

124th Legislature LD 45 HP0040
Appropriations and Financial Affairs

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009. **Presented by** Representative CAIN of Orono. **Public Hearings** 01/05/09, 01/06/09, 01/07/09. OTPAM Accepted 01/27/09. **Amended by:** CA H-2. **Final Disposition:** Emergency Enacted, Signed 01/29/09, PUBLIC LAWS, Chapter 1.

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

FIRST REGULAR SESSION
December 3, 2008 to June 13, 2009

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 12, 2009

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Augusta, Maine
2009

PUBLIC LAWS OF THE STATE OF MAINE
AS PASSED AT
THE FIRST REGULAR SESSION OF THE
ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
2009

**CHAPTER 1
H.P. 40 - L.D. 45**

**An Act To Make Supplemental
Appropriations and Allocations
for the Expenditures of State
Government and To Change
Certain Provisions of the Law
Necessary to the Proper
Operations of State
Government for the Fiscal
Year Ending June 30, 2009**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Accident - Sickness - Health Insurance 0455

Initiative: Eliminates one Office Assistant II position, one Radio Mechanic position and one Secretary position in the Information Services program; one Public Health Nurse II position in the Workers' Compensation Management Fund Program; and one Secretary position in the Accident - Sickness - Health Insurance program. Savings will be used to offset collective bargaining costs in fiscal year 2008-09.

	2008-09	2009-10	2010-11
ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND			
POSITIONS - LEGISLATIVE COUNT	(1,000)	0.000	0.000

ACCIDENT, SICKNESS AND HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	\$0	\$0	\$0
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Administration - Human Resources 0038

Initiative: Provides funding to cover unanticipated leased space expenses.

	2008-09	2009-10	2010-11
GENERAL FUND			
All Other	\$55,600	\$0	\$0
GENERAL FUND TOTAL	\$55,600	\$0	\$0

Buildings and Grounds Operations 0080

Initiative: Adjusts funding for anticipated changes in heating fuel costs.

	2008-09	2009-10	2010-11
GENERAL FUND			
All Other	\$2,130,571	\$0	\$0
GENERAL FUND TOTAL	\$2,130,571	\$0	\$0

Buildings and Grounds Operations 0080

Initiative: Adjusts funding for anticipated changes in utility costs.

	2008-09	2009-10	2010-11
GENERAL FUND			
All Other	(\$24,131)	\$0	\$0
GENERAL FUND TOTAL	(\$24,131)	\$0	\$0

Buildings and Grounds Operations 0080

FUND FOR A HEALTHY MAINE	\$30,549	\$0	\$0
OTHER SPECIAL REVENUE FUNDS	\$608,253	\$0	\$0
FINANCIAL AND PERSONNEL SERVICES FUND	\$112,640	\$0	\$0
POSTAL, PRINTING AND SUPPLY FUND	\$67,191	\$0	\$0
OFFICE OF INFORMATION SERVICES FUND	\$291,225	\$0	\$0
FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	\$0	\$0	\$0
SECTION TOTAL - ALL FUNDS	\$1,188,033	\$0	\$0

- (2) In fiscal year 2006-07, 84%;
- (3) In fiscal year 2007-08, 84%;
- (4) In fiscal year 2008-09, 50% ~~45%~~; and
- (5) In fiscal year 2009-10 and succeeding years, 84%.

Sec. C-3. PL 2007, c. 539, Pt. C, §17 is amended to read:

Sec. C-17. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2008-09 is ~~6.55~~ 6.79.

Sec. C-4. PL 2007, c. 539, Pt. C, §19 is amended to read:

Sec. C-19. Local and state contributions to total cost of funding public education from kindergarten to grade 12. The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2008 and ending June 30, 2009 is calculated as follows:

	2008-09	2008-09
	LOCAL	STATE

Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12

Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683	\$ 837,488,866	\$ 983,537,536
	<u>\$864,544,910</u>	<u>\$956,481,491</u>

Sec. C-5. Waiver; required local contribution. For fiscal year 2008-09 general purpose aid for local schools funding only, for those school administrative units that do not raise the increased required local contribution pursuant to the Maine Revised Statutes, Title 20-A, section 15690, subsection 1 that results from increasing the mill expectation from 6.55 to 6.79, there will be no proportional reduction to the state share pursuant to Title 20-A, section 15690, subsection 1, paragraph C.

PART C

Sec. C-1. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2007, c. 539, Pt. C, §4, is further amended to read:

B. The annual targets for the state share percentage of the statewide adjusted total cost of the components of essential programs and services are as follows.

- (1) For fiscal year 2005-06, the target is 52.6%.
- (2) For fiscal year 2006-07, the target is 53.86%.
- (3) For fiscal year 2007-08, the target is 53.51%.
- (4) For fiscal year 2008-09, the target is ~~54.01%~~ 52.52%.
- (5) For fiscal year 2009-10 and succeeding years, the target is 55%.

Sec. C-2. 20-A MRSA §15689, sub-§1, ¶B, as amended by PL 2007, c. 539, Pt. C, §10, is further amended to read:

B. The school administrative unit's special education costs as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

- (1) In fiscal year 2005-06, 84%;

PART D

Sec. D-1. Transfer; unexpended funds; Capital Construction Reserve Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$1,483,545 in unexpended funds from the Department of Administrative and Financial Services, Bureau of General Services - Capital Construction Reserve Fund, Other Special Revenue Funds ac-

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AUGUSTA, MAINE



124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 45

H.P. 40

House of Representatives, January 5, 2009

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009

(EMERGENCY)

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CAIN of Orono. (GOVERNOR'S BILL)
Cosponsored by Senator DIAMOND of Cumberland.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not become
2 effective until 90 days after adjournment unless enacted as emergencies; and
3 **Whereas,** the 90-day period may not terminate until after the beginning of the next
4 fiscal year; and
5 **Whereas,** certain obligations and expenses incident to the operation of state departments
6 and institutions will become due and payable immediately; and
7 **Whereas,** in the judgment of the Legislature, these facts create an emergency within the
8 meaning of the Constitution of Maine and require the following legislation as immediately
9 necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

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

14 ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

15 Accident - Sickness - Health Insurance 0455

16 Initiative: Eliminates one Office Assistant II position, one Radio Mechanic position and one
17 Secretary position in the Information Services program; one Public Health Nurse II position
18 in the Workers' Compensation Management Fund Program; and one Secretary position in the
19 Accident - Sickness - Health Insurance program. Savings will be used to offset collective
20 bargaining costs in fiscal year 2008-09.

	2008-09	2009-10	2010-11
22 ACCIDENT, SICKNESS AND			
23 HEALTH INSURANCE			
24 INTERNAL SERVICE FUND			
25 POSITIONS - LEGISLATIVE	(1,000)	0.000	0.000
26 COUNT			
27			
28 ACCIDENT, SICKNESS AND	\$0	\$0	\$0
29 HEALTH INSURANCE INTERNAL			
30 SERVICE FUND TOTAL			

31 Administration - Human Resources 0038

32 Initiative: Provides funding to cover unanticipated leased space expenses.

	2008-09	2009-10	2010-11
34 GENERAL FUND			
35 All Other	\$55,600	\$0	\$0
36			
37 GENERAL FUND TOTAL	\$55,600	\$0	\$0

1	PUBLIC SAFETY, DEPARTMENT			
2	OF			
3	DEPARTMENT TOTALS			
4		2008-09	2009-10	2010-11
5	FUND FOR A HEALTHY MAINE	\$30,549	\$0	\$0
6	OTHER SPECIAL REVENUE FUNDS	\$363,978	\$0	\$0
7				
8				
9	DEPARTMENT TOTAL - ALL FUNDS	<u>\$394,527</u>	<u>\$0</u>	<u>\$0</u>
10				
11	SECTION TOTALS			
12		2008-09	2009-10	2010-11
13	GENERAL FUND	\$0	\$0	\$0
14	FEDERAL EXPENDITURES FUND	\$78,175	\$0	\$0
15				
16	FUND FOR A HEALTHY MAINE	\$30,549	\$0	\$0
17	OTHER SPECIAL REVENUE FUNDS	\$608,253	\$0	\$0
18				
19	FINANCIAL AND PERSONNEL SERVICES FUND	\$112,640	\$0	\$0
20				
21	POSTAL, PRINTING AND SUPPLY FUND	\$67,191	\$0	\$0
22				
23	OFFICE OF INFORMATION SERVICES FUND	\$291,225	\$0	\$0
24				
25	FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS HEALTH INSURANCE PROGRAM FUND	\$0	\$0	\$0
26				
27				
28				
29				
30	SECTION TOTAL - ALL FUNDS	<u>\$1,188,033</u>	<u>\$0</u>	<u>\$0</u>

PART C

32 **Sec. C-1. 20-A MRSA §15671, sub-§7, ¶B**, as amended by PL 2007, c. 539, Pt. C,
33 §4, is further amended to read:

34 B. The annual targets for the state share percentage of the statewide adjusted total cost of
35 the components of essential programs and services are as follows.

- 36 (1) For fiscal year 2005-06, the target is 52.6%.
37 (2) For fiscal year 2006-07, the target is 53.86%.
38 (3) For fiscal year 2007-08, the target is 53.51%.
39 (4) For fiscal year 2008-09, the target is ~~54.01%~~ 52.52%.
40 (5) For fiscal year 2009-10 and succeeding years, the target is 55%.

1 **Sec. C-2. 20-A MRSA §15689, sub-§1, ¶B**, as amended by PL 2007, c. 539, Pt. C,
2 §10, is further amended to read:

3 B. The school administrative unit's special education costs as calculated pursuant to
4 section 15681-A, subsection 2 multiplied by the following transition percentages:

- 5 (1) In fiscal year 2005-06, 84%;
6 (2) In fiscal year 2006-07, 84%;
7 (3) In fiscal year 2007-08, 84%;
8 (4) In fiscal year 2008-09, ~~50%~~ 45%; and
9 (5) In fiscal year 2009-10 and succeeding years, 84%.

10 **Sec. C-3. PL 2007, c. 539, Pt. C, §17** is amended to read:

11 **Sec. C-17. Mill expectation.** The mill expectation pursuant to the Maine Revised
12 Statutes, Title 20-A, section 15671-A for fiscal year 2008-09 is ~~6.55~~ 6.79.

13 **Sec. C-4. PL 2007, c. 539, Pt. C, §19** is amended to read:

14 **Sec. C-19. Local and state contributions to total cost of funding public**
15 **education from kindergarten to grade 12.** The local contribution and the state
16 contribution appropriation provided for general purpose aid for local schools for the fiscal
17 year beginning July 1, 2008 and ending June 30, 2009 is calculated as follows:

	2008-09	2008-09
	LOCAL	STATE
Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683	<u>\$837,488,866</u>	<u>\$983,537,536</u>
	<u>\$864,544,910</u>	<u>\$956,481,491</u>

30 **Sec. C-5. Waiver; required local contribution.** For fiscal year 2008-09 general
31 purpose aid for local schools funding only, for those school administrative units that do not
32 raise the increased required local contribution pursuant to the Maine Revised Statutes, Title
33 20-A, section 15690, subsection 1 that results from increasing the mill expectation from 6.55
34 to 6.79, there will be no proportional reduction to the state share pursuant to Title 20-A,
35 section 15690, subsection 1, paragraph C.

M
R. of S.

Date: 1/26/09

(Filing No. H- 2)

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 40, L.D. 45, Bill, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009 "

Amend the bill by striking out everything after the title and before the summary and inserting the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Accident - Sickness - Health Insurance 0455

Initiative: Eliminates one Office Assistant II position, one Radio Mechanic position and one Secretary position in the Information Services program; one Public Health Nurse II position in the Workers' Compensation Management Fund Program; and one Secretary position in the Accident - Sickness - Health Insurance program. Savings will be used to offset collective bargaining costs in fiscal year 2008-09.

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PART C

Sec. C-1. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2007, c. 539, Pt. C, §4, is further amended to read:

B. The annual targets for the state share percentage of the statewide adjusted total cost of the components of essential programs and services are as follows.

- (1) For fiscal year 2005-06, the target is 52.6%.
- (2) For fiscal year 2006-07, the target is 53.86%.
- (3) For fiscal year 2007-08, the target is 53.51%.
- (4) For fiscal year 2008-09, the target is ~~54.01%~~ 52.52%.
- (5) For fiscal year 2009-10 and succeeding years, the target is 55%.

Sec. C-2. 20-A MRSA §15689, sub-§1, ¶B, as amended by PL 2007, c. 539, Pt. C, §10, is further amended to read:

B. The school administrative unit's special education costs as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

- (1) In fiscal year 2005-06, 84%;
- (2) In fiscal year 2006-07, 84%;
- (3) In fiscal year 2007-08, 84%;
- (4) In fiscal year 2008-09, ~~50%~~ 45%; and
- (5) In fiscal year 2009-10 and succeeding years, 84%.

Sec. C-3. PL 2007, c. 539, Pt. C, §17 is amended to read:

Sec. C-17. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2008-09 is ~~6.55~~ 6.79.

Sec. C-4. PL 2007, c. 539, Pt. C, §19 is amended to read:

Sec. C-19. Local and state contributions to total cost of funding public education from kindergarten to grade 12. The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2008 and ending June 30, 2009 is calculated as follows:



TESTIMONY SIGN UP SHEET

JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS
&
JOINT STANDING COMMITTEE ON EDUCATION & CULTURAL AFFAIRS

DATE: 1-6-09

<u>NAME</u>	<u>TOWN/AFFILIATION</u>	<u>FOR</u>	<u>AGAINST</u>	<u>NEITHER FOR NOR AGAINST</u>	<u>PLEASE SPECIFY ISSUE(S)</u>
Jim Rier	Dept. of Education				
James Jurdack	Augusta School Department		X		
Mary Ellen Wilson	Cumberland Foreside		X		
Mary Anne Turowski	MSEA		X		
Beth Bordowitz					
Victoria Larson	Maine Maritime Academy				
John Barlow	Maine Maritime Academy				
John Fitzsimmons	Maine Community College				
Richard Pattenaude	University of Maine System				
Stephen Bowen	ME Heritage Policy Center				
Dr. George Spann	Thomas College				
Donna McNeil	Maine Arts Commission				
Earl Shettleworth	Historic Preservation Commission				
Erik Jorgensen	Maine Humanities Council				
Linda Lord	Maine State Library				
Linda Lord	Cultural Affairs Council				



TESTIMONY SIGN UP SHEET

JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS
&
JOINT STANDING COMMITTEE ON EDUCATION & CULTURAL AFFAIRS

DATE: 1-6-09

<u>NAME</u>	<u>TOWN/AFFILIATION</u>	<u>FOR</u>	<u>AGAINST</u>	<u>NEITHER FOR NOR AGAINST</u>	<u>PLEASE SPECIFY ISSUE(S)</u>
Ellen King, ME School Supt.	Boothbay Harbor		X		
Erica Kimball	ME School Boards Assc./Hampden		X		
Cathy Newell	Maine Adult Education				
Lynn Schardel	MECDHH/GBSD		X		
Karen Hopkins	MECDHH		X		
Darleen Winship	MECDHH		X		
Dr. Romy Spitz	Brunswick		X		
Chris Galgay	Maine Education Association		X		
Anne Banger	Woolwich		X		
Elissa Moran	E.D. ME Center on Deafness		X		
Larry Mead	Kennebunkport/Mars Hill		X		
Eva Giles	Adult Education/Lewiston		X		
Mary Martin	Mechanic Falls		X		
Jeanne Whynot-Vickers	Portland		X		
Carrie Castonguay					
Ann Weisleder	State Board of Education		X		

Teatr

**TESTIMONY
OF
SUSAN A. GENDRON, COMMISSIONER
DEPARTMENT OF EDUCATION**

Before the Joint Standing Committee on Appropriations and Financial Affairs
And the Joint Standing Committee on Education and Cultural Affairs
Hearing Date: January 6, 2009

LD 45 “An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009.”

Senators Diamond and Alford, Representatives Cain and Sutherland, and Members of the Joint Standing Committees on Appropriations and Financial Affairs and Education and Cultural Affairs. My name is Jim Rier and I am the Team Leader, School Finance and Operations of the Department of Education. I am here today representing Commissioner Susan A. Gendron, and to present testimony in support of those Departmental items presented in LD 45.

The Department of Education has twelve (12) initiatives in **PART A** which include recommended curtailment funding reductions as well as some new initiatives.

PART C provide the adjusted FY 09 recommended funding level for general purpose aid for local schools, specifies the mill expectation and the total cost of funding public education from kindergarten to grade 12.

PART U authorizes the Commissioner of Education to accelerate the process for renewal notices for teacher's certificates resulting in additional one-time undedicated revenue to the General Fund in FY 09. I will present testimony in the order they appear in my testimony and in the **LD** by page number and line number.

PART A

ADULT EDUCATION

The **Part A** supplemental initiative for the Adult Education is in two parts, and may be found on **Page 52 Lines 17 and 25 of the LD**.

The initiative on Line 17 reduces adult education funding for local program state subsidy by \$278,789 as part of the curtailment funding reductions. These reductions will require reductions at the local program level or an increase in local effort.

The initiative on Line 25 reduces adult education funding by \$48,440 as part of the curtailment funding reductions. Support for the college transition program sites, administrative costs of the contract for technical assistance to college transition sites and support to Literacy Volunteers will be reduced.

AFTER SCHOOL PROGRAM FUND

The **Part A** supplemental initiative for the After School Program Fund may be found on **Page 52 Line 34 of the LD.**

The initiative reduces After School Program funding by \$1,302 as part of the curtailment funding reductions. 21st Century funding support for the program will continue.

EDUCATION IN UNORGANIZED TERRITORY

The **Part A** supplemental initiative for the Education in the Unorganized Territory may be found on **Page 53 Lines 5 and 12 of the LD.**

The initiative on **Line 5** increases funding of \$64,087 for unanticipated (36%) increases in heating fuel costs for the EUT schools.

The initiative on **Line 12** transfers funding from the Personal Services line category (\$650,000) to the All Other line category \$450,463 and Capital Expenditures line category \$135,450 for unanticipated increases in vehicle fuel (40%), replacement of two school buses, increases in tuition costs to public schools (6%) and unpaid tuition bills carried forward from FY 2007-2008.

SCHOOL BREAKFAST PROGRAM

The **Part A** supplemental initiative for the School Breakfast Program may be found on **Page 53 Line 26 of the LD.**

The initiative increases funding of \$11,000 from the Fund for a Healthy Maine to the School Breakfast Program for the increased costs of data software upgrades associated with the increased number of school breakfasts.

LEADERSHIP

The **Part A** supplemental initiative for Leadership may be found on **Page 54 Lines 5 and 15 of the LD.**

The initiative on **Line 5** provides a funding allocation in the Commissioner's Leadership Team Office of \$825,000 received from grants and private contributions other than the Federal Government. These grants and contributions are expended from this Private Contribution / Grant account.

The initiative on **Line 15** reduces the general operating costs including travel and office supplies of the Commissioner's Leadership Team Office by \$3,942 as part of the curtailment funding reductions.

LEARNING SYSTEMS

The **Part A** supplemental initiative for Learning Systems may be found on **Page 54 Lines 24 and 33 of the LD.**

The initiative on **Line 24** reduces the Learning Systems operating costs by \$4,914, including photocopying, office supplies and support for the Maine Principals' Academy as part of the curtailment funding reductions.

The initiative on **Line 33** reduces funding for special education due process complaint investigations by \$26,424. It also reduces the student assessment contract by \$400,000 by eliminating the writing assessment for one year as part of the curtailment funding reductions.

LEARNING THROUGH TECHNOLOGY

The **Part A** supplemental initiative for Learning Through Technology may be found on **Page 55 Line 5 of the LD.**

The initiative provides funding of \$3,446 to the Learning Through Technology Program to correct a negative appropriation balance created in the budget last session.

MANAGEMENT INFORMATION SYSTEMS

The **Part A** supplemental initiative for Management Information Systems may be found on **Page 55 Line 13 of the LD.**

The initiative reduces funding by \$128,589 to local regional planning committees forming regional school units as part of the curtailment funding reductions.

REGIONAL SERVICES

The **Part A** supplemental initiative for Regional Services may be found on **Page 55 Line 32 and Page 56 Lines 5 and 13 of the LD.**

The initiative on **Page 55 Line 32** reduces All Other funding that supports the National Assessment of Educational Processes position by \$7,400 as part of the curtailment funding reductions.

The initiative on **Page 56 Line 5** reduces funding by \$30,000 from salary savings of one Regional Representative position as part of the curtailment funding reductions. The position will be left vacant from January 2009 through the end of the fiscal year.

The initiative on **Page 56 Line 13** reduces funding by \$10,200 for Regional Services operating costs including travel, photocopying and office supplies as part of the curtailment funding reductions.

TEACHER RETIREMENT

The **Part A** supplemental initiative for Teacher Retirement may be found on **Page 56 Line 22 of the LD.**

The initiative adjusts funding to partially offset a deappropriation to Teacher Retirement in Public Law 2007, Chapter 240, Part T, to assure sufficient cash flow to pay the amount due to the MSRS in FY 2008-2009.

GENERAL PURPOSE AID FOR LOCAL SCHOOLS

The **Part A** supplemental initiative for General Purpose Aid for Local Schools (GPA) may be found on **Page 53 Line 35, and on Page 54 Line 1 of the LD.**

The initiative reduces funding available for General Purpose Aid in FY 2008-2009 by \$27,046,649 as part of the curtailment funding reductions.

LANGUAGE SECTION

PART C

Part C language can be found on **Page 162 Line 31 of the LD.**

Part C provides the recommended funding level for general purpose aid for local schools. It specifies a mill expectation of 6.79 for fiscal year 2008-2009; the total cost of funding public education from kindergarten to grade 12, consisting of total operation allocation, and the state and local share of those costs; and a waiver from the requirement that school administrative units must raise the additional mill rate expectation to reach 6.79 mills or face a reduction in the state contribution.

PART U

Part U language can be found on **Page 170 Line 9 of the LD.**

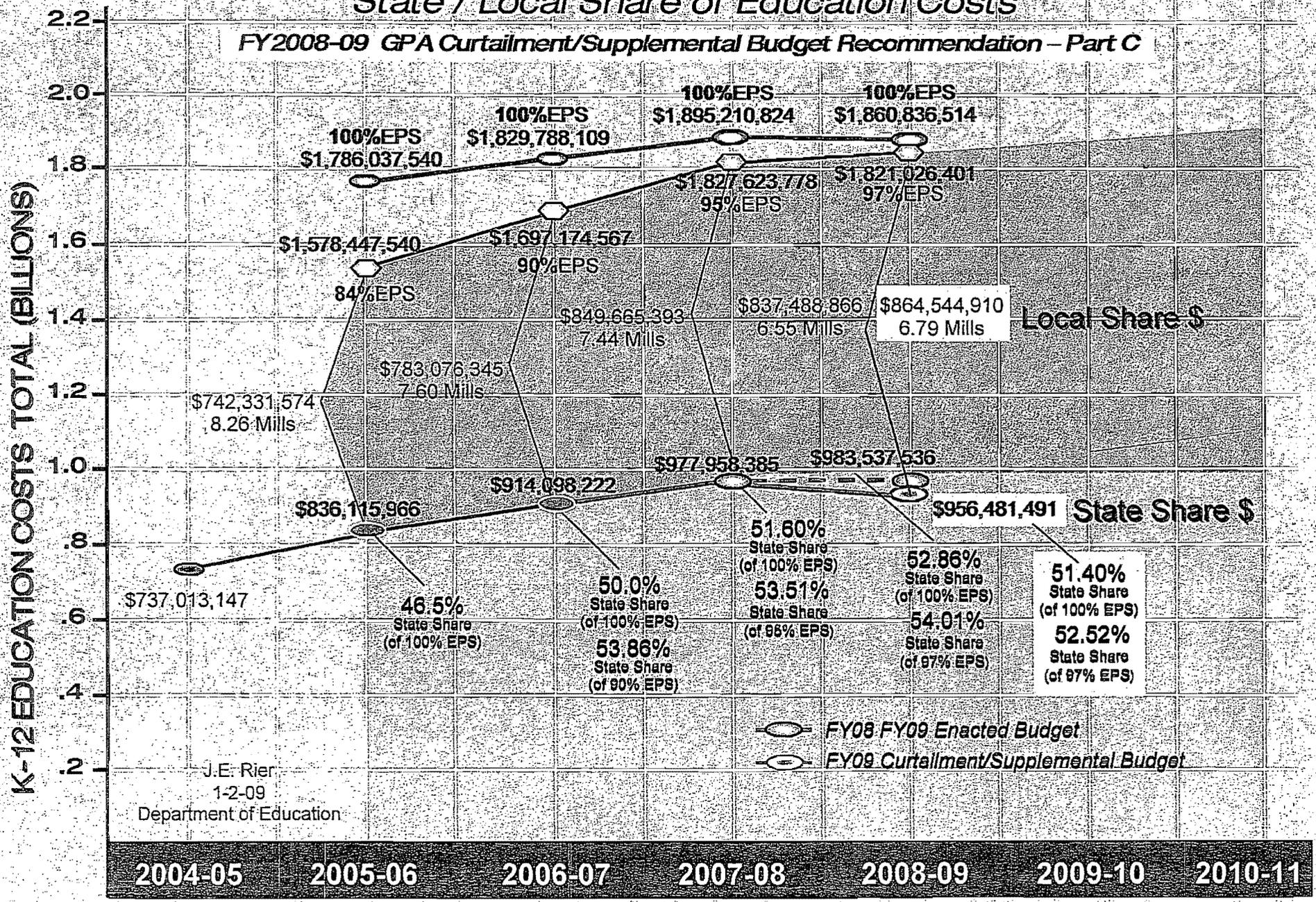
Part U authorizes the Commissioner of Education to accelerate the process for renewal notices for teachers who hold provisional certificates and provisional extensions resulting in additional one-time undedicated revenue to the General Fund of \$50,000 in fiscal year 2008-2009.

I am pleased to have presented the Department's **PART A** supplemental budget request on behalf of Commissioner Gendron, and we all look forward to working with both Committees in the days ahead to resolve the funding crisis addressed in LD 45 while preserving equity for every student toward the achievement of Maine's Learning Results.

Education Funding Law Implementation

State / Local Share of Education Costs

FY2008-09 GPA Curtailment/Supplemental Budget Recommendation – Part C



Methodology for Curtailment/Supplemental Budget GPA Reductions and spreadsheet detail for unit by unit subsidy reductions

Please keep in mind that the figures in this spreadsheet reflect the current proposed reduction. We will revise and provide ED-279's when the Legislature acts on the supplemental budget. As revenue projections are revised over the coming months, they could affect both the current year GPA as well as the projected GPA for the coming two-year budget, which begins July 1, 2009.

Essential Programs and Services (EPS) and Funding Law Unchanged

It is important to understand that in calculating the reductions to each school administrative unit, we have not changed the total Essential Programs and Services allocation for individual units or the statewide total. We have re-run with the exact same calculations in the funding law, only with \$27,046,649 less in state share. For minimum special education subsidy receivers, we have reduced the state share from 50 percent of special education EPS allocation to 45 percent.

State/local share of Essential Programs and Services (EPS) allocation

- The state share of \$983,528,141 will be reduced by \$27,046,649 to \$956,481,492, resulting in an increase of the same amount (\$27 million-plus) to the required local share. Using the funding law with no adjustments, that increase in required local contribution is achieved by an increase in the established mill expectation from 6.55 mills (current) to 6.79 mills (with the curtailment). However, unlike in the past, units will not be required to raise that additional amount – see Mill Expectation Waiver below.

Individual unit EPS allocation

- The total EPS allocation for each school administrative unit also remains unchanged (column #1). The new required local contribution of 6.79 mills is shown in column #2. The new reduced state share, as a result of that increased local contribution, is shown in column #4.
- The reduced state share for units that raise less than the established mill rate and qualify for a minimum special education

subsidy adjustment is accomplished by a reduction in the minimum special education adjustment to subsidy from 50% to 45% of their special education EPS allocation.

Column #8 of the spreadsheet compares the current state subsidy with the new curtailed amount and column #9 shows that as a percent change. Column #10 lists the FY2008-09 total state and local spending approved for each unit and column #11 shows the state reduction (column #8) as a percent of that total approved state and local spending.

Mill Expectation Waiver

Section 15690 subsection 1-C requires SAUs to raise the full mill expectation or face a reduction in state contribution. Because of the extraordinary circumstance and the increase in the mill expectation mid-year, the supplemental budget proposal will include a waiver, for FY2008-09, to this requirement. Units will not be required to raise the additional mill expectation to reach 6.79 mills. This waiver will provide the opportunity for units to make adjustments within their currently approved budget to offset the reduced state subsidy when possible without new voter approval of the higher local required mill rate.

Questions Posed to the Department of Education by the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Education and Cultural Affairs
at the January 6, 2009 Public Hearing on L.D. 45 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009

State Board of Education Curtailment

Question 1: What is the detail of the impact of the reduction in All Other for the State Board of Education? (Sen. Schneider)

Response: The State Board of Education has reviewed its budget to achieve efficiencies including reducing its monthly meetings to one day to decrease meeting and overnight lodging cost, limiting the number of conferences attended and the number of State Board members attending, and locating State Board meetings in central locations. This curtailment specifically reduces expenditures in consulting services, contracts, rents and technology.

Adult Education Curtailment

Question # 2: What is the impact of the cuts to Adult Education? (Rep. Rotundo)

Response: The curtailments and balances from budgeted amounts are:

Local Program State Subsidy

\$5,039,332
(\$ 278,789)
\$4,760,543

These reductions will require a reduction in local programs or an increase in local effort and results in a reduction in the number of adult learners served. How these curtailments are absorbed will be determined at the local level. There are currently 120,000 adult learners. The average per learner cost for adult education is \$132.

Literacy Volunteers

\$120,000
(\$ 6,720)
\$113,280

There will be an impact on the literacy related advocacy services and professional development for literacy providers in Maine.

College Transition Program Sites (22 Sites)

\$645,000
(\$36,120)
\$608,880

The impact could be a reduction of \$1,500 for each site either from operations or the number of adults.

College Transition Contract with the Compact for Higher Education

\$100,000
(\$ 5,600)
\$ 94,400

The impact will be on the level of coordination, professional development, and technical assistance to the College Transition Program.

The History of Adult Education Funding from FY 06 to FY 09.

FY 06	\$5,085,544
FY 07	\$5,208,256
FY 08	\$6,206,458
FY 09	\$6,314,474

The total adult education curtailment of \$327,229 will result in a federal award reduction of \$229,229 because state curtailments in excess of \$98,000 will result in the State of Maine not meeting the Maintenance of Effort (MOE) requirement in FY 09.

Question # 3: *Is there collaboration between the Department of Labor and the Department of Education working with people who have lost their jobs or are about to lose their jobs?*
(Rep. Nutting)

Response: *There are no specific requirements for the Department of Education and the Department of Labor to work together but there is considerable collaboration. Currently, Adult Education is working with the Local Workforce Investment Board to offer a WorkReady credential for those who have lost or are about to lose their jobs.*

Question # 4: *Were the Maine Educational Center for the Deaf and Hard of Hearing / Governor Baxter School for the Deaf (MECDHH /GBSD), the Maine School of Science and Mathematics (MSSM), and Jobs for Maine's Graduates (JMG) included in the GPA curtailment and what is the impact of the curtailment?* (Rep. Finch)

Response: *Yes, all these were included as part of the GPA curtailment as follows:*

Jobs for Maine's Graduates (JMG)

FY 09	FY 10
\$1,775,266	\$1,775,266
<u>\$-0-</u>	<u>(\$ 90,000)</u>
\$1,775,266	\$1,685,266

The curtailment for JMG was pushed into FY 10 since the total FY 09 allocation had already been paid.

MECDHH / GBSD

<i>FY 09</i>	<i>FY 10</i>
<i>\$6,111,228</i>	<i>\$5,940,114</i>
<i>(\$ 171,114)</i>	<i>\$-0-</i>
<i>\$5,940,114</i>	<i>\$5,940,114</i>

MSSM

<i>FY 09</i>	<i>FY 10</i>
<i>\$1,888,691</i>	<i>\$2,135,808</i>
<i>(\$ 52,883)</i>	<i>\$-0-</i>
<i>\$1,835,808</i>	<i>\$2,135,808</i>

MSSM was increased by \$300,000 in FY 10 to accommodate an increase in rent of facilities.

The Maine Educational Center for the Deaf and Hard of Hearing / Governor Baxter School for the Deaf (MECDHH / GBSD), the Maine School of Science and Mathematics (MSSM), and Jobs for Maine's Graduates (JMG) will apply these curtailments to their individual budgets and will speak to the impacts on their own behalf.

Question # 5: How was the Educational Center for the Deaf and Hard of Hearing / Governor Baxter School for the Deaf (ECDHH / GBSD) able to absorb the previous cut given contradictory testimony regarding the effects of those cuts? (Rep. Rotundo)

Response: The Department of Education has been in discussions with the MECDHH / GBSD since last year when the \$500,000 budget reduction was proposed and adopted. Speaker Glenn Cummings and other legislative leaders indicated to the leadership of MECDHH / GBSD last year that they should review their structure, both business and programmatic. The Department of Education has had a consultant working with the GBSD business manager and leadership staff to develop a new chart of accounts and discussions have begun to look for efficiencies within the organization including the number of staff, program delivery, buildings and grounds, residential and day school program and all other operations. The reduction of \$171,114 from the total of \$6,111,228 budget is part of that review and planning for efficiencies.

Question # 6: Why is the Writing Assessment being eliminated for one year and what impact will that have on student learning? (Sen. Schneider)

Response: The decision to eliminate writing this year was based on:

- There were concerns about the validity of the results of the 2007 writing assessment results and a new writing assessment needs to be developed.*

- *The writing portion of the MEA is not required for No Child Left Behind.*
- *Writing will be part of the NECAP consortium and the new writing assessment will be field tested in the fall of 2009, thus leaving the question of the need to have a March 2009 writing assessment.*
- *The specific writing assessment applies to grades 5 and 8. The PSAT's and the SAT's will still be administered at the high school level.*
- *The state assessment is only one of multiple assessment measures at the local level. Local writing assessments and data that inform instruction will continue.*
- *Financial savings can be achieved in the interim.*

Question # 7: Do you show the amount and percentage of state and local share of GPA? (Rep. Millett)

Response: The amount and percentage of state and local share for FY 10 is included in PART C of the proposed Biennial Budget. The amount of the state share for FY 11 is also included in PART C, but the FY 11 local share and the state and local percentage have not been calculated.

Federal Funds

Question # 8: What is the number and status of vacant Federal positions? (Rep. Webster)

Response: Department of Administrative and Financial Services Commissioner Ryan Low is getting responses from all of the state agencies regarding the number and status of federal position vacancies and will be forwarding a coordinated specific response to the Committees.

Question # 9: Are all Federal funds being maximized and fully expended? (Rep. Webster)

Response: The Department of Education is maximizing the use of all federal funds it has received and has historically done so. Management of these funds sometimes requires some carry-over from one fiscal year to another due to contractual procedures, and LEA awards based on federal cycles. However, all federal funds are maximized and fully expended during the time frames of the federal awards or under appropriate extensions granted by the federal programs.

However, the curtailment of \$327,229 in Adult Education will result in a federal award reduction of \$229,229 because state curtailments in excess of \$98,000 will result in the State of Maine not meeting the Maintenance of Effort (MOE) requirement in FY 09.

General Requests

Question # 10: What are anticipated or hoped for effects on Education of a federal stimulus package? (Rep. Webster)

Response: The Department of Education has had preliminary communications with President-elect Obama's administration regarding:

Specific funding for the modernization, renovation and repair of public schools, which potentially could bring \$35-40 million.

Secondly, there is anticipation that the federal Individuals with Disabilities Education Act [IDEA] will be fully funded to the 40%. At the present time we receive 17%. The additional funding could be as much as \$86 million for Part B school-age.

Thirdly, there may be funding for hiring new evaluation and direct service personnel for early childhood special education under IDEA.

Fourth, we hope that there will be an increase in the federal government's share of Maine care.

Fifth, there may be funding to invest in technology infrastructure, creation of technology enhanced classrooms and broadband.

Question # 11: If asked to update curtailment today, would the numbers change or are they "solid"? (Rep. Millett)

Response: The Department of Education numbers are "solid" and would not change.

Question # 12: Does each initiative represent one-time savings? (Rep. Millett)

Response: Of the twelve (12) initiatives that result in curtailment savings, two (2) are one-time and the other ten (10) are permanent.

The two (2) one-time curtailments are:

LD 45, Page 55 Line 13: I-A-7904 Management Information System

LD 45, Page 55 Line 32: I-A-7906 Regional Services

There are four (4) other initiatives that are not curtailments but are also "one-time adjustments" that do not impact the FY 10 or FY 11 baseline.

LD 45, Page 53 Line 12: I-A-82 Education in the Unorganized Territory

LD 45, Page 55 Line 5: I-A-85 Learning Through Technology

LD 45, Page 56 Line 22: I-A-7000 Teacher Retirement

LD 45, Page 53 Line 26: I-A-83 School Breakfast

Christopher J. Galgay *President*
Lois Kilby-Chesley *Vice President*
Joyce A. Blakney *Treasurer*
Grace E. Leavitt *NEA Director*
Dan Allen *NEA Director*

January 6th, 2009

Mark L. Gray *Executive Director*

Dear Members of the Appropriations and Financial Affairs Committee and Members of the Education and Cultural Affairs Committee:

Senator Diamond, Representative Cain, members of the Appropriations and Financial Affairs Committee; Senator Alford, Representative Sutherland, members of the Education and Cultural Affairs Committee. My name is Chris Galgay and I am presently serving as President of the Maine Education Association. As I am sure most of you know the MEA represents more than 25,000 Maine educators who work in every K-12 public school system in Maine, in our Community Colleges across the state, within the University of Maine System, and for the Maine Public Broadcast Corporation.

I am here today to oppose the proposed cuts in the Governor's budget to our K-12 public schools, to our Community Colleges, to the University of Maine System, and to MPBC.

Like most Mainers I am keenly aware that these are very tough economic times. However, we hope that each of you will have the wisdom and foresight to look beyond the next few weeks. While it is clear that over the next few weeks this legislature and the Governor will have some very difficult decisions to make, you must also be aware of the impact your decisions will have on the future of Maine's economy and the education systems that support our economy.

We also understand that by the end of the session the Legislature has an obligation to deliver a balanced budget. But as elected representatives, you also have an opportunity to put in place the elements that will lead Maine out of this depressed economy.

There have been many discussions and debates within the Legislature over the past several years about Maine's workforce for the 21st Century. A significant part of every one of those discussions and debates has focused on improving the quality of education that is offered by our K-12 schools and increasing our investments in Maine's Community Colleges and in our University System.

How about the cost of attending Maine's colleges? Has our State lost its way on providing an affordable post secondary education for its young people and its citizens? When tuition is raised year after year to make up for the State's lack of financial

investment in our Community Colleges and in our Universities, are we making the necessary investments in our State's future; are we holding down costs for our students and our citizens; or are we simply shifting these State investment obligations on to those taxpayers who have chosen to prepare themselves to participate in Maine's 21st century economy?

Finally, I would like to remind each of you as members of the Appropriations and Education Committees that the voters of Maine made their investment interests clear in 2004. An overwhelming majority of Maine voters said they wanted the State to pay 55% of the cost of K-12 education immediately and take the majority burden of funding our public schools off local property taxpayers. To date, the Governor and the Legislature have ignored the will of Maine voters. It began with a proposed four year ramp to 55% state funding for our public schools...and now the ramp has become flat. The State continues to "talk the talk" about the importance of investing in our students and in our 21st Century economy, but we continue to fail to "walk that talk".

I stand here today as President of the Maine Education Association to ask you not to turn away from your obligation to adequately fund our public schools and our students' futures. Cutting GPA will not lower the tax burden in Maine; it will increase the tax burden by shifting it back to local property taxpayers.

In closing I would like to say again that I understand the many difficult decisions that must be made in the days ahead, but please keep in mind that although education is reflected as a cost in the State's budget, every dollar the State spends on education is an investment in the Maine economy. Simply put, Maine can't afford to cut its investments in our public education systems at any level and still be prepared for the future.

Sincerely,

A handwritten signature in black ink that reads "Chris Galgay". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Chris Galgay
MEA President



Maine School Superintendents Association

"Better Schools for Maine Students"

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MSSA EXECUTIVE DIRECTOR
SANDRA J. MACARTHUR
(207) 622-3473
49 COMMUNITY DRIVE
AUGUSTA 04330

TESTIMONY IN OPPOSITION OF

L.D. #45

"AN ACT TO MAKE SUPPLEMENTAL APPROPRIATIONS...FOR THE FISCAL YEAR ENDING JUNE 30, 2009"

January 6, 2009

Senator Diamond and Representative Cain, Senator Alford, and Representative Sutherland, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Education and Cultural Affairs, I am Eileen King, and I serve as President of the Maine School Superintendents Association. I also am superintendent of School Union #49 and the Boothbay-Boothbay Harbor CSD. I am here to testify against the \$27 million cut in General Purpose Aid for Maine schools as proposed in L.D. #45.

School superintendents across the state are aware of the difficult economic conditions and have been cutting back for months – leaving positions vacant, freezing discretionary spending, using administrators to help teach classes rather than hire substitutes, reducing or eliminating field trips, and cutting back on co-curricular and extra-curricular activities. Our goal is to cut expenses while protecting classroom learning.

Our concern is that even with all we are doing, we will not be able to achieve the full \$27 million in cuts without severely disrupting the education of our children in the middle of the school year. That disruption, which most certainly would have to involve the laying off of staff in some districts, threatens not only educational programs, but a local economy already under stress. Cutting jobs in the middle of a recession can only make that recession worse.

At the same time we are well aware that expenses have to be cut, not only for this supplemental budget, but in the next biennium. State aid to education, which was scheduled to hit 55 percent by fiscal year 2010, will be at 51 percent this year if the proposed cuts in the supplemental budget are approved. That percentage could drop to 48 percent by 2011 if the state flat funds education in the next biennial budget, and our local taxpayers do not have the money to fill in the gaps.

We want to be part of the solution in this fiscal crisis, but can only recommend cost-cutting measures that do the least harm to essential educational programs.

In the five months that are left in this school year, what we are asking for is more time to achieve the \$27-million cut, by taking some now and pushing the rest into the next fiscal year. It is an imperfect solution because we know we will have to absorb the cuts down the road, but it gives districts more time to find the money and thus blunts the impact on classroom learning.

We will get through this crisis together and we pledge to work with you on this supplemental budget, as well as the biennial budget, to ensure the greatest protection possible for our students' education.

SENATE

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ELIZABETH M. SCHNEIDER, Penobscot
CAROL WESTON, Weldo

PHILLIP D. MCCARTHY, Ed.D., LEGISLATIVE ANALYST
DAVID DESJARDINS, COMMITTEE CLERK



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PETER B. JOHNSON, Greenville

STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

January 16, 2009

MEMO TO: Sen. Bill Diamond, Senate Chair
Rep. Emily Cain, House Chair
Joint Standing Committee on Appropriations & Financial Affairs

FROM: Sen. Carol Weston *CW pm*
Joint Standing Committee on Education & Cultural Affairs

SUBJ: Review of Financial Penalties for Nonconforming School Administrative Units in LD 45, Governor's Supplemental Budget for FY 2008-09

As the 124th Legislature considers a curtailment of over \$27 million in state subsidies from the General Purpose Aid for Local Schools ("GPA") program, I write to recommend that the Appropriations and Financial Affairs Committee also considers the financial penalties that will be assessed to school units across the State that do not conform to the July 1, 2009 deadline for complying with the school district reorganization laws.

Please find attached the provisions of Title 20-A, section 15696 that spell out the penalties for nonconforming school units. These penalties include reductions in the state subsidy allocated through the GPA program and a 2% increase in the mill rate expectation for nonconforming school units.

During these uncertain economic times, when we are contemplating "flat funding" the amount of State General Funds for the GPA program for the 2010-2011 biennium, we have a brief "window of opportunity" to remove the additional hardship that these financial penalties would impose on many school units in the State.

As a member of the Education and Cultural Affairs Committee, I requested that this issue be considered as part of the Education Committee's report on LD 45. While the Education Committee declined to include this recommendation in the LD 45 report, I respectfully request that the members of the Appropriations and Financial Affairs Committee

consider delaying or removing the impact of these of financial penalties for nonconforming school units.

I thank you for your consideration of this recommendation as part of your deliberations on the Governor's FY 2009 supplemental budget bill. Please do not hesitate to contact me should you wish to discuss this recommendation.

cc: Maureen Dawson, Principal Analyst, Office of Fiscal and Program Review
Rachel Tremblay, Fiscal Analyst, Office of Fiscal and Program Review

Attachment: Title 20-A, § 15696. Penalties for nonconforming school administrative units

**Recommendation to Review the Penalties for “Nonconforming School Units”
as Part of the Governor’s LD 45 Supplemental Budget**

§15696. Penalties for nonconforming school administrative units

1. Authorized adjustments. Notwithstanding any other provision of this Title, the following adjustments to the calculation of subsidy under chapter 606-B are required beginning July 1, 2009 for a school administrative unit that is not a conforming school administrative unit:

- A.** The school administrative unit is eligible for only 50% of the minimum state allocation under Title 20-A, section 15689, subsection 1;
- B.** The school administrative unit's total cost of education is reduced by adjusting the cost component for system administration under section 15680, subsection 1, paragraph A by half;
- C.** The school administrative unit is not eligible for a transition adjustment under section 15686 or any comparable year-over-year transition amount;
- D.** The school administrative unit receives less favorable consideration for approval and funding for school construction pursuant to rules of the state board; and
- E.** The school administrative unit's full-value education mill rate pursuant to section 15671-A is increased by 2% for the purpose of calculating the school administrative unit's required contribution to meet the local share of education costs established pursuant to section 15688, subsection 3-A.

**TESTIMONY REGARDING LEGISLATIVE PROPOSALS RELATIVE TO
SCHOOL ADMINISTRATIVE UNIT CONSOLIDATION AND
OTHER RELATED ISSUES**

JANUARY 6, 2009

**SENATOR DIAMOND, REPRESENTATIVE CAIN,
SENATOR ALFOND, REPRESENTATIVE SUTHERLAND,
AND MEMBERS OF THE JOINT STANDING COMMITTEES ON
APPROPRIATIONS AND FINANCIAL AFFAIRS AND
EDUCATION AND CULTURAL AFFAIRS.**

**MY NAME IS ROGER SHAW AND I AM CARRYING OUT
THE DIRECTIVE OF ANOTHER GROUP OF ELECTED
REPRESENTATIVES, THE SCHOOL BOARD OF SCHOOL
ADMINISTRATIVE DISTRICT NO. 42 IN MARS HILL, A
SMALL, RURAL SCHOOL THAT IS NOT UNLIKE MANY
OTHER SUCH SCHOOL DISTRICTS IN THE STATE.**

**WHILE THE FULL EXTENT OF THE ECONOMIC
DOWNTURN HAS PROBABLY NOT YET BEEN FULLY**

**FELT, WE ALL SHARE A COMMON SENTIMENT, IT IS
ALREADY BAD AND WILL LIKELY GET WORSE
BEFORE IT GETS BETTER.**

**THE CURTAILMENT OF PREK-12 GENERAL PURPOSE
AID WAS NOT UNEXPECTED AND OBVIOUSLY
WARRANTED. THE RECOMMENDED METHOD OF
CURTAILMENT ADVANCED BY THE DEPARTMENT OF
EDUCATION, WHILE NOT NECESSARILY POPULAR, IS
CONSISTENT WITH THE ESSENTIAL PROGRAMS AND
SERVICES FUNDING FORMULA UTILIZED TO
ADMINISTER GENERAL PURPOSE AID. THE FORMULA
TAKES INTO CONSIDERATION VARIOUS FISCAL,
DEMOGRAPHIC AND GEOGRAPHIC CRITERIA TO
ENSURE THAT "ADEQUATE" EDUCATIONAL
OPPORTUNITIES EXIST ACROSS MAINE. TO REDUCE
GPA USING ANY OTHER METHOD WOULD BE
CONTRARY TO THE ESSENTIAL PROGRAMS AND
SERVICES FUNDING FORMULA THIS BODY SUPPORTED**

AND ENACTED INTO LAW. IF THE \$27,000,000 DOLLARS
HAD NOT BEEN INCLUDED IN THE ORIGINAL
APPROPRIATION, THE AMOUNTS OF GPA FUNDING
WOULD HAVE BEEN THE SAME AS WHAT THE
CURTAILMENT RESULTED IN. FOR THE SAKE OF
EQUITY AND ADEQUACEY, I ASK YOU TO SUPPORT
THE RECOMMENDATIONS PUT FORTH BY
COMMISSIONER GENDRON.

**TESTIMONY OF LARRY MEAD, TOWN MANAGER OF KENNEBUNKPORT
TO THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND THE
JOINT STANDING COMMITTEE ON EDUCATION
January 6, 2009**

Senator Diamond, Representative Cain, Senator Alford, Representative Sutherland, and Committee members:

I disagree with the methodology proposed by the administration for reducing allocations to school districts for aide to education in the current fiscal year. The proposal to apportion a reduction in aide by the same formula used for the allocation of state aide results in many school districts having to absorb severe cuts in the middle of the budget year, cuts that amount to 10%, 15%, 20% and even 30% of the original amount of state aide, while many, many districts around the state experience reductions of less than 2%. I have attached a listing of 41 districts that are facing cuts in state aide of 5% or more with a combined total of more than \$10.5 million. These 41 districts are saddled with 40% of the proposed cuts to state aide. These 41 school districts have cuts of 5% or more while the average reduction for all districts combined is 2.75%. My school district, SAD71, would have its state aide reduced 15%.

The problem with the proposed methodology is that the Department of Education is applying the formula used for **allocation** of aide to the **reduction** of aide in the middle of the budget year, two very different scenarios that must be addressed differently to ensure equity and fairness among the state's school districts. The amount of state aide a school district receives is largely determined by the state's property valuation for the district and the number of pupils in the district. On this basis the state seeks to equitably distribute state aide. However these two factors are not determinative with regard to a district's

ability to cut the budget in the middle of an existing budget year. This is the case because districts are severely constrained when it comes to seeking additional local property tax support in the middle of a budget year. There is simply little or no public tolerance for reconsidering the tax commitment, particularly in this economic environment! For this reason the difficulty of cutting a school budget in the midst of the fiscal year is essentially the same for any district in Maine, regardless of a district's state valuation or pupil count. A 10% cut in Baileyville or Bridgton is just as difficult as would be a 10% cut in Bangor or Lewiston or Mars Hill. The process of cutting is essentially the same for almost any school district, the pain and the difficulty of cutting is essentially the same, whatever its pupil count may be and in whatever part of the state it may be located. Requiring some school districts to cut 20% of state aide and other school districts 1% is wrong.

While cuts to state aide to education are unavoidable given the declining economy there are alternatives available in how to apportion the cuts. The legislature has over the years faced similar situations and made other choices that limited the sacrifice any single school district was required to make. The percentage reduction method is one alternative that would fairly and equitably distribute the \$27 million in budget cuts proposed by the administration. I ask that the joint committees direct the DOE to prepare information for the requested budget reduction showing the effects on the state's school districts of a uniform percentage reduction totaling 2.75%. In addition the joint committees should seek an analysis of potential reductions to districts if a "stop-loss" cap of 4% or 5% is established for any one school district in the state, and the amount of proposed budget reductions is then allocated proportionately to all of the school districts in the state.

Thank you for your consideration of these suggestions.

PROPOSED REDUCTION IN STATE AID TO EDUCATION		
School	Curtailment Percent State Share	Amount Curtailed
Lamoine	30.6%	54,816
Baileyville	28.4%	69,500
Nobleboro	21.6%	70,140
Freeport	21.1%	343,032
South Portland	20.8%	874,260
Trenton	20.7%	60,684
Raymond	20.2%	228,408
SAD #61 Bridgton	18.9%	581,844
Damariscotta	17.6%	26,869
Yarmouth	15.5%	358,956
SAD #71 Kennebunk	15.2%	537,552
Cape Elizabeth	13.7%	421,572
Portland	12.3%	\$1,836,816
Lincolnton	11.6%	64,925
Scarborough	11.1%	781,392
Jay	10.2%	197,400
Kittery	10.0%	102,589
OOB	10.0%	54,979
SAD #28 Camden	10.0%	62,309
Wells-Ogunquit CSD	10.0%	130,249
York	10.0%	132,773
Hancock	8.8%	67,860
Edgecomb	8.6%	51,840
Five Town CSD	8.6%	227,716
Orland	8.5%	58,392
SAD #19 Lubec	8.1%	35,292
Jefferson	7.6%	78,756
Mt. Vernon	7.3%	21,542
Falmouth	7.1%	473,280
Ellsworth	6.6%	225,288
SAD #44 Bethel	6.5%	161,544
SAD #50 Thomaston	6.1%	125,364
SAD #62 Pownal	6.1%	42,432
SAD #5 Rockland	6.0%	232,908
Dedham	5.9%	49,896
East Millinocket	5.8%	46,104
Biddeford	5.3%	591,696
Machiasport	5.1%	21,744
RSU #1	5.1%	401,495
Saco	5.0%	477,012
SAD #37 Milbridge	4.2%	120,900
TOTAL		\$10,502,126

OFFICERS

PRESIDENT
Erica Kimball
M.S.A.D. #22

PRESIDENT-ELECT
Ashley O'Brien
M.S.A.D. #36

VICE PRESIDENT
Maureen King
M.S.A.D. #71

PAST PRESIDENT
Kristin Malin
Georgetown

EXECUTIVE DIRECTOR
Dale A. Douglass

MAINE COUNCIL OF
SCHOOL BOARD
ATTORNEYS

Daniel Stockford, Esq., Chair

TESTIMONY IN OPPOSITION OF

L.D. #45

"AN ACT TO MAKE SUPPLEMENTAL APPROPRIATIONS ... FOR THE FISCAL YEAR ENDING JUNE 30, 2009"

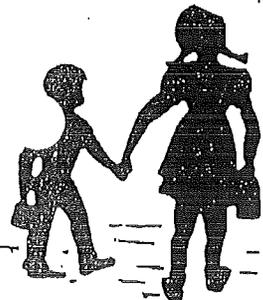
January 6, 2009

Senator Diamond and Representative Cain, Senator Alford, and Representative Sutherland, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Education and Cultural Affairs, I am Erica Kimball, and appear before you today as President of the Maine School Boards Association. I am also a member of the Board of Directors of MSAD #22, Hampden. I am here to testify against the \$27 million cut in General Purpose Aid for Maine schools as proposed in the supplemental budget.

The Maine School Boards Association is well aware that we are in tough economic times in this state and in the whole nation, and that everyone is being asked to cut back. We also know that, like our school boards, you understand the money invested in education is a vital investment in the future and the only real hope we have of achieving long term prosperity.

General Purpose Aid is dedicated to helping each Maine student graduate from high school with the knowledge and skills needed to achieve in their next levels of learning and thereby compete and thrive in what is and will continue to be a rapidly changing job market. The voters recognized the importance of adequately funding GPA when they adopted the requirement that the State pick up 55% of the cost of education by FY2010. The ramp to 55% has stalled, however, and with the proposed \$27 million cut, the state share will be around 51%. The fear is that could dip below 50% by FY2011. While these problems face the state, similar revenue issues exist at the local level and property tax payers do not have the ability in a recession to make up for the loss of state subsidy.

We recognize that there will be no easy solutions, but one thing that could help is time. Asking our school units to absorb the full \$27 million in the last five months of the fiscal year is very difficult. An option that we hope you will give consideration to is to push at least part of the cut beyond this fiscal year so that it can be absorbed more gradually. This was done during the financial crisis in the early 1990's and helped temper the impact the cuts had on educational programs. We know that more cuts, or at best, flat funding, are coming in the biennial budget. We stand ready to work with you to help get the State and local school systems through this fiscal crisis while also protecting the most important investment in our future, our children's education.



MAINE

PRINCIPALS'

ASSOCIATION



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Mary Martin
Elm Street School
Mechanic Falls
President

Linda Bleife
Wiscasset Middle School
President-elect

Timothy Doak
Fort Kent Community
High School
Past-president

Jeanne Crocker
South Portland
High School
NASSP State Coordinator

Harriet C. Trafford
Albert S. Hall School
Waterville
NAESP State
Representative

Richard A. Durost
Executive Director

Michael R. Burnham
Assistant Director

Phyllis A. Deringis
Assistant Director

Jeffrey D. Sturgis
Assistant Director

*MPA is an Equal
Opportunity Organization.*

TO: Joint Standing Committee on Appropriations
Joint Standing Committee on Education and Cultural Affairs

FROM: MPA Legislative Committee

SUBJECT: Opposing L.D. 45: An Act To Make Supplemental
Appropriations and Allocations for the Expenditures of State
Government and To Change Certain Provisions of the Law
Necessary to the Proper Operations of State Government for
the Fiscal Year Ending June 30, 2009

DATE: January 6, 2009

Senator Diamond, Representative Cain, Senator Alford, Representative
Sutherland and Distinguished Members of the Appropriations and Education
Committees

My name is Mary Martin. I am the principal of Elm Street School in Mechanic
Falls and I have the privilege to serve as the President of the Maine
Principals' Association this year. The MPA represents more than 900
principals, assistant principals, and technical center directors who are
members of our Professional Division.

We oppose LD 45. We do so with full understanding and appreciation of both
the revenue shortfall and the difficult tasks before you, the Governor and the
full legislature. But we believe it is a matter of principle that we share the
following concerns with you.

First, the curtailment of state subsidy in the last half of the fiscal year allows
state government to balance its books. However, the impact is passed on to
local school systems that can do little to reduce staff salaries and benefits in
the last half of the fiscal year. Most other purchases of supplies, etc., have
already occurred, leaving little discretionary spending available at this point.
We further fear that the cornerstone of good teaching and good leadership --
professional development -- may become virtually non-existent for this year
and beyond.

Second, while providing a solution for the State, these cuts simply pass the
shortfall on to the local taxpayers and they have no one else to turn to. These
cuts will also occur doing a time when school systems have the additional
startup costs of regionalization, thereby compounding any local response.

Finally, this action will set a precedent for lowered expectations for State
funding of education for this year and beyond. The EPS model has not been
fully funded in the past and this will further delay that goal and expectation for
years to come.

For all these reasons, we respectfully oppose LD 45 as a matter of
conscience and principle.

wddata\legislat\ld45

Portland Public Schools

Administrative Offices

196 Allen Ave., Portland, Maine 04103

207-874-8100



January 6, 2009

Jeanne Whynot-Vickers, Interim Superintendent, Portland Public Schools

Honorable Senators and Representatives,

Let me begin by thanking you for being willing to step up into leadership positions at a very troubling time for our state and our nation. For some of you this is your very first term. Much is riding on your shoulders and I thank you in advance for the courage and skill with which you will address this challenge.

Obviously Governor Baldacci and Commissioner Gendron were faced with significant challenges of decreased revenues, gloomy predictions for the next biennial and the short fall needing to be addressed for the current FY09 budget. It is clear that they have kept the reductions from education as far as they could away from district allocation. Yet, in the end they must recommend where the \$27,000,000 will come from. While none of us can easily absorb these cuts, we know that we must all do our best for students with decreased funding and will all look to apply creative solutions to the challenge.

Before this curtailment recommendation is finalized, I think we must also look to determine if this reduction is being fairly distributed. To do this I urge you to examine how this curtailment was calculated. Did the state run the total reduced state aid through the formula or did the DOE increase the full value education mil rate and apply the increased rate to each school unit's taxable property to calculate the reduction in state aid?

It appears that the methodology used was to increase the mil rate. If this is the case, I ask that you re-examine the result of this methodology to determine if the burden of the curtailment unfairly impacting high property districts. By passing the formula components like added weights for economically disadvantaged youth or English Language Learners this places a greater percentage of the curtailment on districts with higher property valuations regardless of the make up of the student population.

In 1993-1995 a study committee created by the Legislature to recommend a reduction methodology recommended the % reduction method by nearly a unanimous vote of the committee. If this method were used, that would mean that Portland, which is scheduled to receive \$14,924,950 in state aid in

APPROPRIATIONS COMMITTEE VOTING TALLY SHEET

LD # or Confirmation: 45

Committee: Joint Standing Committee on Appropriations and Financial Affairs

Date: 1/23/09

Motion: OTP-AM

Motion by: Rep. Millett

Seconded by: Rep. Cain

Those Voting in Favor of the Motion	Recommendation of those opposed to the Motion					Absent	Abstain
	ONTP	OTP	OTP-AM	New Draft	Re-Refer		

Senators

1. SEN. DIAMOND	✓						
2. SEN. CRAVEN	✓						
3. SEN. ROSEN	✓						

Representatives

1. REP. CAIN	✓						
2. REP. MARTIN	✓ HMF						
3. REP. WEBSTER	✓						
4. REP. ROTUNDO	✓						
5. REP. MILLER	✓						
6. REP. CONNOR	✓						
7. REP. MILLETT	✓						
8. REP. FLOOD	✓						
9. REP. ROBINSON	✓						
10. REP. NUTTING	✓						
TOTALS							

HOUSE REPORT

THE COMMITTEE ON Appropriations and Financial Affairs

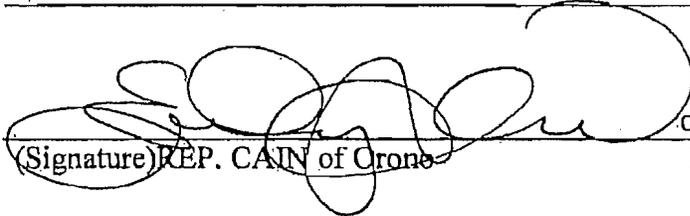
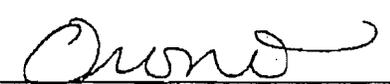
to which was referred the following:

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009
(EMERGENCY)

H.P. 40

L.D. 45

has had the same under consideration, and asks leave to report that the same
OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT " "

 of 
(Signature) REP. CAIN of Orono For the Committee

(Type)
Rep. of (Town) and/or Sen. of (County)

(Signatures)

HOUSE REPORT

Cosponsored by Senator SULLIVAN of York and Representatives: BEAUDOIN of Biddeford, BERRY of Bowdoinham, BOLAND of Sanford, CASAVANT of Biddeford, CHASE of Wells, CONNOR of Kennebunk, DRISCOLL of Westbrook, EATON of Sullivan, FLAHERTY of Scarborough, HOGAN of Old Orchard Beach, PIOTTI of Unity, ROTUNDO of Lewiston, TREAT of Hallowell, WATSON of Bath, WHEELER of Kittery, WRIGHT of Berwick, Senators: BARTLETT of Cumberland, BOWMAN of York.

Bill "An Act To Amend the Surcharge for the E-9-1-1 System" (EMERGENCY)

(H.P. 210) (L.D. 264)

Sponsored by Representative CLEARY of Houlton.

Cosponsored by Representative SCHATZ of Blue Hill and Representatives: EATON of Sullivan, SUTHERLAND of Chapman.

Bill "An Act To Amend the Charter of the Limestone Water and Sewer District"

(H.P. 218) (L.D. 275)

Sponsored by Representative MARTIN of Eagle Lake.

Cosponsored by Representative: AYOTTE of Caswell, Senator: JACKSON of Aroostook.

**Pursuant to Statute
Department of Education**

Representative SUTHERLAND for the Department of Education pursuant to the Maine Revised Statutes, Title 5, section 8072 asks leave to report that the accompanying Resolve, Regarding Legislative Review of Portions of Chapter 115: Certification, Authorization, and Approval of Education Personnel, Part I and Part II, a Major Substantive Rule of the Department of Education (EMERGENCY)

(H.P. 211) (L.D. 268)

Be REFERRED to the Committee on EDUCATION AND CULTURAL AFFAIRS and printed pursuant to Joint Rule 218.

Report was READ and ACCEPTED and the Resolve REFERRED to the Committee on EDUCATION AND CULTURAL AFFAIRS and ordered printed pursuant to Joint Rule 218.

Sent for concurrence.

By unanimous consent, all matters having been acted upon were ORDERED SENT FORTHWITH.

**CONSENT CALENDAR
First Day**

In accordance with House Rule 519, the following item appeared on the Consent Calendar for the First Day:

(H.P. 40) (L.D. 45) Bill "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009" (EMERGENCY) Committee on APPROPRIATIONS AND FINANCIAL AFFAIRS reporting Ought to Pass as Amended by Committee Amendment "A" (H-2)

On motion of Representative CAIN of Orono, was REMOVED from the First Day Consent Calendar.

The SPEAKER: The Chair recognizes the Representative from Orono, Representative Cain.

Representative CAIN: Thank you, Madam Speaker. Madam Speaker, this is LD 45, the very first budget bill we have before

us this session. I am very proud, in case you didn't know already, that we got an unanimous report out of our committee on Friday. I got a call Friday afternoon on my way home. The person on the other end of the phone said, "Well, it must not have been that hard if you closed the budget at 4 o'clock on a Friday during daylight hours. There must not have been many tough negotiations." Well, on the contrary, Madam Speaker. As you know and I know, and the members of the Appropriations and Financial Affairs Committee and leadership on both sides of the aisle know, there was quite a bit of negotiation and there was quite a bit of hard work that went into this budget document.

There will be plenty of times—later today, tomorrow, and Thursday—to talk about all of the thank yous. I'll definitely want to thank the other members of the Appropriations and Financial Affairs Committee, in particular, the Representative from Waterford for his work. There will be plenty of time to thank, again and again, the policy committees for their work. Because of the work they did, our work was made easier. There will be plenty of time to thank leadership, on both sides of the aisle, so I won't do that too much now.

What I will ask is that you allow us today to put this budget in a position to be amended. We have to get it through First Reading, we are going to put it in a posture to accept Committee Amendment "A", and then we are going to pause and then we are going to table the item. I am explaining this to you because, for many of you, you might think, Oh my gosh, are we about to take our first budget vote? No you are not. We just want you to help us put it in the position where it can be amended so that with the amendment deadline being today at 1 o'clock, then we will be able to take it up again knowing everything that is before us, and we can take it all in one comprehensive look.

I will say thank you again. This was not easy, and we will have time to discuss, later today and this week, all of the intricate details of this supplemental budget, but I am very proud of the work we did. I believe we laid the groundwork effectively and responsibly for the work ahead of us, the mountain of work ahead of us in the biennial budget. Thank you, Madam Speaker.

The Unanimous Committee Report was READ and ACCEPTED.

The Bill was READ ONCE. Committee Amendment "A" (H-2) was READ by the Clerk.

On motion of the Representative PIOTTI of Unity, TABLED pending ADOPTION of Committee Amendment "A" (H-2) and later today assigned.

The following items were taken up out of order by unanimous consent:

UNFINISHED BUSINESS

The following matters, in the consideration of which the House was engaged at the time of adjournment Wednesday, January 21, 2009, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

Joint Order Authorizing the Joint Standing Committee on Transportation To Report out a Bill Concerning the Sears Island Planning Initiative

(S.P. 21)

- In Senate, READ and PASSED.

TABLED - January 7, 2009 (Till Later Today) by Representative PIOTTI of Unity.

PENDING - PASSAGE.

Subsequently, on motion of Representative MAZUREK of Rockland, the Joint Order was INDEFINITELY POSTPONED in NON-CONCURRENCE and sent for concurrence.

Bill "An Act Regarding Violations of Lobster Conservation Laws"

(S.P. 87) (L.D. 246)

Came from the Senate, REFERRED to the Committee on MARINE RESOURCES and ordered printed.

REFERRED to the Committee on MARINE RESOURCES in concurrence.

Bill "An Act To Promote Clean Waters in the State"

(S.P. 79) (L.D. 229)

Came from the Senate, REFERRED to the Committee on NATURAL RESOURCES and ordered printed.

REFERRED to the Committee on NATURAL RESOURCES in concurrence.

Bill "An Act To Repeal the Informed Growth Act"

(S.P. 83) (L.D. 242)

Came from the Senate, REFERRED to the Committee on STATE AND LOCAL GOVERNMENT and ordered printed.

REFERRED to the Committee on STATE AND LOCAL GOVERNMENT in concurrence.

Bill "An Act To Exempt Certain Senior Residents from the Income Tax"

(S.P. 74) (L.D. 224)

Bill "An Act To Provide a Sales Tax Exemption to Certain Organizations That Provide Assistance to Members of the Military" (EMERGENCY)

(S.P. 88) (L.D. 265)

Came from the Senate, REFERRED to the Committee on TAXATION and ordered printed.

REFERRED to the Committee on TAXATION in concurrence.

Bill "An Act To Modify the Laws Regarding Seat Belts"

(S.P. 71) (L.D. 221)

Bill "An Act To Extend the Exception to Axle Fines during the Midwinter Season" (EMERGENCY)

(S.P. 81) (L.D. 240)

Resolve, To Direct the Department of Transportation To Establish a Memorial Park Honoring Veterans in Topsham

(S.P. 84) (L.D. 243)

Came from the Senate, REFERRED to the Committee on TRANSPORTATION and ordered printed.

REFERRED to the Committee on TRANSPORTATION in concurrence.

Bill "An Act To Increase the Availability of Solar and Wind Power"

(S.P. 70) (L.D. 220)

Came from the Senate, REFERRED to the Committee on UTILITIES AND ENERGY and ordered printed.

REFERRED to the Committee on UTILITIES AND ENERGY in concurrence.

By unanimous consent, all matters having been acted upon were ORDERED SENT FORTHWITH.

The House recessed until 4:30 p.m.

(After Recess)

The House was called to order by the Speaker.

The Chair laid before the House the following item which was TABLED earlier in today's session:

HOUSE REPORT - Ought to Pass as Amended by Committee Amendment "A" (H-2) - Committee on APPROPRIATIONS AND FINANCIAL AFFAIRS on Bill " An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009" (EMERGENCY)

(H.P. 40) (L.D. 45)

Which was TABLED by Representative PIOTTI of Unity pending ADOPTION of Committee Amendment "A" (H-2).

The SPEAKER: The Chair recognizes the Representative from Cumberland, Representative Strang Burgess.

Representative STRANG BURGESS: Thank you, Madam Speaker. Madam Speaker, fellow Members of the House. There has been a tremendous amount of work that brings us to this point today, and I don't want to belabor this point but there was a moment in the process, and it is really not new business, but I wanted to kind of share with you something that was extremely, extremely important that sort of got left, if you will, on the cutting room floor on Appropriations, back last April. That was a project or a bill that I worked on for the two sessions to do with the funding for the Comprehensive Cancer Program for the State of Maine.

I believe, as many of you have heard and those of you who are new you are going to hear a lot more about this, cancer is the number one killer in the State of Maine. It is not heart disease, it is cancer. We are one of only a few states in this country that cancer surpasses heart disease, and it is something that needs our attention. Cancer is killing off our Maine citizens. We can do all of the wonderful, wonderful programs that we all have and want to do and that are going to be funded in this budget and in our supplemental that we are doing this evening, but if we don't have the citizenry alive to enjoy all the wonderful things that we are out there doing, what sense is it?

Right now, the State of Maine, as far as independent funding for the detection and education of our citizenry about the importance and early detection of cancer, receives the grand funding in our current budget and in this supplemental budget of zero. Zero dollars are expended, general funds, on the early detection and education of the Maine citizens about cancer. That, my friends and my fellow House members, needs to stop.

I had a meeting this fall with the Cancer Consortium folks, which represents all types of cancers, and I promised them that I would not let them down again, because I was left standing at the microphone in Appropriations on the last day of session, where we had been whittled down to asking for some money from the Fund for Healthy Maine. After many discussions, it was determined that there was no money in the Fund for Healthy Maine. As we have gone through the supplemental process over the last days and several weeks here, in fact there is money in the Fund for Healthy Maine. There is about \$1.3. You have on your desks before you an amendment to the supplemental budget asking for that money.

Now out of respect for this process, which many of you have been directly involved with and have worked very hard and there are many wonderful, wonderful programs and important services to the citizens of Maine that are funded and in fact have been cut in this supplemental budget; therefore, out of respect for those programs that have been cut and for the hard work of this body, I am not going to be asking that this amendment be brought forward. However, I thought it was an important opportunity. I am sort of like the bride: I have been to the altar and I have been jilted; however, I will be back and you will hear more about this very, very important cause in the coming months as we work on a biennium budget. I appreciate your attention in understanding and appreciation of this very important matter that affects just about everybody here, and if it doesn't today, I hope that it never does but it is a very small state out here. Thank you very much. Thank you, Madam Speaker, for this opportunity.

Subsequently, **Committee Amendment "A" (H-2) was ADOPTED.**

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading.**

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-2)** and sent for concurrence. **ORDERED SENT FORTHWITH.**

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Tuttle, who wishes to address the House on the record.

Representative TUTTLE: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. I wanted to give everybody a heads up on the new unemployment numbers that have been released today. In December, unemployment rate rose to 7 percent, up from 6.3 percent in November. We have every indication that this will be a much harder recession than average in Maine.

At twelve months, the current downturn has eclipsed the twelve month average of the nine national recessions since 1950. The 2.1 percentage point rise in unemployment rate, through twelve months, was larger than in three of the last four recessions. The number of unemployed people increased 44 percent to 50,000. The four sectors in retail trade was down 4,100 jobs, construction 3,200 jobs, accommodations and food service 2,100 jobs, and manufacturing of 1,200 jobs accounted for the 91 percent of the net job loss.

One piece of good news is that our high unemployment rate will likely trigger 13 additional weeks of unemployment benefits through February. The Unemployment Trust Fund also has plenty of reserves to pay for benefits, thanks upon the legislation we passed a number of years ago. Thank you, Madam Speaker.

The following item was taken up out of order by unanimous consent:

ENACTORS
Emergency Measure

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009

(H.P. 40) (L.D. 45)
(C. "A" H-2)

Was reported by the Committee on **Engrossed Bills** as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the Representative from Waterford, Representative Millett.

Representative MILLETT: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I would like to make four very brief points in support of the decision we are about to make.

Very quickly and first, I would like to echo the words of our good House Chair, the Representative from Orono, Representative Cain, this morning in thanking the policy committees for your studiousness and thoughtfulness in making our job at Appropriations much more easier as we dealt with some very difficult issues. I would like to briefly expand that thank you to the hospital subcommittee that worked on our behalf on two very difficult chores, specifically, Representatives Nutting, Miller, and Carey for addressing a problem that we knew was going to be difficult, and they came out with a set of proposals which I think helped the process immensely.

Picking up on that point, I want to say that I feel, and our side of the aisle, I think, feels very good about the language we were able to come to agreement on with respect to the hospital issues, particularly that language that commits us to honoring our obligations of the hospital and addressing their cash flow problems by committing to addressing two years of unpaid settlements that date back to Fiscal Year '05. This is extremely important to our folks back home who are running on very difficult cash flow margins, and I think that you can go back home and talk with your folks who run your hospitals and show them that we made a good faith effort to honor our debts and to be so in a current fashion. It is a very good use of one time money, I believe as well, and we will have this discussion many times before we finish our work.

Thirdly, I just want to say that this may be and hopefully will be our last FY '09 supplemental before we tackle the more difficult job of the biennial budget. It is hopeful, I think, for all of us to assume that maybe our forecasting has been on the mark, but I don't think any of us can be assured of that. I note in the publication from NCSL that is before us, that was in our mailboxes this morning, the very lead paragraph under the article of "Grim Forecasts" saying that the fiscal crisis facing states is the worst in 50 years, and I think that is something to think about as we work our way into the winter and spring.

Finally, I would just like to say that that biennial budget will be the appropriate place for all of us to roll up our sleeves in a more deliberative fashion, wrestle with the priorities that we could and should be setting, as we try to work our way through this economic downturn in a much more thoughtful way that we have been able to do in the last three weeks. We've really not had to, or had the opportunity and time to set real priorities and to think about what we can do in a sustainable fashion going into the future. The biennial budget will certainly afford us that opportunity, I hope the same bipartisan spirit, the same roll up the sleeves attitude in the policy committees prevails, and that we can get to work on that early in February. I encourage your support of what, I think, is the best product we would have come up with in the timeframe that we've had. I urge your support of Enactment.

The SPEAKER: The Chair recognizes the Representative from Orono, Representative Cain.

Representative CAIN: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. It is hard to believe that one month ago today, on December 27th, most of us were still recovering from big holiday meals and making plans to celebrate New Years Eve with family and friends. Our committee

assignments were days old, and our new members, more than 40 in this body alone, were still wondering what a revisor does, where the bathrooms are, and what in the world cloture is.

In this past month alone, so much has changed: Gas prices dropped and are now rising; the stock market continues to go up and down, up and down, and up and down and down; some banks are now zombie backs, while others still fight to survive and lend responsibly; we have a new President, who faces both great promise and problems on all sides; and in the past two weeks alone, we have had daily updates on federal stimulus funds that will come, but we don't know when and we don't know for what and we don't know exactly how much, and somehow in the middle of that, we were supposed to pass a budget. And we did, or we are about to anyway. When I say we, I mean we, all of us.

I would like to thank the members of the Appropriations Committee, who showed up ready to work hard, pay attention to details and get the job done. We have quite a team down in Room 228 and each member brings their own perspective and priorities to our negotiations, and their own experience to our task of understanding complex problems. I would especially like to thank my Senate Co-Chair, who displayed a generous willingness to trust me and all of the members of our committee and work as a team from day one. I also need to thank my colleague, the Representative from Waterford, whose experience and knowledge extend well beyond my years, but whose patience and wisdom he openly shares with our committee and, especially with me, on a daily basis.

Our team has great support also in the Office of Fiscal and Program Review, who worked as diligently and as quickly as we did, to dot the i's and cross the t's and to get a balanced budget. And of course, I would like to thank the Revisor's Office, because they worked very hard to draft that bill and move it up here as quickly as possible so we can have this discussion today.

This budget negotiation was not easy, but in many ways it was a warm-up act for the biennial budget just around the corner. The leadership on all corners and the presiding officers are to be commended for the respectful, direct and honest negotiation that equally considered all sides, and came to mutual agreements on very tough issues. This work sets the stage for what is next, and I can proudly say that we have definitely gotten off on the right foot this time around.

Three major issues dominated our discussions over the past several weeks: hospitals, corrections, and K-12 funding. But the pain in this budget goes well beyond the hot topics that received the most press or generate the most e-mails. But for now, this supplemental budget responsibly lays the groundwork for our work ahead, and I am proud of how we did our work, and I am proud of the final product. I pledge to all of you now that as we move forward to the biennial budget, there will be more time, there will be more opportunity at all stages to put more issues on the table and tackle the many, tough policy and fiscal choices that we have ahead of us. So now, let's move on to what is next. Thank you, Madam Speaker, and I request a roll call.

Representative CAIN of Orono **REQUESTED** a roll call on **PASSAGE TO BE ENACTED**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: The Chair recognizes the Representative from Harrison, Representative Sykes.

Representative **SYKES**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. This certainly has been an interesting and difficult budget balancing act. We have had a search to find efficiencies, we have saved money, we have eliminated some jobs, we have worked together

and I am proud of that, we have looked under every stone. However, as was just mentioned, the supplemental budget before us today is a junior varsity game. The main event, the varsity, is yet to come with the biennial budget.

If we had a look under every stone to find money, we need to begin looking at ourselves. Including this morning's session, we have had five sessions of the Legislature. The average time is 46 minutes. It costs us \$13,160 a day to bring us to work here. If you multiply that times five, so far we have spent \$65, 800 on an average of 46 minutes per day.

The supplement budget which we are about to vote on has many issues, and one of those is a cut to the National Alliance of Mental Illness of \$10,000. Specifically, that cut is for crisis intervention training for police officers to help them deal with persons suffering with mental health issues. I wonder in my own mind and maybe you will also, whether or not, if we didn't come one day and save \$13,160, that we could have spent that in a better way, maybe to save that crisis intervention training. I, quite frankly, am embarrassed that we come up for 44, 45 or 46 minutes, much of which is ceremonial time, for that amount of money and spend that of the people's money. We are going to pass the supplemental budget, we are going to go on to the biennial budget and we are going to look for more efficiencies, it is going to be even more difficult. I hope as we proceed in the future that we take a good hard look at how we invest our time here in Augusta. Thank you.

The **SPEAKER**: A roll call has been ordered. The pending question before the House is Passage to be Enacted. All those in favor will vote yes, those opposed will vote no.

This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken.

ROLL CALL NO. 2

YEA - Beaudoin, Beaulieu, Beck, Berry, Bickford, Blodgett, Boland, Bolduc, Briggs, Browne W, Bryant, Burns, Butterfield, Cain, Campbell, Carey, Casavant, Celli, Clark H, Clark T, Cleary, Cohen, Connor, Cornell du Houx, Crafts, Cray, Crockett J, Crockett P, Curtis, Cushing, Davis, Dill, Dostie, Driscoll, Duchesne, Eaton, Eberle, Edgecomb, Eves, Finch, Flaherty, Flemings, Flood, Fossel, Gilbert, Giles, Goode, Hanley, Haskell, Hayes, Hill, Hinck, Hogan, Hunt, Innes, Johnson, Jones, Kaenrath, Kent, Knapp, Knight, Kruger, Lajoie, Legg, MacDonald, Magnan, Martin JR, Martin JL, Mazurek, McCabe, Miller, Millett, Morrison, Nass, Nelson, Nutting, O'Brien, Pendleton, Peoples, Perry, Peterson, Pieh, Pilon, Pinkham, Piotti, Plummer, Priest, Rankin, Richardson D, Robinson, Rosen, Rotundo, Russell, Sanborn, Sarty, Saviello, Schatz, Shaw, Stevens, Strang Burgess, Stuckey, Sutherland, Sykes, Tardy, Theriault, Tilton, Treat, Trinward, Tuttle, Valentino, Van Wie, Wagner J, Wagner R, Watson, Webster, Welsh, Wheeler, Willette, Wright, Madam Speaker.

NAY - Adams, Austin, Ayotte, Cebra, Chase, Cotta, Fitts, Fletcher, Gifford, Hamper, Harlow, Joy, Langley, Lewin, Lovejoy, McFadden, McKane, Prescott, Richardson W, Thibodeau, Thomas, Weaver.

ABSENT - Beaudette, Blanchard, Greeley, McLeod, Percy, Pratt, Sirois, Smith.

Yes, 120; No, 22; Absent, 8; Vacant, 1; Excused, 0.

120 having voted in the affirmative and 22 voted in the negative, 1 vacancy with 8 being absent, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate. **ORDERED SENT FORTHWITH**.

Emergency Measure

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2009

H.P. 40 L.D. 45
(C "A" H-2)

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Diamond.

Senator **DIAMOND:** Thank you, Madame President. Men and women of the Senate, this state, like many other states, is facing many difficult budgetary decisions. We face tough times and the challenges are significant. The current shortfall of our existing budget is a little over \$166 million. As you know, it was the job of the Appropriations Committee to find a way to close that rather substantial budget hole. We were committed to doing that without raising taxes, without raising fees, and without making further cuts in education and in Medicaid beyond the curtailments. To add just a little challenge to the mix, we had to get this budget out of our committee in three weeks.

Let me pause here and say that without the hard work of the policy committees, and that is all of you, this budget would not have been possible. Your expertise and commitment were vital to our cast. In fact, the Appropriations Committee accepted 99.8% of the policy committee recommendations. I'm also very proud of our committee for working hard in such a bipartisan manner. Both Democrats and Republicans, both sides of the aisle, listened with respect to each other and came to solutions together. The result of that is that we had a unanimous vote out of our committee. A special thank you to the Senator from Androscoggin, Senator Craven; my co-chair, Representative Cain; and the two Republican leaders on our committee, the Senator from Hancock, Senator Rosen, and Representative Millett. Their leadership was key to our creating a budget which reduces spending and still reflects the values of Maine's people. I'd also like to thank the elected leaders of both parties in both houses; thank them for leading.

Specifically, with this budget the State will spend less money in 2009 than we did in 2008. We will reduce the DHHS budget by \$34 million. We will eliminate the \$1 million plus cut to critical access hospitals. We will reduce the legislative budget by \$1.6 million. We will not be closing the Charleston Prerelease Facility this fiscal year. We have restored mental health funding. Overall, this budget process clearly demonstrates that both political parties can work together to solve the serious budgetary problems in our state. I thank Governor Baldacci for sending us a supplemental budget that was sound in structure and gave us achievable options. We have set a tone of listening and mutual respect which will be imperative as we start work on the upcoming biennial budget. Madame President, men and women of the Senate, I proudly ask for your support in voting on the motion before us.

On further motion by same Senator, supported by a Division of one-fifth of the members present and voting, a Roll Call was ordered.

THE PRESIDENT: The Chair recognizes the Senator from Washington, Senator Raye.

Senator **RAYE:** Thank you very much, Madame President. Men and women of the Senate, I rise to thank the members of the Appropriations Committee; the Senators from Hancock, Senator Rosen, Cumberland, Senator Diamond, and Androscoggin, Senator Craven, and their counterparts in the other Body as well as the members of the policy committees who worked so hard to fine tune the proposals that went to the Appropriations Committee and to produce this supplemental budget. We, on this side of the aisle, have made it clear from the outset of this session our commitment to work in a bipartisan manner to solve problems and I am very pleased that in the first real test that approach has produced positive results.

While it is not perfect, and many of the decisions embodied in it are difficult ones, the supplemental budget is a responsible blueprint for being the state into the black for the remainder of this fiscal year while restoring critical funding for adult education and critical access hospitals and making an important commitment going forward to address the long standing debt to Maine's hospitals. The spirit of bipartisan cooperation that produced this budget which we are about to pass is an example of how government can work when we all roll up our sleeves and work together to produce the best product we can, even in the face of challenging economic times. That is what Maine people expect us to do and it's a productive spirit that I hope will carry through as we move our attention to the biennial budget in the coming weeks.

In closing, I want to extend again my thanks to all of the members in both bodies who have worked so hard cooperatively to bring us to this point and I'm proud to lend my support to the supplemental budget.

THE PRESIDENT: The Chair recognizes the Senator from Hancock, Senator Rosen.

Senator **ROSEN:** Thank you, Madame President. Men and women of the Senate, I would like to offer my voice and concurrence to encourage all of you to support the proposal that is before us and join our good Senate chair and also member of the Republican leadership that spoke to encourage that support. We are here because we are responding to the need to fulfill our constitutional requirement to bring the current biennial budget back into balance. It is the second time that the legislature has had to confront returning the 2008 - 2009 budget and fulfill our constitutional requirement. It's a very different type of exercise and obligation than the one that we are about to embark into with the biennial proposal. I think that the document that is before you, and here for your support, is crafted in as surgical a manner as possible to be careful regarding the impacts that nearly every policy area in the state will be feeling. As stated earlier, we respected the committee work that was brought to us, particularly from the Criminal Justice Committee, Education, the Agriculture and Conservation Committee, and Health and Human Services. They zeroed in on difficult components of this budget and brought us productive solutions that improved on the structure of the original proposal as presented by the Chief Executive. I'm sure he would also be pleased.

I would again point out the very significant language in this proposal as it relates to fulfilling our obligation of meeting the medical settlement payments to our hospitals for the years 2005 and 2006. The ability to work with members of the Appropriations Committee and members of the Health and Human Services

Committee and recognize in this document, along with members of leadership from both chambers, the importance of including that language in this proposal which I think is a mature and effective way of addressing what is before us as an outstanding, and longstanding, obligation.

It was a pleasure working with our good Senate chair and the Senator from Androscoggin, Senator Craven, and the entire team on the committee. I think it's a productive effort, a good dry run for everyone, policy committees, appropriations, and leadership combined, and I think we are now ready to embark on the next challenge. I encourage your support.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Bartlett.

Senator **BARTLETT:** Thank you, Madame President. I, too, rise in support of this supplemental budget and also wish to commend those who have worked so tirelessly to get us to this point. The good Senator from Cumberland, Senator Diamond, has provided extraordinary leadership in a very tight timeframe. The good Senator from Hancock, Senator Rosen, and the Senator from Androscoggin, Senator Craven, have worked tirelessly to bring people together and to work with the policy committees. In fact, every single person in this room, through their work on their policy committees, has offered constructive input to this budget and made sure we got to a place that while uncomfortable and difficult decisions were made, they were done with due consideration to the core values of Maine people, to make sure we were protecting the most vital services that the State provides, and also lay a good pathway for the weeks and months ahead. As we turn our attention to the biennial budget, we can learn a great deal from the decisions and compromises that were made during this process and use that as a springboard to lay out a biennial budget that can fulfill and similarly represent the core values of Maine people while sticking true to the commitment we've all made to reduce the budget and to deal with the fiscal crisis while making sound investments in Maine's future. Thank you, Madame President.

THE PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Craven.

Senator **CRAVEN:** Thank you, Madame President. I want to thank the Senate chair, the House chair, leadership, and our leads on Appropriations. This budget was negotiated carefully and I hope with sensitivity towards all of the cuts that we had to make in this difficult time. It was voted out unanimously. We had an unbelievable and wonderful team on the committee. I invite everybody to vote with the entire Appropriations Committee and with me in favor of this budget. Thank you.

THE PRESIDENT: The pending question before the Senate is Passage to be Enacted. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

ROLL CALL (#2)

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, COURTNEY, CRAVEN, DAMON, DAVIS, DIAMOND, GERZOFKY, GOODALL, GOOLEY, HASTINGS, HOBBS, JACKSON, MARRACHE, MCCORMICK, MILLS, PERRY, PLOWMAN, RAYE, RECTOR, ROSEN, SCHNEIDER, SHERMAN, SIMPSON, SULLIVAN, WESTON, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: NASS, SMITH, TRAHAN

ABSENT: Senator: NUTTING

This being an Emergency Measure and having received the affirmative vote of 31 Members of the Senate, with 3 Senators having voted in the negative, and 31 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Senate at Ease.

Senate called to order by the President.

Senator **RAYE** of Washington was granted unanimous consent to address the Senate off the Record.

On motion by Senator **BARTLETT** of Cumberland, **ADJOURNED** to Thursday, January 29, 2009, at 10:00 in the morning.