

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Senate Legislative Record
One Hundred and Twenty-Fifth Legislature

State of Maine

Daily Edition

First Regular Session
December 1, 2010 to June 29, 2011

Pages 1 - 1494

The House voted today to insist on its previous action whereby it accepted the Majority Ought Not to Pass Report of the Committee on Criminal Justice and Public Safety on Bill "An Act To Protect Young Children from Sex Offenses" (S.P. 357) (L.D. 1182).

Sincerely,

S/Heather J.R. Priest
Clerk of the House

READ and ORDERED PLACED ON FILE.

The Following Communication: H.C. 204

**STATE OF MAINE
CLERK'S OFFICE
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002**

June 15, 2011

The Honorable Joseph G. Carleton, Jr.
Secretary of the Senate
125th Maine Legislature
Augusta, Maine 04333

Dear Secretary Carleton:

The Speaker appointed the following conferees to the Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act Regarding the Membership of the Midcoast Regional Redevelopment Authority Board of Trustees" (S.P. 54) (L.D. 204).

Representative PRESCOTT of Topsham
Representative HARVELL of Farmington
Representative VALENTINO of Saco

Sincerely,

S/Heather J.R. Priest
Clerk of the House

READ and ORDERED PLACED ON FILE.

Out of order and under suspension of the Rules, the Senate considered the following:

ENACTORS

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

Emergency Measure

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2011, June 30, 2012 and June 30, 2013

H.P. 778 L.D. 1043
(H "A" H-636; S "H" S-324
to C "A" H-620)

The President requested the Sergeant-At-Arms escort the Senator from Penobscot, Senator **PLOWMAN** to the rostrum where she assumed the duties as President Pro Tem.

The President took a seat on the floor.

The Senate called to order by President Pro Tem **DEBRA D. PLOWMAN** of Penobscot County.

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

Senator **RAYE:** Thank you Madame President. I stepped down from the rostrum for just a moment at this time in our proceedings because during last night's discussion, as the Presiding Officer, I didn't have an opportunity to weigh in. I just wanted to make a few brief comments. I want to begin by expressing congratulations and my heartfelt and deeply sincere thanks to the Senator from Hancock, Senator Rosen, the Senator from York, Senator Hill, and the Senator from Kennebec, Senator Katz, and to their counterparts from the other Body who toiled long and hard for these past months in the Appropriations Committee.

The seeds for this successful conclusion of the biennial budget process were sewn at the outset of this Legislature when we made the affirmative decision to pursue a bi-partisan two-thirds budget and to afford all members, Majority and Minority alike, the respect of full participation in that process. The result is a crowning achievement for this first session of the 125th Legislature: a thoughtful and balanced budget that will bring historic tax cuts for Mainers of all income levels, including dropping entirely from the tax rolls those with the lowest incomes and targeted; smart tax policy that will encourage investment and job creation that Maine people need and deserve; reforms that will strengthen and preserve the State pension system for those who depend on it now and in the years ahead; meaningful and balanced welfare reform; and something that I think has too often been overlooked, the fact that there are no cuts to higher education and increased funding for K-12 education. I would venture that if you looked across this country at what is happening with state budgets, the State of Maine will stand out in that regard in prioritizing and funding our education because we understand that it is a vital and central role of state government and crucial to the future of the state and the people who live here. It is not a budget that any one of us would have written alone, but it represents that very best of bi-partisanship, respect, and reason. The people of Maine will be the beneficiaries of the work of the Chief Executive and of both Republicans and Democrats on this budget.

One final word, another item that could easily be overlooked, but is a tribute, I believe, to the men and women of this Legislature. That is that we have led by example within this budget by reducing our own budget, the Legislature's budget. It's not a modest reduction. It's a real reduction, a reduction of \$8.3 million, representing fully 14% of the budget of this Legislature. I believe we are on the verge of something historic and something that, while not one Senator is entirely satisfied with this budget, we can take satisfaction in knowing that this process worked and was a process that was characterized by patience, by listening, by being thoughtful, and demonstrating mutual respect. I want to say that the central role of Senator Rosen, Senator Hill, Senator Katz, and their counterparts from the other Body, most notably the House Chair and the House Minority Lead, played a pivotal role in bringing us to this day and we owe them all a enormous debt of gratitude. Thank you very much, Madame President.

The President Pro Tem requested the Sergeant-At-Arms escort the Senator from Washington, Senator **RAYE** to the rostrum where he resumed his duties as President.

The Sergeant-At-Arms escorted the Senator from Penobscot, Senator **PLOWMAN** to her seat on the floor.

Senate called to order by the President.

THE PRESIDENT: The Chair recognizes the Senator from York, Senator Hobbins.

Senator **HOBBS:** Thank you Mr. President. Men and women of the Senate, first of all I, too, would like to congratulate the dedication and hard work of the Appropriations Committee and the members of this Body who worked so diligently for the past five months. Special appreciation and respect to Senators Rosen, Katz, and the lead of the committee from our caucus, Senator Hill. We're very much indebted to your hard work. The Appropriations Committee budget is a vast improvement over the original General Fund Budget submitted in January of this year. Although not the intension, the Governor's original budget created divisiveness among Maine citizens. It pitted the public and the wealthy against State employees, teachers, low income Mainers, and labor. The Appropriations Committee, however, worked tirelessly to moderate this divisiveness. The budget in front of you is the unanimous vote of that committee and it moderates and protects Maine's citizens from the extreme measures of the original document. This budget was the product of unanimous compromises. This budget restores roughly \$100 million to health and social service programs, thereby avoiding cutting over 100,000 Maine residents from health care and social service programs. This budget, as proposed by the committee, vastly improves the State's pension plan while reducing onerous unfunded actuarial liability by \$1.7 billion.

This budget restores funding for at least 3,000 Maine children, elderly, and disabled residents, who otherwise would have lost food assistance and their most basic needs. This restores funding for home visitations, a program that has reduced shaken baby syndrome by 50%. This budget restored, and will restore, funding for low cost drugs for 44,000 elderly and disabled

citizens in Maine. The Appropriations Committee, in their wisdom, restored funding for substance abuse services for 1,600 Maine residents that otherwise would have been rationed among three residential treatment facilities following the closure of ten of the thirteen treatment facilities. This bill, as presented to us by the Appropriations Committee, restores funding for health care for 16,000 non-categoricals, many of whom are homeless veterans and all of whom earn 100% or less of the federal poverty level. Because of the work of the Appropriations Committee, this bill restores Medicaid funding for 12,500 low income parents and children who would have lost access to health care. It is important to note that when health care insurance is denied to low income Mainers, this group uses the emergency departments of our hospitals which provide the most costly care. The result is increased bad debt to hospitals and increased insurance premiums for all Maine insured residents. It is important to note that cuts in Medicaid result in cuts to providers of health care, an important factor in Maine's economy. Medicaid cuts mean significant business and job losses, including hospitals, nursing homes, physicians, and many other providers.

The Appropriations Committee also significantly modified and moderated the impact of the budget on active and retired State employees by eliminating the 2% increase in employee/teacher contributions to the Maine State Retirement System and eliminating the reduction of State contributions. This budget significantly moderates and modifies the original budget by reversing the runaway costs to State payments to the Retirement System by a reduction of \$338 million in total payments over the 2012 - 2013 biennials. This budget significantly reduces the substantial detrimental impact of the original budget on 83,330 State employees and teachers. This budget also reduced from the original budget \$52 million in tax cuts. We are fortunate that the Appropriations Committee also addressed providing for ADHOC non-cumulative COLAs, eliminating health insurance cost sharing that was imposed on State employees, teachers, and particularly low income retirees. Also this budget eliminates the provision penalizing all State employees and teachers who retire prior to age 65 and restores the normal retirement ages.

This budget probably has something in its body that anyone can hate. There is a provision in it, I'm sure, all of you would say you wish wasn't in the budget. The alternative would most likely be much more divisive. We have proposed in this budget, in the Appropriations Committee, alternatives. If we do not pass this today and enact it, would deprive many Mainers of access to health care. The alternative would severely impact State employees and teachers or require the State to make geometrical increases in payments to the ULA that would deprive funds for all other programs. The alternative would have squandered State resources on those who need them the least. I urge this Body to vote for Final Enactment and I thank again the member of the Appropriations Committee for their dedication and for the legislative leadership for their leadership in getting this budget to this point. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from York, Senator Sullivan.

Senator **SULLIVAN:** Thank you Mr. President. Men and women of the Senate, I rise in support of this budget. Last night I did not and I spoke to the good President afterwards. I want you to know he made me feel extremely good. I said, "I'm not an obstructionist and I will be with you on the Enactment." Instead of

making me pour out my soul for feeling like a betrayal of both his caucus and my caucus, he instead said it was therapeutic for me and I needed to be able to say what I did because there was a lot of skin in it, a lot of flesh in it, for me, personally, and my colleagues and friends I've worked with for 20 to 28 years. Mr. President, I want you to know that last night I went home after here, or I went to where I stay, and called my husband. He was in a pretty good mood because, as you know, he was keeping track of what was happening on the TV. Much more important than what was happening here. He was in a good mood and I said, "Honey, I have found something that's much cheaper than a therapist or anything. Will you install a yes and no button at home? Whenever I need therapy I'll just press no, I'll feel better, and everything will be great." He has no idea what I am talking about, still doesn't, didn't then, and for the 32 years that I've been married he usually doesn't know what I'm talking about. That's okay.

I am proud. I am very pleased with what has happened for many of the people that can afford things even less than I. I am blessed. I have a wonderful husband, a wonderful family, a wonderful son. I'll survive. I just won't be able to eat out as much and that is probably good for you, so I thank you. I want to say to everybody, it is a good budget. Perfect it is not. I've been assured that we're going to do some work on the retirement piece because we certainly have hurt the people that are close to retiring. I would remind you that retired teachers do pay their insurance premiums. We always have paid more than anybody else, other State workers. That's okay. We've taken care of those mentally ill. We've taken care of so many good things in here. Thank you for indulging in my therapy last night. I feel so much better saying therapy rather than obstructionist. I probably will cast this and I am really indebted to all of you here. Truly, I fought until the last moment, but I hope that I'm a good loser because while being a good loser I'm really a good winner and the State of Maine is a good winner. Thank you, Mr. President, for helping me, sincerely, last night. Thank you, men and women of the Senate. I think we're all pretty good in here. Thank you.

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

Senator **DIAMOND:** Thank you Mr. President. Ladies and gentlemen of the Senate, I would just be very brief. I could not let this moment go by without expressing my sincere thanks and admiration for what the Appropriations Committee has done. I'm sure when they first looked at that challenge, I'm sure Senator Rosen, Senator Hill, and Senator Katz all kind of shook their heads and just said, "What is this? What have we been given?" This is a huge mountain to climb, but they did. They climbed it. Not only did they climb it, they climbed it with dignity and with hard work. Looking at things like HHS and taxes and pensions. Last year I remember the Senator from Lincoln, Senator Trahan, as we presented the final budget, actually voted for it. He said the reason he did was because Republicans and Democrats all came together and worked so hard to make it work. That happened again. It happened again because of the leadership you see here today. I wanted to say thank you for that and my admiration for sure. I know what you went through, or a little bit maybe, not all. I know it was not easy, but you made it work. In fact, I think the success of this Legislature really centers on whether or not the Appropriations Committee is successful. I

think they feel that burden. They handled that burden with dignity and I'm very proud of them. Thank you, Mr. President.

THE PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Schneider.

Senator **SCHNEIDER:** Thank you Mr. President. Men and women of the Senate, I will also be very brief. I rise because I just wanted to acknowledge some of the things that are in the package that I find really incredible achievements. Also I concur with the previous statements about higher education, Maine Public Broadcasting, and meeting the needs of the most in need. I think they have achieved that in this budget and I want to commend those on the Appropriations Committee for doing that. I'll respectfully disagree with our leader about the tax package. I have grave concerns about that and I have grave concerns about the way we've left the retirement. I'm very pleased to hear that with this work, regardless of whether we put an amendment to address another review of the retirement situation, there was a commitment in this Body to undertake that work and to go back and try, when we can, to fulfill those promises that we've made in the past. There were some statements made last night and I really thought about those statements because sometimes people are not privy to historical information about what happens here under the dome. I've been very fortunate.

Most of my time here, and this is my last term here, I've been very fortunate that we've had bi-partisan, unanimous budgets. Whether the Democrats have been in power or the Republicans have been in power, around that horse shoe in the Appropriations Committee we've been very fortunate to have thoughtful, caring people who have worked together really, really well. They have achieved a bi-partisan, unanimous budget. That said, there have been people who have chosen, for their own reasons and their own convictions, not to support the unanimous budget work that was done at that time. I have decided to go back to roll call votes just to mention, so people understand, that there is nothing wrong for those people who stand against this budget. If they feel compelled to do so, they have every right to stand in opposition for those reasons. I just wanted to let you know that in 2009 there were two who were in opposition to a unanimous committee report, which was Nass of York and Smith of Piscataquis, in this Body. Two years previous to that, I remember it clearly and if I couldn't count so well I probably would have gone on the no as well because of the school consolidation. I don't know the motivations of the others, but I was tempted to be a no as well. Gooley of Franklin voted no on a unanimous report. So did Nass of York, Raye of Washington, Sherman of Aroostook, Smith of Piscataquis, and, the most interesting of all, Minority Assistant Weston of Waldo.

I think we all have our values and we have to stand up for those values regardless of what they are. Somebody asked me what I was going to do on this budget. I said there's a lot that I have heartburn over, I have concerns over, but because, for me, I believe that the people of Maine are looking to us for collaboration, for working together, and to send a strong message to the next person who must either sign or not sign or put in a drawer to become law that we support this budget. I will be supporting the pending motion. I think they are looking to us for our leadership regardless of who is in power under the dome. They don't want us to close State government down and create chaos. They want a budget. I think this is our best opportunity for that. It clearly shows that we work really hard together. We all

fought the good fight for our people. I know that there have been numerous discussions since the budget came out about how best to address the situation and everybody has had input. Is it perfect? No, of course not. I echo those of others here. It's far, far, far from perfect, but it's the best we could do given the circumstances. I want to congratulate the people on the Appropriations Committee. I tip my hat to you. I think you've done just outstanding work and I thank you all for that work. I hope you will join me in support of this budget. Thank you.

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

Senator **ALFOND:** Thank you Mr. President. Ladies and gentlemen of the Senate, I also rise today with the utmost respect for Senator Rosen, Senator Katz, and Senator Hill. Together, our three Senators worked for months, navigating through the toughest budget in recent history. The committee had to deal with a complex puzzle of large policy ideas, massive budget changes, and, let's not forget, an unexpected change package which could have been a budget in itself. I believe, in the end, the package is better than anyone could have predicted. They took an unworkable budget and made it much better. For that I am thankful. As the Democratic Lead on Education, I'm also especially grateful that funding for K-12 and higher ed remained a priority for the Appropriations Committee and the Governor. However, I'm not without my opposition. I cannot stand here and ignore what this budget will do for future Legislatures, for future budgets, and for the State of Maine. It appears that this budget was used to push significant public policy goals, including policies that will create huge budget deficits in the future. I fear, and let me say this again, I fear that this budget could be used to starve and shape government in the future. This two year budget calls for \$151 million of tax cuts. Let me be clear, I'm not opposed to tax cuts. I am, however, opposed to these tax cuts at this time. I'm opposed to giving the majority of tax cut dollars to Maine's wealthiest while our middle class got little. I know I'll hear, and we've heard from our good colleagues across the aisle, the merits of trickle down economics, but all it takes is reading a page out of our history books to see that trickle down economics will not empower the middle class nor will it stimulate the economy like you say. Yes, I appreciate the simplification of the tax code, but I believe the state of Maine is going down the same wrong headed path that our federal government went down with their tax cuts. Those similar tax cuts did almost nothing to create jobs and have made our federal budgets much more difficult to balance. In Maine, I fear, the story will be worse. These tax cuts will have massive implications for our future. In our next budget, the 2014 - 2015 budget, the tax cuts will be close to \$400 million. That's \$400 million that we know we won't be able to invest in roads, education, health care, and the innumerable services to Mainers. Not only are these tax cuts assisting the wealthiest Mainers disproportionately, it's also coming at the wrong time. My biggest concern is that these tax cuts will hamper Maine's current obligations to our people.

Our future budgets will struggle to find the necessary investments in education, transportation, and taking care of our elderly and young people. I understand the temptation to only deal with what's right in front of us, but our job is to think long term, not budget to budget with blinders on. Maine's future growth and economy depends on a skilled workforce. We all, in this Chamber, talked about jobs. We all, in this Chamber, talked

about growing our economy. The link between the two is education. Businesses are demanding higher skilled workers, but, by adopting this biennial budget, we are admitting that we are not putting our money where our mouth is. We're not prioritizing the investment in education. The voters mandated that we fund K-12 at 55%. We have yet to do so. Interestingly, maybe coincidentally, in the next biennial budget the proposed tax cuts of \$400 million is exactly the amount that we need to fund K-12 fully. Next is higher education. Currently today, in the state of Maine, our higher education funding is the 44th lowest in the country. Underfunding education, whether it's at the K-12 level or higher ed, will do nothing to improve our skill base of our workers nor give confidence to businesses to stay here, incubate here, or relocate here.

I understand that during these economic times we're all being asked to tighten our belts. Hard choices had to be made. However, promises didn't need to be broken. We spent a lot of time here talking about our obligations to hospitals and such. Where was that same obligation and commitment to our retirees and our current State workers and teachers? I do appreciate the changes that were adopted, that improved our original proposals for the State retirement system, the State health care system, and the compensation to our State employees. However, this budget has broken a promise. We told teachers and State employees that we would protect their retirement. Many of our current retirees have already fulfilled their end of the bargain. It seems especially unfair to renege on that contract. To the retirees whose lives will be impacted by these changes, I want you to know that we worked hard and in good faith to restore the State's promises to you.

It is with a heavy heart that I will vote again in support of this budget. Again, the Appropriations Committee did an amazing job, but this budget handcuffs our long term flexibility and squeezes our obligations for success and prosperity. I can say that neither side of the aisle is satisfied, so perhaps it is simply the best we can do. Thank you, Mr. President.

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

Senator **BARTLETT:** Thank you Mr. President. Let me begin by extending my appreciation for the truly extraordinary work of the Appropriations Committee and Leadership in putting this budget together. I've nothing but the greatest respect and admiration for all three Senate members of the Appropriations Committee. They worked tirelessly and they took a very bad starting budget and made it infinitely better. For that, I am very, very grateful. At the end of the day, though, I feel I cannot support this budget for three primary reasons. First, in my view, the cuts to the retirement system are simply too deep and the savings are not being used to go directly back into the retirement system. We made a commitment to our State employees, many of whom committed their entire careers to us and to the people of the state of Maine. In my view, this budget does not honor that commitment. Secondly, the tax cuts are unfairly balanced in this budget. I believe we are giving too much to those who need it least. Thirdly, there is a significant tax increase in this budget. There is \$20 million that is taken from the circuit breaker program which provides property tax relief. In my four campaigns, the tax I've heard the most frustration and anger about is the property tax. What we've done is raise the property tax for people who can afford it least. Many of the people who benefit from the circuit

breaker program are senior citizens. They are going to be denied that additional tax relief. For those people, this is a huge tax increase at a time when we are giving big tax cuts to others. I think it's wrong. I think we have an obligation to protect the least among us first or at least make sure, as we are distributing benefits, we are doing it in a fair and reasonable way. It is for those reasons that I will be opposing the pending motion.

THE PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Jackson.

Senator **JACKSON:** Thank you Mr. President. Ladies and gentlemen of the Senate, I'll try to be brief also. I said last night that I was very indebted to the Appropriations Committee. Nothing has changed in that regard because I quite honestly feel that they started out with such a draconian, mean spirited budget and to get to where they were was a huge victory for everyone in the state of Maine. My feelings haven't changed. The budget has provisions in it to deal with legal immigrants to the state, taking away benefits for legal immigrants. It seems like the policy of this state is changed to bring in more foreign workers that don't have legal status in Maine. I don't quite understand the hypocrisy of that. There is a provision to find \$13 million in savings in the employee health and benefits. Those savings are going to come out of cuts to the health insurance for State workers. That's going to compound the cuts that we've made to State workers. Like I said last night, it's the retirement fund. I have sat on the Labor Committee for nine years now. We had jurisdiction over the retirement fund. We knew that those payments were ballooning because of the constitutional amendment. We also knew that the problem with the unfunded liability is not a problem for current State employees, or any State retiree in the last 20 or 30 years. That's all problems that came from far back Legislatures. While it is our responsibility, it certainly is not those current retirees and current State employees fault. To put that all on their back now is unfortunate. I just can't do it. I said it last night. I live at the very far end of the road on Route 161. I can hear the trucks going by early in the morning. I can hear, in the wintertime, those plows going by at 2 o'clock in the morning. I hear those plows going by. It's very distinctive. You hear that plow scraping on the road. I hear that on Sunday nights. I've heard that on Christmas. I just can't believe that there are people out there making sure that the roads are safe for me and my family on Christmas when I'm sitting there watching my kids unwrap their presents. That's dedication. That's dedication for \$19,000 a year retirement. I just sat here and figured it out. That's \$1,583 a month. Where do you go with \$1,583 a month to run your home? Really, if people think that's living high on the hog, I just can't get over that. I said it already, the Appropriations Committee did do a great job. My vote is not anything against all the hard work that they put in because I know they did. Like I said last night, I'm just not able to do that to those hard working people. They worked for it. They are not the slackers that people talk about. They put their time in and they put their time in admirably as far as I'm concerned. Those teachers that taught us all. I'm just not willing to do that.

The Chair noted the absence of the Senator from Cumberland, Senator **BRANNIGAN** and further excused the same Senator from today's Roll Call votes.

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

Senator **DILL:** Thank you Mr. President. Men and women of the Senate, I rise also opposing the pending motion and also with gratitude to the committee that passed the unanimous budget. I thank them deeply for their work. I know that there is sort of a practice and a protocol here to uphold unanimous committee reports as a sign of appreciation and respect for all the work that was done. I think it's important that we recognize that this budget isn't about us. It's about the people of Maine who pay the taxes that support this budget and the people of the state of Maine who this budget is going to impact. The people who are opposed to the budget are giving voice to those people who are plowing the roads up in the Allagash and to those people who are bearing the brunt of the policies and the moral statements that are set up in the budget. The concerns I have are very similar to the concerns of the Senators who spoke previously. The pension is a prime example of the little guy being stuck with holding the bag. The pension is a sound pension system that has been responsibly managed and that was 74% funded until the 2008 recession, which we all know wasn't caused by State employees or public unions. That was caused by a worldwide economic collapse because of speculative investing and all kinds of securitized, mortgages and all that. Because of the decline in the market, we do have to meet our obligations with that regard. This budget goes beyond that. The budget goes beyond making up for the 2008 recession. The budget goes beyond paying what we owe to keep our unfunded actuarial liability payments current. It goes beyond that to pay for tax cuts. It's for those reasons that people who are opposing the budget feel so strongly. We're not only creating future deficits, but we're giving tax cuts to people on the backs of our public employees. Our opposition to this budget is giving voice to those people, saying this isn't right. Yes, I applaud the work of the Appropriations Committee. I respect the work that has been done. I congratulate all of you on accomplishing a budget, but I stand very solid in my commitment to give voice to those people who this budget is going to adversely effect. I thank you for your time.

THE PRESIDENT: The Chair recognizes the Senator from Lincoln, Senator Trahan.

Senator **TRAHAN:** Thank you Mr. President. Ladies and gentlemen of the Senate, I rise in an attempt to ease the burden of the consciences of the people that are concerned that the tax package is unfair in some manner. Before I begin that, I would like to thank the Appropriations Committee and Leadership for their tremendous effort in getting a two-thirds budget that I believe is going to be both historic and change the course of this state in a positive direction. I'd like to talk about the tax package for a moment and tell you a little bit about the history. This issue around tax cuts or the tax package out of the Taxation Committee took us several months to put together. What we tried to do, the majority of the committee, was to try to distribute tax cuts in a fair and equitable manner, in a way that would also protect jobs and put money into our economy, especially into the hands of the most vulnerable of our citizenry. I'm going to review some of the items in the tax package, not all of them because I don't want to prolong this into the afternoon with details. This package does

some structural and fundamental changes to our income tax structure. One of those that I believe effects the poor and the middle class in a very positive way is that it changes the policy of taxing the first dollar of income and creates a 0% bracket. We eliminated the 2%, 4.5%, and 7% brackets and established a flat 6.5% rate. What that does is puts about 70,000 filers or families right off the tax rolls. That is some of the poorest, hardest working people in our state and some of the most vulnerable. That was not a mistake. That was intentional. We also, in the Taxation Committee, plugged significant amounts of dollars into State workers, the middle class. Maine Revenue Services conducted for me an analysis of typical State workers. The average tax cut in this proposal is a little over \$200 for an individual. In most cases, all of them, the tax cut for State workers and the middle class is significantly more than everyone else. For the average State worker, beginning at an income of \$60,000 as a family, the tax cut averages \$280. When you get to \$71,000 of income the average is \$472. I think that we did a good job in intentionally trying to minimize any changes to the pension system for State workers. The other change in this package that was significant, one which was mentioned earlier, is the circuit breaker. The circuit breaker is divided into two segments. There is the senior piece, which received no cuts, 100% benefit for seniors under circuit breaker. There is another piece that addresses everyone else. That program did receive a 20% cut, but it was not done in this budget. It was a piece that was carried forward from the previous budget. A piece that was established under a different Administration and a different Legislature. Our Taxation Committee clearly spelled it out, that tax reform and property tax is not done. We fully plan on bringing the committee in this Summer to do significant property tax reform.

The other piece of this budget that has been claimed to be giveaways to the rich is the estate tax piece. I know it hasn't been mentioned here. This was never a giveaway to the rich. The most significant lobby for the estate tax changes were the Farm Bureau and the Maine farmers. For those that understand farming, most farmers are land rich and money poor. They have significant amounts of equipment, old farm houses, and sometimes thousands of acres of land on which they farm. A \$1 million exemption under previous law, if a person's estate was worth one million and one dollar the State applied a 41% tax to that entire million and one dollars. When a family wants to pass on a family farm, and they have incomes that are so low, it is virtually impossible to pass along that farm or small business. This was never intended to be a giveaway to the rich. This was about saving Maine farms and small businesses.

The next item. I'd like to talk about just a few of the items that were in the tax package that I believe were not giveaways to the rich, but actually sustain some of the longest traditional industries in this state. One of the exemptions was for commercial fishing, sales tax paid on fuel for fishermen. This industry, as we know, is on the edge and we could lose it. This was one small way in which we could help save our fishing industry and the Portland Fish Exchange. This was a promise that I made to my best friend just before he died. I said that I would, as Chair of the Taxation Committee, do the best I could to save the Portland Fish Exchange where he worked for most of his adult life. There is an item in here for the exemption on the meals tax paid in retirement facilities. This is not a giveaway to the rich at the expense of the retirees or the elderly. As a matter of fact, this is a safety net for them. When they've lived a lifetime, and

then have to retire with some level of support, this allows them to keep a little bit more money in their pocket to help them pay for their meals. Exemption on bags provided in redemption centers. These are the little tiny businesses all over the state of Maine who are right on the edge. Can you imagine one nickel at a time trying to make your living. These little redemption centers, this was about saving them and about saving their little businesses in your communities. Income investment in fishery infrastructure. This is about hatcheries and our waterfronts. This is about allowing an incentive for private investment and saving the Maine fisheries. This is about our hatcheries. This is about rural jobs and our rural economy. Finally, one last item I'd like to mention is about tax exemption for aircraft and parts. As we know, we lost the Brunswick Naval Air Station. This is about saving what's left of the opportunity to safe jobs in Brunswick. This is about bringing an industry, an aircraft industry, that could provide significant manufacturing jobs to this state. This was not a giveaway to the rich. This was about saving Maine jobs. This was about hope.

I hope this makes you feel a little bit better about this tax package. I'll submit to you that tax reform is not done. We have much more work to do, but I think we can all be proud of this tax package. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Oxford, Senator Patrick.

Senator **PATRICK:** Thank you Mr. President. Ladies and gentlemen of the Senate, colleagues and friends, first of all, last night I didn't get a chance to thank the Appropriations Committee. Senator Rosen is a wonderfully honest man. Hard working, totally dedicated. I served with him in the House. He has never changed one iota and I really respect his ability as Chairman. Senator Katz from Augusta also did a great job. Senator Hill from York, I've got the utmost respect for you. For the House members on the committee, I've always said there's no way do I ever want to be on Appropriations Committee because so much rests on what you do.

First of all, I will say like my colleague from Aroostook, I think where you had to start was probably the worst thing in the world given the proposal that you had to work with. As Governor King's project of having lap tops for kids in schools was his biggest number one thing, I think having a tax cut is probably our Chief Executive's number one thing and he'll probably go down in history for being able to do this and it is historic. The reason I'm going to be voting against this is actually because of the historic tax cut proposal within the budget. This is the first time in my nine years in the Legislature that I've voted against it. I think one of the Senators from Cumberland had brought forth last night a proposal that really made an awful lot of sense to me and has in the past, being an economist. I think the other Senator from Cumberland, Senator Alford, actually took away most of my thunder because he eloquently spoke about basically where I was coming from. We have tax cuts without swapping the revenue one way or another. It's got to come from somewhere. Maine being a poor state with limited revenue, it happens to come on the backs of teachers and State workers. At 19 years old, in the paper mill in Rumford, the first contract we had, my union official asked me if I wanted to have higher wages. I actually said no, that I'd rather take lower wages and a little bit more in the pension. He said, "What are you, nuts?" I said, "No, because right now I'm single. I really don't need the extra money, but if I can get the same amount of money when I retire, that would be

my objective versus having a little extra right now." I remember the old guy saying to me, "Man, either there's something wrong with you or you're way ahead of your time." When someone takes a job the number one thing they really look at, if they have any sense at all, is what they are going to get when they retire.

Throughout this whole legislative session many times it was brought up that we have a moral obligation to pay our bills. We said that we were going to have the moral obligation and put extra money into a bill to pay our salt shed debts. We have a moral obligation. I remember I stood up then and said that I agreed with that and that we do have a moral obligation. I hope you stand with me today and make sure that we pay the moral obligation that we have to our teachers and State workers because the pension, that we basically were allowed to rob from, is something that people have been putting into for years, their whole working careers. I know I've paid into my pension with deferred wages at my paper mill for 31 years and I'm hoping that my pension is going to be there. I guess, just like we are now doing, maybe my company will decide to do the same thing to me. I hope not, but I'm banking on that fact.

I've stated before that one of the problems we have in the state of Maine is a lack of revenue. I know my wife has told me many times that if I get reduced hours at work I'm going to have to find some more means of making sure we have the money to make our budget. I went back and asked the law library to figure out how many tax cuts we've had over the last 11 years. I think, combined with this year, we've given tax cuts to around 55 or 60 different entities. Every time I think of a tax cut, for me, it would be taking an hour away from work. Instead of having 40 hours of pay I'm going to have 39, then 38, then 37, and then 36. I'll tell you one thing right now, that extremely ultra conservative woman that I am married to, and God bless her soul because she's helped make me the person I am, would say that we need enough in order to survive. I think the Senator from Allagash actually said \$1,583 a month. Who can live on that? I know my vote here today, with the 33,600 in my Senate District, probably 39% of them are going to be extremely mad at my vote, but I think about 61% of them either will be happy or will at least understand where I'm coming from. When I told most of the people that had said, "I'm not against really cutting the teacher's pensions," that their pension was really like Social Security and that they don't get both, they said to me, "Oh my God, you're not really going to cut their Social Security?" I said, "No, I'm not, but I think there will be those that are." I told them, "Folks, you've got to understand what's happening here is happening throughout the United States of America and there are hundreds of people in Washington D.C. that are going to go after your Social Security. How are you going to like that when they take some away from you, when they freeze your Social Security for year after year?" They said, "My goodness, I understand what you're saying now." That is the masses, not just one or two. Everyone that I talked to and said this was not their Social Security and it was their pension.

The moral obligation is for us to pay our bills. I have always said that the number one, most important, thing to me is to pay for people's pensions, and I hope mine is there. I understand that the citizens of the state of Maine baulked up when the last tax package, which was revenue neutral. You put something in there like you're going to charge them a tax on labor on their automobiles. One other thing, the two most egregious things that if we're going to do tax cuts, and not find a revenue or shift a revenue from somewhere else, it's coming at the expense of someone else. This is just one thing that I can't do. I can't look at

the teachers. I can't look at the State workers in good faith. I will say one thing, the budget you brought forth, under the conditions that were put upon you, you did a masterful job. Although it's not going to get my support, I'm thankful for the job that you did and for the outcome that we had because the losses could have been huge. The compassion shown by all of you touched me. I was able to testify on an issue that got cut down in Appropriations, but you treated me with immense respect. You really listened and at least discussed the issue that I brought forth. I want to thank you all for that. Thank you very much, Mr. President.

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

Senator **WOODBURY:** Thank you Mr. President. Senate Colleagues, it does pain me to vote against a collaborative compromise budget as this one is because it was such an admirable process. I've spent more of my legislative career working on pension reform and tax reform than any other issues. The solutions put forward in this budget are just not consistent with what I believe are primary priorities in those two policy areas should be. In pension reform, there is no doubt we need a substantially revised system. The problem I see with the reforms that have been enacted in this budget are that all of the weight of the change is being placed on years of service already completed and particularly on people who are already retired or on the eve of retirement while years of service going forward for current employees are largely unchanged from the current system. I just think it's a weighting that is not as it should be in conducting a very significant pension reform. That's the pension reform area.

In the tax reform area, I think the key economic disincentive in our tax policy is our top rate, our top income rate of 8.5%. To have put in place a policy that reduces revenues so dramatically, this is a significant tax cut and that's not a bad thing, but to have done that while only addressing the top rate from a level of 8.5% to 7.95% I think has missed the core of what we should be trying to accomplish. A system that targeted that objective more specifically and at the same time we weighted our system away from income taxes and towards consumption based taxes, I think, would have been the right kind of tax reform.

As much as I really admire the process that led us to this point and admire how much improved this budget is from where it began, with the two policy areas that I've worked hardest on and care most about, I just don't think it's quite right. That's the reason that I'm not going to be supporting the budget. Thank you.

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

Senator **GERZOFSKY:** Thank you Mr. President. Ladies and gentlemen of the Senate, this is actually the first time I've ever said this. This is a bill that I wasn't going to get up and speak on, but I felt compelled to. I was sent here in the Fall, like the rest of us, representing a community that was looking at the eminent closure of a naval air station, the eminent loss of 5,000 citizens and 5,000 jobs, at a time when we had been dealt a harsh blow in our economy, at a time when some might say Wall Street sent us some lemons and we had to turn around and not only make some lemonade but I'd like to say we made some lemon meringue pie to go along with it. I think that a bill came to us in the Winter months, when it was nice and cold, that I believe was very

tarnished and had a lot of patina on it. It came through the process of the Legislature and the great work of the Appropriations Committee from members of both ends of this building and both parties. They tried their very best to take some of that patina off and to shine it up a little bit. There was a time when I couldn't find my way to vote for it, but I knew at the time that Governors get to propose and Legislatures get to dispose and that we'd all have a say in the final outcome. I think there are parts of this budget that are very, very difficult. Very difficult for the people that live not only in my community but throughout the state. I also think that there are some extremely bright parts of this budget that are going to address some of the things that my friend Senator Trahan mentioned. Creating an industry and trying to get some jobs created. I think that was a moment of brilliance. Bi-partisan as it was and collaborative as it was. There are consequences to everything. There are consequences to our votes. There are consequences to elections. There comes a time when we have to man up, suck it up, and vote for some budget that we might not have all been terribly happy with. I don't think there is a person in this Body that wouldn't find things they would like to change. There are also parts of this budget I think everybody in this Body will find very helpful and very useful for the people of Maine going forward. I think that it's going to be this Body's responsibility to go forward and, where we find those dips and valleys, to try to work in a bi-partisan way to try to get past those valleys that we might encounter because many of us are worried about the economy and the future. Together, working in a bi-partisan and unified way between this Body and the other, we should be able to muster the resources to make that lemon meringue pie just a little bit heavier in the lemon and a little less in the meringue but have a good time eating it. Mr. President, I want to thank you personally. I want to thank the Appropriations Committee especially. I want to thank everybody in this Body and the other for working together in trying to come up with something that I can at least vote for and go home and be able to talk to my constituents and explain to them how we got to where we are and to be somewhat relieved that we got together and did something in a positive fashion. Thank you very much, Mr. President.

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

Senator **CRAVEN:** Thank you Mr. President. Men and women of the Senate, I rise in support of the pending motion. I also think that the tax cut is unfortunate, not because I don't believe in tax cuts actually, but because of the tail that's on this one and by the year 2013 and 2014 we're going to have a long tail of about \$400 million. I should reiterate my appreciation and gratitude as well for the Appropriations Committee. Even when I wasn't there my heart was there. I felt very much connected to them. The unanimous report does not increase an employee contribution of 2%. These are unanimous reports. It increases retirement age to 65 only for non-vested employees and new hires. It eliminates merits, freezes longevity, for two years. Money will not be taken from people's checks. The one thing that really makes me feel better as well is the freeze for retiree's COLAs for the three years. It freezes the COLA for three years, but provides an ADHOC COLA in the second and third year of the freeze in a cascade. I think that's very, very important to my constituents. It does cap the COLAs at 3%. Really what excites me the most, and the reason that I'm voting for this budget, is the unanimous committee report on Health and Human Services. It really reinstates almost

all of the Fund for a Healthy Maine that I was heartsick about, worrying about losing. It does eliminate coverage for the non-categorical childless adults. They are the most needy. They live under 100% of poverty. They are the sickest residents that we serve. It does not eliminate coverage for parents of children and families making between 133% and 200% of the federal poverty level. It does not impose a 4% family premium on Cub Care, Medicaid buy in, and home based care for homemakers. That really also pleases me because it makes such a big difference to my constituents. It grandfathers TANF food supplements and SSI for legal non-citizens currently enrolled. We'll see, we're going to work on new immigrants to our state hopefully down the road. It eliminates TANF for convicted drug felons. I'm not going to go into all of those things. I think that the unanimous report out of Appropriations for the Health and Human Services requests were just phenomenal. I am grateful and would ask for your support as well. Thank you, Mr. President.

THE PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Goodall.

Senator **GOODALL:** Thank you Mr. President. Men and women of the Senate, I rise today to give just brief comments on the budget. I will, too, be supporting this budget. It was very challenging for me to come to that decision after looking over all the pros and cons of the great, large document. I do want to say thank you to the Chair Senator Rosen and the good Senate members, Senator Katz and Senator Hill. There are many things in the budget that have been put back in that were originally proposed to be taken out that were important to my district and my constituents; things such as revenue sharing and health and human services, many components that the good Senator from Androscoggin just articulated, and many components of State employees and teachers and retirees. However, I struggled mightily over what was not restored. At the same time, the good Senate President from Washington remarked that process works, that there was bi-partisan support, and a unanimous report. I think that has a lot of value. We also cannot forget the totality of our actions in this Body over the course of the whole session and we should remember next year and keep looking back at what the budget has in it to make sure when we're voting on new proposals in the future, or even ones in the coming hours, that many people are making sacrifices or, frankly, having those sacrifices put on them by us, and we should keep that close when we make our future decisions. I would hope that we would stick together and support this budget today and in the future. It's not perfect. It is often, as many people say, that a good negotiation is when no one walks away happy. That is definitely the case today, but, based on how far we have come from what was originally proposed, I've decided to support this budget. Thank you, Mr. President.

THE PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Senator **KATZ:** Thank you Mr. President. Men and women of the Senate, I just want to briefly repeat a couple of things I said last night with respect to the impact of this budget on State employees and teachers. I would remind everyone that there is no change whatsoever in the benefits structure for either current retirees or current employees. I'd remind people of the changes which were proposed, considered, and rejected. A proposal which would

have forced all employees to decide whether to retire by January 1 or have to pay their health insurance until age 65 is gone. A proposal which would have given every State employee another 2% assessment on their salaries to help fund the unfunded liability is gone. A proposal which would have limited cost of living increases to 2% is gone. A proposal which would have forced State employees, or at least some of them, to pay for a portion of their health insurance is gone. A proposal which would have eliminated longevity pay is gone. The shut down days that State employees have been forced to live with are gone. What is left is a bi-partisan, 13 - 0, compromise that none of us feel terribly good about, but that we had to do in order to deal with the huge unfunded liability problem that was threatening to choke all the services and all of the programs that so many of us have gotten up this morning to talk about. I'm not happy with exactly where we turned out. I wish we could have raised it to \$25,000 on the cap. I wish we didn't have to do anything, but this is why we are elected, to have to make these tough choices. These were made by some people I am very proud to have served with, the people on the Appropriations Committee; Republicans and Democrats alike. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from York, Senator Courtney.

Senator **COURTNEY:** Thank you Mr. President. Men and women of the Senate, I think most of it has already been said this morning. A couple of things. I just want to draw us back into last Winter when we had a new Chief Executive and he had 40 days to submit a budget. That's quite a task. Probably not too many of us will ever have that opportunity to do that. I would like to actually go on the record and thank the Chief Executive for putting forth a vision. We had the opportunity to fill in the blanks and fill in the details and make it workable amongst our districts. That imprint that this Legislature has left on that document, that sends policy forward for generations to come, is absolutely phenomenal. This would not have happened without the leadership of Senator Rosen, the leadership of Senator Hill, and the leadership of Senator Katz. With your indulgence, Mr. President, I'd like to talk about the leadership of Representative Flood, the leadership of Representative Winsor, the leadership of Representative Chase, the leadership of Representative Clark, the leadership of Representative Fredette, the leadership of Representative Keschl, the leadership of Representative Rotundo, the leadership of Representative Martin, the leadership of Representative Webster, and the leadership of Representative Stevens. The work in that committee was absolutely phenomenal. Not enough can be said about that until you sit through it and you live it and you live through that Appropriations process. One of the challenges coming into this session was that the good Senator from Cumberland had raised the bar pretty high last session. We had a \$1 billion short fall and he came in and he told the Presiding Officer that he'd be Chair of Appropriations and that they were going to have a two-thirds budget. He kept true to his word. We kept true to ours. We stayed at the table, we fought, we scraped, but we never walked away. We've done the same thing this session. I think it is truly remarkable under the leadership of President Raye that we've been able to do that. We're all in different roles this time around. I am extremely grateful for my colleagues on the other side of the aisle. Senator Hobbins, your leadership is appreciated beyond what words can say. Senator Alford, you challenge us. Senator Alford, the cup

is half full, it's not half empty. I want to go on record as saying this budget is better because of the contributions of Senator Alford and the many people that aren't going to vote for this budget today. This budget will have long term pension reform, long term tax relief, long term welfare reform, but it also preserves the true safety net for people in Maine, people that need help that can't help themselves. That is the caring and responsible thing to do. I am honored to be casting my vote in favor of this today. The bi-partisan effort and the bi-partisan support on this budget will stand the test of time. There is something in here for everybody to hate. Let me tell you something, there is much more, we can tell a story to the people of Maine of how we've made their lives better. When you look back at the decisions made, at this snapshot in time, the people of Maine will have been well served.

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

THE PRESIDENT: The pending question before the Senate is Enactment. 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 (#265)

YEAS: Senators: ALFOND, COLLINS, COURTNEY, CRAVEN, DIAMOND, FARNHAM, GERZOFSKY, GOODALL, HASTINGS, HILL, HOBBS, KATZ, LANGLEY, MARTIN, MASON, MCCORMICK, PLOWMAN, RECTOR, ROSEN, SAVIELLO, SCHNEIDER, SHERMAN, SNOWE-MELLO, SULLIVAN, THIBODEAU, THOMAS, TRAHAN, WHITTEMORE, THE PRESIDENT - KEVIN L. RAYE

NAYS: Senators: BARTLETT, DILL, JACKSON, PATRICK, WOODBURY

EXCUSED: Senator: BRANNIGAN

This being an Emergency Measure and having received the affirmative vote of 29 Members of the Senate, with 5 Senators having voted in the negative, and 29 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 **COURTNEY** of York was granted unanimous consent to address the Senate off the Record.

Senator **ALFOND** of Cumberland was granted unanimous consent to address the Senate off the Record.

All matters thus acted upon were ordered sent down forthwith for concurrence.

RECESSED until 2:30 in the afternoon.

After Recess

Senate called to order by the President.

Senator **SNOWE-MELLO** of Androscoggin requested and received leave of the Senate that members and staff be allowed to remove their jackets for the remainder of this Session.

Out of order and under suspension of the Rules, the Senate considered the following:

ENACTORS

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

Emergency Measure

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, Highway Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2011, June 30, 2012 and June 30, 2013

H.P. 989 L.D. 1348
(C "A" H-622)

THE PRESIDENT: The Chair recognizes the Senator from York, Senator Collins.

Senator **COLLINS:** Thank you Mr. President. Ladies and gentlemen of the Senate, before you this afternoon is the Highway Budget. We reviewed it very carefully in committee. However, there are a couple of things I feel as though I should say to the members of this Maine Senate as well as to the people listening at home. For many many years the priorities here in the State House and state government, in my opinion, have been misguided. Priorities have been not on maintaining and repairing our infrastructure, but money has been spent on other things. We're in a situation now, here in the state of Maine, where roads and bridges are starting to deteriorate to a point where there is going to be major money spent to repair them or rebuild them, or replace them. We're at a very important crossroad here in the state of Maine. I'm starting this dialogue today to inform folks

back home, as well as members of this Body, that we will have to start to take another look at the priorities of where we spend our money. After all, ladies and gentlemen, this is not rocket science. We have tax revenue coming in and we, as a legislative Body, spend it. It comes down to a situation of priorities. Where do you want to spend the money? Maine has a vast network of roads, highways, and bridges. We have to maintain that. Just recently, for example, in my hometown of Wells they repaved a road, a section of Route 1 which is a main artery going through my town. Some of the citizens of the town of Wells said, "Gee, that road was just rebuilt." Well, it was just rebuilt 25 years ago. As part of the maintenance of that road, to protect the investment of that section of Route 1, it was repaved, all of the time realizing there was another section that needed repaving. Major repaving. Major rebuild. I had to explain to the folks that we have to maintain what we have, that's been rebuilt. Going along the same lines, when you go out and crisscross the state of Maine, the major roads that carry our trucks, motor vehicle traffic, and commuters need to be repaired. They need to be maintained in such a manner as would be attractive to new employers coming to the state of Maine. After all, they look at us, the Legislature, to maintain our infrastructure so they can operate their businesses. That's one of the main things, I think, that industry will look at; our infrastructure and if it's ready, willing, and able to handle the motor vehicle traffic, the rail service, air service, or whatever the case may be. In some cases here in the state of Maine, that condition doesn't exist. I ask you here today, and in future years, let's put our priorities where they should be; that is dedicating additional funding for our infrastructure.

In 1976, one of every \$4 of State spending went to transportation. Today that ratio is \$1 in every \$10. The average state in this nation provides 17.65% of support for state highways in the General Fund. Members of the Transportation Committee, along with many others throughout the Maine Legislature, have tried to create this partnership between the Highway Fund and the General Fund. That's what we have to remember year after year. We have to create this partnership. It's not either or, we have to do it for our own welfare here in the state of Maine. I guess I'll stop now. I know there are other members of the committee who also want to add their comments to this very important budget here in Maine. Thank you for your attention.

THE PRESIDENT: The Chair recognizes the Senator from Somerset, Senator Thomas.

Senator **THOMAS:** Thank you Mr. President. Ladies and gentlemen of the Senate, I kind of hate to rain on this budget parade we've been having today, but I'm not going to let the Enactment of the Highway Budget go by without voicing some of the concerns I have. Between this budget and the General Fund Budget we just passed, we're neglecting our roads yet again. The original General Fund Budget proposal from the Chief Executive had \$20 million for highway capital. That was later reduced to \$10 million and then to \$8 million with a change in the State Police funding formula, a formula that can't be justified because it's unconstitutional. I have a copy of the OPEGA report in my desk for anyone who would like to see it. We've known for years that this formula needed to be changed. None of these proposals made it through the budget. Some would argue that we need to raise taxes to fund roads. I'll argue that Maine people pay more than they should now in taxes and to raise the gas tax will only provide a bigger piggy bank to fund other programs. Just

last week we needed another position at the computer crime lab, \$150,000. That money came from the Highway Fund. When the Highway Table was run today there was yet another request for \$350,000 for DNA people at the crime lab. The problem isn't that taxes aren't high enough. The problem is safe roads just aren't a priority. We're getting to the point where many of the contractors that build roads aren't going to be here when we finally decide to do something about the deplorable conditions of our roads. They can't survive when we fail to fund repair work for years and years. I've got a company that is in my district that went all year last year without a substantial contract. They've been in business 65 years. How long do you keep employees on the payroll and how long do you stay in business when there is just no work? They've built some really good roads. They are good people. If companies are gone, and there is no competition, we're going to pay a lot more to get that work done. What we need is consistent funding, year in and year out, if we're going to get this work done at a price we can afford. We could always borrow the money, I suppose. The biggest problem with that is it has to be paid back with interest and fees. If we were making drastic improvements in our roads, then you probably could justify borrowing the money, but we're not. We'd be making an investment, so that investment would be paid back with the dividends of better roads. We're not even keeping up and the roads get worse every year. Borrowing to maintain the status quo is like putting your weekly groceries on a credit card and expecting your kids to pay it back. Then there is the plan to move some money into the Highway Fund when the liquor business is leased again. Based on past history, I wonder how wise it is to count those chickens before they hatch. I hope some of this money does flow to fix our roads, but there are efforts already ongoing to spend that money long before we see any blacktop whatsoever. Think about this. There are places in Maine where we're never going to see any economic growth until the roads are fixed. If our economy doesn't start growing, it's only going to get harder and harder to find the money to pay all our bills; not to mention the fact that our grandkids are going to grow up in places where we wouldn't want to live. I'm going to vote for this budget, but I'm going to need to hold my nose in order to do it. Thank you.

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

Senator **DIAMOND:** Thank you Mr. President. Ladies and gentlemen of the Senate, you've heard a little bit about the Highway Budget, it is \$626 million. That's the size of this budget. That \$626 million, along with the federal funds, are responsible for 8,800 miles of road. This budget will pave 600 of miles of highway each year for the next two years. I'm proud to say that the Committee on Transportation looked at every initiative and every line in the budget. I don't recall that ever happening, it might have, but not one initiative or line was left out. As a result of that, we have a much better understanding of what we're working with. It is a good budget. I'm proud of what was done with it. I think the point has been made by the previous speaker that we do need to find another way to help fund this. The gas tax is not going to do it. It's like two trains heading towards each other. There's going to be a crash. Eventually, because the fewer miles we drive and the more fuel efficient vehicles we have, there will be less money to the Highway Fund. It's something that we're going to look at and start looking at with a plan. What doesn't work is just to come in and say, "We want \$20 million in

the General Fund." That doesn't work. What does work is to have a plan on what we're going to do and how we're going to approach it. I think we've seen this session why the latter proposal really doesn't get far, doesn't get much traction. We do need to look at a new structure, but for the time being, and we seem to operate around here best that way, we've taken care of two years. I think we've done so thoroughly with a budget we can be proud of. We'll be reconstructing 63 miles of road in this state, which isn't nearly enough, but it's still a good bunch of miles. I think when all is said and done, we've done the best we could do with what we have, but we do need to find a better plan because each year it's going to get a little bit worse and we'll do just a few more miles less. We need to take that into consideration. Thank you, Mr. President.

This being an Emergency Measure and having received the affirmative vote of 32 Members of the Senate, with no Senators having voted in the negative, and 32 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.

(Note: Roll Call #266 was recorded and printed in error and is omitted. A roll call vote on Enactment of L.D. 1348 was neither ordered nor otherwise required and has therefore been deleted.)

Out of order and under suspension of the Rules, the Senate considered the following:

REPORTS OF COMMITTEES

House

Ought to Pass As Amended

The Committee on **HEALTH AND HUMAN SERVICES** on Bill "An Act To Improve Timely Access to Health Care Data" (EMERGENCY)

H.P. 1076 L.D. 1467

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-655).**

Comes from the House with the Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-655).**

Report **READ** and **ACCEPTED**, in concurrence.

READ ONCE.

Committee Amendment "A" (H-655) **READ** and **ADOPTED**, in concurrence.

Under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.
