to bring all examinations current. The Department made no changes to the final rule as a result of this comment.

§ .04 D. 1.

24. One commenter stated that under Step b, there is a 1. under DHHS appeals, but a step b under DOT step b appeals. To be consistent, the commenter recommends a 2. next to the DOT.

Response – The Department agrees and has made the suggested change.

§ .05 A. 2.

25. One commenter stated that the word “negotiate” should be changed to “establish,” as the process does not allow for negotiation to occur between the parties. (6)

Response – The Department disagrees. According to the Merriam-Webster Dictionary, the definition of negotiate is: “To confer with another so as to arrive at the settlement of some matter”. It is the Department’s view that all agreements are negotiated. For example, the Department has approval authority over an agency’s budget, but the Department does not set the budget for the agency. The Department did not make any changes to the final rule as a result of this comment.

**Commenters:**

1. Charles Newton, Penquis
2. Paul L. Morgan, CMA, Penquis
3. Julia Colpitts, Maine Coalition to End Domestic Violence
4. Brenda Peluso, Maine Association of Nonprofits
5. Debra Parry, Seniors Plus
6. Dale Hamilton, Community Health and Counseling Services