February 23, 2021

The 130th Legislature of the State of Maine
State House
Augusta, Maine

Dear Honorable Members of the 130th Legislature:

Thank you for your ongoing work to improve the lives of Maine people during these difficult times. I look forward to our continued partnership to that end.

Please find enclosed the text of my 2021 State of the Budget Address.

Thank you.

Sincerely,

Janet T. Mills
Governor

Enclosure
Governor Mills’ 2021 State of the Budget Address

Introduction

There’s never a better time than a Maine winter night to look up at the stars.

It was my grandfather — a man from Ashland who looked like Gary Cooper — who showed me how to find Orion in the night sky. And the Big Dipper. And the North Star. I couldn’t rely on Google. Or a book on the stars. Or a television series, the Discovery Channel, or a Netflix special on astronomy.

It is not a book or a map that I rely on now to pick out those constellations.

It is my grandfather’s loving voice, his outstretched arm pointing my young eyes to the deep sky.

It is not Google alone that will show us how to live today. Not Facebook, Instagram or Twitter that will teach us how to love or teach us wisdom and compassion.

It is experience, resilience and, most importantly, perseverance, the perseverance of an Aroostook County farmer.

We’ve been through a lot these past twelve months. You and I. And perseverance will see us through these times, no matter who we are or where we live.

Our entire state has been through so much this year. Our whole country.

We have been tested.

A deadly terror invaded our nation, indeed the globe.

Our border with Canada — the world’s longest — closed for the first time ever.

Cruise ships cancelled.

Classrooms closed.

Graduations were celebrated in large open parking lots and drive-in theaters.

Weddings were postponed.

Funerals were held to small hug-less gatherings.

Loggers and haulers were idled in a paperless economy, while a paper mill’s giant digester blew up in broad daylight, threatening the lives of hundreds and the livelihoods of thousands.
Lunch rooms and popular restaurants were limited to take out and curbside pickup.

Hotels and stores operated at unheralded losses.

Souvenir shops, water slides, agricultural fairs, auto races, church services, baseball games, football contests — all drastically modified, transformed or cancelled.

At the same time, a man named George Floyd was killed at the hands of law enforcement officers in Minneapolis, lighting a firestorm of protests across the country, including many here in Maine proclaiming loudly that Black Lives Matter.

A general election challenged our ability to adapt and yet brought out the largest turnout in Maine history, with more than 62% voting absentee, or voting in advance, including 100-year old Phyllis Nikkel of Rockport who has seen her 26th presidential election. And on the national level, a Presidential contest seemed to test our sanity, even the durability of our democratic institutions.

Everything we have known, everything that was familiar, so much was canceled, modified, restricted.

Our world changed, and we had new words to define it.

We learned or re-invented words, like “quarantine,” “PPE,” “bubble,” “cohort,” “flatten the curve,” “super spreader,” “thruput,” “surge,” “social distancing,” “positivity rate.”

Other words have taken on new meanings and popularity: “pivot,” “variant,” “you’re on mute,” and, of course, “zoom.”

More importantly, however, a half a million Americans have died with COVID-19.

Nationally, those lives include notables like Herman Cain; Charley Pride; John Prine; Annie Glenn; Larry King; the newly elected New Hampshire Speaker of the House Dick Hinch.

In Maine, we have los: more than 650 people — friends, loved ones, neighbors, each with a life that had meaning and purpose, people like Ron Johnson, father of five, former Major League baseball player, coach and manager of the Portland Sea Dogs; and Kerck Kelsey, member of the historic Washburn family that include Israel Washburn, Maine’s governor at the start of the Civil War.

Dozens of Maine veterans — sailors, gunmen, mechanics — died without family members at their bedside, without color guards or taps played at their memorial services: heroes like Rob Fleury, 94, who served in the Navy in World War II and Dr. Jim Paras, also a World War II veteran who dropped out of high school to join the war effort and later enjoyed the big dance bands on the Old Orchard Beach pier.

Another great hero died this year.

“Hammerin’ Hank” Aaron — the right fielder who broke Babe Ruth’s home run record in 1974 and who holds the record for the most All-Star picks — But a year later, he broke another, equally important, record, surpassing Babe Ruth in RBIs, ending his career with 2,297 runs batted in.
That baseball great who grew up in a family too poor to buy a baseball bat, a Black man who faced hate and adversity, did not just revel in the solo performance of home run hitting, alone in the limelight.

No, his greater accomplishment, I think, was the reward of bringing his teammates home, one after the other. A home run may win a ballgame on occasion, but more often, it is the steady work of base hit after base hit – an effort driven by many, rather than just one – that wins more games.

We too are a team of multitalented players: some known for their home run hitting power or timely base hits; others for tracking down that deep flyball or pinch running the bases – but all, in their own ways, contributing to the success of the team.

This is the story of Maine as well: one team of many, a team that includes unsung heroes, some of whom face adversity day after day, but all of whom contribute to our success.

They are nurses, bus drivers, CNAs, teachers and ed techs, volunteers, working parents stretched to the nines, delivery drivers, grocery clerks, fishermen, haulers and farmers, and so, so many more. You know who you are.

During this pandemic, despite risks to yourselves and the adversity of our time and through courage, compassion and perseverance, you have helped our state succeed.

You have saved lives and secured the future of many children.

You, the people of Maine, are our Most Valuable Players.

**Private and Public Partnerships**

For that true team effort, we need look no further than innovative Maine companies like IDEXX, Jackson Labs, Puritan, and Abbott who are meeting the challenges of our times.

IDEXX, well known for its work in veterinary science, shifted to produce innovative test materials for COVID-19 at a time when testing was so very scarce.

They helped us more than triple our capacity to test Maine people – a huge life saver in those early, dark days of the pandemic.

Other companies, like MaineSource Machining, which makes barbeques, switched to manufacturing ballot dropboxes, designed by members of the Community Colleges, to help us conduct a safe election; breweries and distillers, like Maine Craft Distilling, shifted to producing hand sanitizer; LL Bean and Flowfold produced face masks and face shields; Lee Auto produced public service ads on public health precautions; Bangor Savings funded internet devices for needy school children.

The Maine Coast Fishermen’s Association started the Fishermen Feeding Mainers Program to purchase fish directly from fishermen handing it off to local processors to cut, package, and freeze fish to feed hungry Maine people. And the state was happy to help with this effort.
I also applaud the more than 3,000 hospitality workers who participated in COVID-19 safety training, offered by the Maine Community College System, to protect Maine people and visitors alike.

This is innovation.
This is ingenuity.
This is perseverance.
This is Maine people working together.

State of Maine COVID-19 Response

My Administration has sought to do its part to protect the lives and livelihoods of Maine people. With help from the Maine Legislature last spring, we began rallying the forces necessary to help people who were suffering job losses, to get food to school children and to build out our team of health professionals to protect Maine families from this dangerous virus.

My Administration implemented public health and safety measures, dialing them up and then scaling them down when we believed the circumstances demanded it. We directed people to wear masks in public, much the same as they would wear a hard hat at a construction site or safety glasses and ear protectors in a paper mill. We asked you to watch your distance and avoid large gatherings. And you did.

We then went to work distributing Federal funds to support the Maine economy and to aid Maine people in desperate need:

- We distributed more than $255 million in economic recovery grants to small businesses and $294 million to bolster the Unemployment Trust Fund and avoid large tax hikes on small businesses;
- We gave out more than $25 million for one-time $600 payments to 40,000 unemployed Maine people who were about to lose their benefits;
- We provided $28 million for rental assistance to prevent eviction and;
- We bought $9.3 million worth of at-home learning devices, like tablets, and Wi-Fi hotspots for more than 21,000 students who were trying to learn remotely but didn’t have internet access.

We even partnered with local broadband providers, dedicating $5.6 million to build out broadband infrastructure and deliver high-speed internet to more than 730 students in rural Maine.

We distributed $20 million in Federal relief funds to Maine fishermen and $18 million to farmers and foodbanks.
We partnered with towns and cities, allocating $13 million for the Keep Maine Healthy program, promoting public health and educational initiatives during the busy tourist season, including beach ambassadors to keep people safe.

The collective efforts of our people and their government, for now, are working.

**Maine COVID-19 Results**

According to the Maine Department of Health and Human Services, adjusted for population, Maine ranks second lowest in the nation in total hospitalizations; third lowest in total number of cases, and fourth lowest in number of deaths from COVID-19. Our testing volume is seventh best in the nation, and our positivity rate over the past fourteen days is second lowest in the nation.

**Vaccine Distribution**

And right now, Maine is in the top tier of states in distribution of the vaccine.

I am pleased that we are beginning to see an increase in the supply of these vaccines, though demand everywhere continues to far outpace supply, and that has compelled us to make hard choices.

Like nearly every state, we started with frontline health care professionals – our nurses and doctors who are working day in and day out to keep us alive and healthy. We also vaccinated police, firefighters, EMT’s, and other critical first responders to ensure that our emergency response system remains strong; to know that even if we experience another surge, our life saving professionals will be there for us.

In designating other categories eligible for the limited supply of vaccine, each state must then consider its unique circumstances. Maine has the oldest population of any state in the country.

And, while younger people are often exposed to the public to a large extent, it is our older people who are much more likely to get sick and die if they do contract the virus. It is also easy to verify their status, making vaccination clinics move swiftly and efficiently.

Our fundamental goal is to protect our most vulnerable, and that is what we’re doing by vaccinating those who are 70 and older now.

Today, thanks to the Department of Health and Human Services, the Maine CDC, Northern Light, MaineHealth, hospitals and health care providers across Maine, more than 200,000 people have received their first dose of vaccine – more than 15% of our population.

Many of them, like the people I met at the Bangor clinic, are folks who literally have not been out of the house in ten or eleven months, not hugged a grandchild, not had coffee with their best friend, not taken walks with a neighbor.

But they have persevered. And the sense of relief they have is palpable.
Now Maine is among the top twenty states in the nation for getting shots in arms. It has not been easy undertaking the greatest mass vaccination effort in modern day history, especially in such a rural state as ours.

There have been bumps, and the road ahead is difficult. But now we are in a race between vaccinations and the emergence of more contagious variants.

We hope in the foreseeable future we can win this race and we will be able to welcome all children back to the classroom and fully open gyms, restaurants, stores, churches, stadiums, auditoriums, theaters, museums and playing fields.

As always, we start with fact and science and base our decisions on how we can accomplish the most good for the most people.

And, as for all things COVID, we owe a great deal of thanks to two of the hardest working, smartest and most ethical professionals I have ever worked with: DHLIS Commissioner Jeanne Lambrew and CDC Director Nirav Shah.

Meanwhile this pandemic hit our economy hard. But our economy is recovering. Building supplies, consumer sales, auto and business operating sales, retail sales are all up.

Home sales reached record highs in 2020 as people realized that Maine is one of the safest states in the nation.

They know that we have a strong public health focus – with some of the best COVID-19 statistics in the nation — as well as the lowest violent crime rate, one of the lowest property crime rates, low prison rates, unmatched natural resources, and a quality of life that is the envy of many.

In December alone, housing sales rose 31.5 percent and the median sales price jumped by more than 15 percent since December 2019. One in three home sales went to out-of-state buyers.

Maine has had a 4.6-percent growth in construction jobs during the pandemic, according to the Associated General Contractors of America. Maine’s increase in construction jobs was the fifth highest in the nation.

Maine ranks highest of all the New England states in returning to pre-pandemic economic activity, according to the CNN Business’ Back to Normal Index.

While this is welcome news, many Maine people and some Maine businesses are still hurting, but still persevering — and there is much more to be done, starting with work on the state budget.

That budget carries forward the work we began two years ago on Healthcare, Education and the Economy and responds to public health needs exacerbated by the pandemic.

Budget Proposals
From the beginning, my Administration has worked to make health care more affordable so that every person can see a doctor, obtain life-saving medications, stay healthy and support their families.

From the beginning, we have focused on improving public education too so that every child, no matter their zip code, has the same chance at success.

From the beginning too we have focused on expanding economic opportunity for people across the state.

Those priorities were strongly reflected in our first budget, which began to rebuild our public health infrastructure, protected public safety, funded voter-approved Medicaid expansion that now provides health care to more than 70,000; invested in public schools and raised the minimum teacher salary.

We increased our ability to protect children from abuse and neglect, we budgeted for services for our most vulnerable citizens, and we focused on economic development to attract good paying jobs to Maine.

This pandemic has not changed those priorities but, rather, only underscored their importance and the importance of our investments in them.

Now is the time to maintain those investments.

Like many states, last spring Maine faced a significant budget shortfall, caused by the pandemic, that made crafting a biennial budget challenging.

To fill a potential hole in the budget, we curbed spending without sacrificing general purpose aid to education, without laying off hardworking state employees, without diminishing our basic social safety net or hampering our COVID-19 response.

It worked.

As a result of those cost-saving actions we took early on, and with the help of Federal funds for which Senators Susan Collins and Angus King and Representatives Chellie Pingree and Jared Golden deserve great credit, we closed the gap and we have presented comprehensive balanced budget proposals to the Legislature.

These proposals are straightforward and no-nonsense. They have basic goals: 1). to beat back the pandemic to keep Maine people healthy and save lives; 2). to fund education and 3). to maintain a stable economy and get people back to work. These budgets continue cost saving measures we put in place at the onset of the pandemic, while protecting services that Maine people count on.

These budgets include:

- $3 million for the Health and Environmental Testing Lab, the Health Inspection Program, the Maine Immunization Program, and the Public Health Emergency Preparedness Program;
- $5 million for COVID-19 testing, vaccines, and support services for people in quarantine;
• $45 million in additional funds for K-12 public education, making progress toward a
minimum teacher salary of $40,000 and helping school districts manage in-person, remote, and
hybrid learning options during the pandemic. If approved, the increase will result in the highest
level of state funding for education ever;

• $6 million to fund Section 29 services for adults with developmental disabilities in their
communities;

• $25 million for the Medicaid Stabilization Fund to protect basic health care during this
challenging time;

• $45 million for MaineCare rate increases for nursing facilities, residential facilities for
children and older Mainers, services for adults with intellectual and developmental disabilities,
and other providers;

• $7.5 million for mental health and substance use disorder, including community mental
health and $2 million for our OPTIONS Initiative to dispatch mobile response teams to those
communities that have high rates of drug overdoses — something that is more important than
ever, given the increase in overdose deaths in Maine and the rest of the nation during the
pandemic;

• And $82 million in tax relief for all Maine small businesses who received the Paycheck
Protection Program, or PPP, relief, including complete relief for 99.1% of them and significant
but partial relief for the less than one percent of larger businesses that received more than $1
million dollars of PPP.

In all, my budget proposals do their best to hold spending steady and preserve public health and
education during the pandemic. Together they maintain the state’s important relationship with
town, county and school administrative units, who receive more than a third of all General Fund
appropriations.

Now, I have heard the calls of those who say we should enact sweeping budget cuts.

I agree that State government cannot be all things to all people all the time. And that it cannot
solve all our problems or address the needs of all people.

But history has shown that we cannot cut our way to prosperity. During emergencies such as this,
people depend on us to protect children, to secure health care, to safeguard educational and career
opportunities and to protect the most vulnerable of our citizens.

I am not going to walk away from, or abandon, Maine families in their time of greatest need –
especially those who are out of work through no fault of their own because of a worldwide
pandemic.

Now, I have also heard the calls of those who say we must spend a lot more, even if it means we
must dip into our savings.

This, too, we should not do.
When you have a fever — or when your state has had a fever — you don’t say, “Now, get up and run laps and do a hundred pushups.” Recovery, getting back in shape, is not immediate, its course not always predictable.

This budget, though, provides basic continuity, consistency and stability, something our state needs at this time. It is focused on recovery.

There is more to do.

During the pandemic, as before, our focus is on health care, education, and the economy.

I want to diversify our economy, provide good-paying jobs in every corner of this state and opportunity for all Maine families.

I want a future in this state for every Maine child. I want people to see Maine not simply as “Vacationland” but as a great place to live year-round, to work and raise a family.

And I want our young people to know that they don’t have to leave the state to get a first-class education and to find work that is gratifying, useful and financially rewarding. We want career ladders that give us more plumbers, mechanics, nurses and carpenters as well as entrepreneurs who will work in software design, robotics and “Artificial Intelligence” without having to leave the state for places like Silicon Valley.

We will build that Maine and we will build a better, brighter future for all.

So, where do we start?

My Administration’s 10-year economic development plan, as well as the recommendations of the Economic Recovery Committee I convened last year, point the way.

We need a strong, vibrant, and skilled workforce here in Maine.

**Maine’s Workforce**

There are good paying jobs in the trades, in electrical or plumbing work, in construction and manufacturing, in health care and life sciences and in clean energy that are going unfilled. We have to connect the workforce with those jobs and make an investment in new jobs at the same time.

That is why my Administration in the coming weeks will lay out a “Back to Work” bond proposal that asks for $25 million to partner with Maine’s career and technical education centers and our community colleges to provide equipment and to train skilled workers to fill jobs in high-growth industries, including manufacturing and clean energy.

To that same end, I have set a goal of doubling Maine’s clean energy jobs in the next ten years, and in the coming weeks my Administration will stand up a key recommendation of the State’s 10-year economic plan: the Maine Career Exploration Program.
Backed by funding secured through the New England Clean Energy Connect project, we are launching a program in Franklin and Somerset Counties to provide scholarships and paid internships for local students with local employers.

These internships will provide real world job experience in the trades, healthcare and other fields, connecting Maine kids to our economy and putting them on a path to good-paying jobs here in Maine.

Ultimately, our goal is to expand this program statewide to ensure that 100 percent of Maine students have the option for a six month paid internship between their junior year of high school and one year after high school graduation.

The time for innovation is also now.

**Heritage Industries**

Maine was built by farmers, foresters, and fishermen, and we have carved our lives and livelihoods out of the bold, rocky coast, the tall pines, and the rolling fields. These industries, and all whom they employ, are the foundation of our economy and are central to our future. We must help them through this time of hardship and transition, and we must fight against ineffective Federal regulations – like the proposed Right Whale Rule – that threaten their success.

In our Back to Work proposal, we will ask for $50 million for these heritage industries to increase local processing infrastructure, to improve access to markets, and to allow Maine companies to modernize and add value to products grown, caught, cultured and made here in Maine.

We know what this future looks like.

Just last week, LP Building Solutions, a Tennessee-based wood products manufacturer, announced that it is investing about $150 million to convert part of its mill in New Limerick to manufacture advanced engineered wood siding.

They chose to expand here in Maine because of our work ethic and because of our wood supply. They expect to increase local wood consumption by 30 percent and utilize local suppliers and small businesses. The result: good-paying jobs and a stronger economy.

In Western Maine “Go-Labs” is repurposing the shuttered Madison Paper Mill and is on track to become the first North American producer of home and building insulation made from wood fiber.

These heritage industries are not merely things of the past – they are also the economic engines of our future.

**Broadband**
There are also challenges that are common to all economic sectors: broadband and childcare, in particular.

The stories are all around us: a father of four in Owl’s Head who has to bring his daughters to a restaurant to connect to WiFi in order to get their homework done. A Blue Hill doctor struggling to view his patients’ charts during remote telehealth sessions. A high school student in Hope, Maine, who missed sixteen days of school because of dropped connections. And, yes, even a Governor of Maine who couldn’t connect to a public health media briefing in the State’s Capitol.

It seems like everyone has a story about slow or no internet access in Maine. Sometimes it can seem like that’s just the way things are and that’s the way it will always be. But I don’t believe that.

Roads and bridges continue to demand our attention and are a major focus of bonding especially during times of historically low interest rates.

But highspeed internet is as fundamental as electricity, heat, and water. It is the primary way of connecting with others in the 21st century. It is the modern equivalent of rural electrification in the 1930’s and the interstate highway system in the 1950’s.

We need to have high speed internet throughout our state, and with willpower and perseverance we will get there.

With the buildout of the NECEC transmission line we will have the advantage of new fiber infrastructure from Jackman to Pownal and from Windsor to Wiscasset and ten million dollars in grants for middle mile and last mile connections for all host communities.

Last year, my Administration asked for $15 million in bond monies to expand broadband — the first new investment in internet expansion in more than a decade — and you approved.

This year, I will be asking for an additional $30 million for infrastructure and for internet that is affordable for Maine families, students, seniors, businesses and workers across the state.

I am asking this on behalf of every child who could not learn remotely this year because they could not zoom into the classroom. I am asking for every entrepreneur who could not open the door of their new business because they could not get online. I am asking for the father or mother who wanted their child to Zoom with their grandparents but could not. I am asking for every person who is considering moving to Maine but wondering if they’ll be able to work remotely.

A software engineer named Ryan told a newspaper recently that he and his wife moved from Boston to Maine in July because in part, they found a place where they can work remotely.

We know that if we build it, they will come.

Reliable high-speed internet is one thing families need desperately.

Affordable accessible childcare is another.
**Childcare**

A mother named Savannah in Cherryfield told us she was on a waitlist for more than a year and a half for childcare for one of her children.

Another woman named Cassie in Sidney started looking for childcare when she was five months pregnant and called more than 40 childcare facilities. After having her baby and right after she was scheduled to return to work, she was finally able to find a slot in a home-based childcare facility thirty minutes away.

Before the pandemic, close to 5,000 Maine children with working parents, mainly in rural areas, did not live close to a childcare provider.

Millions of women nationwide, including thousands in Maine, have been forced to leave the workforce during the pandemic because they lacked reliable childcare.

My Back to Work proposal will seek $6 million for low- or no-interest loans to renovate, expand, or construct childcare facilities and increase the availability and quality of childcare slots, with half of that money going to underserved communities in rural Maine.

Knowing your child is being taken care of is key to staying in the workforce and providing for your family.

As someone who raised five daughters, and as the grandmother of two little girls, I know how precious that peace of mind is.

We will have more to say in the coming weeks on the Back to Work proposal. It will also include investments in roads and bridges, working lands and waterfronts, research and development, and energy efficiency. All these proposals will create jobs and strengthen our economy, particularly in rural Maine.

We will use every tool we have to build a healthy, strong and safe state — from the supplemental and biennial budgets, to a Back to Work bond proposal, to other legislation, and partnerships with the private sector.

Just as we rose to meet the challenge of the coronavirus pandemic, we will rise to meet the challenge of restoring our economy, never resting until we are stronger than ever before.

**Conclusion**

I have received hundreds, if not thousands, of handwritten notes from Maine people this past year. I read about their stories, their hopes and their heartaches. Some of the messages I have read have stayed with me long after.

One young mother writes every week. She is busy teaching her children, keeping a small business going with her husband and training the new family dog.
Recently she watched the movie *The Fellowship of the Ring* with her kids. She wrote me about the scene in which Frodo says, “I wish the Ring had never come to me. I wish none of this had happened.”

And Gandalf responds, “So do all who live to see such times; but that is not for them to decide. All we have to decide is what to do with the time that is given to us.”

None of us wished to see the times we have seen these last twelve months, but that is not for us to decide. All that we can do is decide what to do with the time that is given to us. And that’s what Maine people have done.

We, like the rest of the nation, were dealt a bad hand last year. But we are pushing through. We will get to the other side. We will not only survive, we will rise a better, greater state for all that we have endured and all that we have learned, all whom we have saved.

We are a country, and we are a state, that knows compassion, that acts with courage, that values community. We are a people who persevere.

That is us. Now it is time to get our state back on track, focus on the future, and aim for the stars.

Last Friday an American made Rover named Perseverance, operated remotely from NASA headquarters, landed on Mars. We rooted with pride for this little vehicle just as we did fifty years ago when American heroes first set foot on the moon.

That Rover’s fiery entry through the Martian atmosphere was made possible by heat shield materials produced by a company in Biddeford, Maine.

The next Rover, a human mission, we expect will be aided by a deceleration system invented by engineers at the University of Maine’s Advanced Structures and Composites Center. And one day, commercial rockets launched with bio-derived fuels made at Brunswick Landing may take to the skies from Limestone Maine.

For now, Perseverance has put Maine on the map.

For now, perseverance is also our prerequisite for the future, our password to success, our passport for getting our state back on track.

As we look up at the stars tonight, as I did with my grandfather many years ago, we will tell our children about American ingenuity, about Maine’s place in the future, about the beauty of our world and our state and about the perseverance of our people.

With that perseverance, our state will prevail.

Thank you.

Please keep the faith and stay safe.