

# MAINE STATE LEGISLATURE

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Senate Legislative Record  
One Hundred and Twentieth Legislature  
State of Maine

Volume 2

First Regular Session (Continued)  
May 24, 2001 to June 22, 2001

First Confirmation Session  
October 24, 2001

Second Confirmation Session  
December 6, 2001

Second Regular Session  
January 2, 2002 to April 1, 2002

Pages 912 - 1844

The Chair ordered a Division. 21 Senators having voted in the affirmative and 11 Senators having voted in the negative, the motion by Senator **FERGUSON** of Oxford to **ACCEPT** the **OUGHT TO PASS AS AMENDED** Report, in concurrence, **PREVAILED**.

**READ ONCE.**

Committee Amendment "A" (H-872) **READ** and **ADOPTED**, in concurrence.

Under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-872)**, in concurrence.

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Under suspension of the Rules, all matters thus acted upon were ordered sent down forthwith for concurrence.

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Off Record Remarks

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The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

**Emergency Resolve**

Resolve, Regarding Legislative Review of Portions of Chapter 10, Section 17(A)(2), (3) and (6), Standards for the Clearing of Vegetation for Development, Major Substantive Rules of the Maine Land Use Regulation Commission within the Department of Conservation

H.P. 1590 L.D. 2095  
(C "A" H-919)

Tabled - March 25, 2002, by Senator **MARTIN** of Arostook

Pending - **FINAL PASSAGE**, in **NON-CONCURRENCE**

(In Senate, March 20, 2002, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-919)**, in concurrence.)

(In House, March 25, 2002, **FAILED FINAL PASSAGE**.)

This being an Emergency Measure and having received the affirmative vote of 35 Members of the Senate, with no Senators having voted in the negative, and 35 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED**, in **NON-CONCURRENCE**.

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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Off Record Remarks

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The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

Bill "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2002 and June 30, 2003" (EMERGENCY)

H.P. 1574 L.D. 2080

Tabled - March 25, 2002, by President Pro Tem **MICHAUD** of Penobscot

Pending - **ADOPTION OF COMMITTEE AMENDMENT "A" (H-968) AS AMENDED BY HOUSE AMENDMENT "K" (H-986)** thereto, in concurrence

(In House, March 22, 2002, the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-968) AS AMENDED BY HOUSE AMENDMENT "K" (H-986)** thereto.)

(In Senate, March 25, 2002, on motion by Senator **GOLDTHWAIT** of Hancock, the Majority **OUGHT TO PASS AS AMENDED** Report **ACCEPTED**, in concurrence. **READ ONCE**. Committee Amendment "A" (H-968) **READ**. House Amendment "K" (H-986) to Committee Amendment "A" (H-968) **READ** and **ADOPTED**. On motion by Senator **DOUGLASS** of Androscoggin, Senate Amendment "C" (S-494) to Committee Amendment "A" (H-968) **READ**. On motion by Senator **GOLDTHWAIT** of Hancock Senate Amendment "C" (S-494) to Committee Amendment "A" (H-968) **INDEFINITELY POSTPONED**.)

On motion by Senator **BROMLEY** of Cumberland, Senate Amendment "F" (S-504) to Committee Amendment "A" (H-968) **READ**.

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

Senator **BROMLEY:** Thank you, Mr. President, men and women of the Senate. Overall, I think you've heard many of us saying this is a very good budget and I would be the first to say that. We were able to restore many things that are important to us with the additional revenues and many of you are anxious to get home and get on with your lives, as am I. School funding is a topic that we've all talked about in the halls today and yesterday and the day before, and I suspect we'll be talking about it when we leave here. I want to speak about a few school districts, including the school district that I represent. I want to speak about a few school districts that are disproportionately effected by the way we fund education here in Maine. I want to talk about the children in those district. As I'm speaking to you today, I have two particular children in mind. One 8 year old and one 13 year old who live with me in my home who are my children and who attend school in the district that I'm going to be speaking to you about today. The amendment that I am presenting, I want to make it very clear

to people that the revenue from this amendment will put additional money in the infamous cushion and additional money through the regular formula. What I want to be very clear about is that my argument is not that my community deserves more than another community, but I want to make the argument about why my community deserves to be cushioned and why some other communities, that are disproportionately effected by the school funding formula, need to be considered. I want to go on the record and say that some of these funds would come from the lap top fund. This would not represent a vote against laptops, certainly not for me. The amendment would, I want to say borrow, but I'm not sure that's the right word, but it would take money from the last year of the lap top program to put into this formula. It would keep the program intact and give us a little bit of time to assess the value of it. As many of us know, when we see a good idea, as a legislature, we want to support that. So I want to clearly say that this is not about being against laptops, it's about being in favor of schools. I want to also point out that the policy of the cushion is not a new one. It's been done for the past 10 years. With the exception of one year, the cushion that has been proposed this year is the smallest that's ever been proposed. I would like to read into the record some comments that the Commissioner of Education made February 2002 about the cushion. As many of us know, particularly those on the Education Committee, we're moving to a new way of funding education. We're funding essential programs and services. We're on the way to do that. I'm quoting from the commissioner at this point when I say; 'in the long term, the use of cushion is contrary to the overall intent of the school funding formula. I agree with that principle which recognizes (a) that units with a greater and costlier education needs are in general those units with larger numbers of pupils and (b) units with a higher ability to pay, are better able to provide local property tax revenues to fund their educational needs, than are units with a lesser ability to pay. However,' and this is the point that I hope you can pay particular attention to, 'during a period of transition to a new funding approach, school units maybe unable to quickly adjust to the new approach. Under such circumstances, a cushion is appropriate to make the transition easier for local units, both fiscally and politically. The Department proposes that a cushion be provided during a period of transitioning, transitioning to essential programs and services, to be phased at the year of complete implementation of essential programs and services. To be eligible for a cushion, a school unit should meet certain criteria, including a minimum education mill rate and a maximum per pupil evaluation amount.' I further want to point out that in my district my city manager and school board have worked together closely to try not to rely on the cushion. In fact, we've never put cushion money into ongoing operating program costs in years past because we looked at it as something that was going away and that we needed to plan for and budget our ongoing program needs on the regular formula money and not on the cushion. However, with a cut of over 30%, it's not possible to do that this year. The amount of money that would be going to the cushion, that this amendment suggests, would certainly not make my community whole. It will leave us with over a \$600,000 or \$700,000 cut. So it's far from holding us harmless and I would not suggest to you that was even appropriate. We also talk about local effort. Though it doesn't get measured in any of the printouts you're seeing, my community just passed a \$28 million bond referendum, of which the first debt service will be due next year to the tune of \$12 million, to build new schools. In the school that my daughter attends, if we were to receive one-on-

one technology, there would not be a place to plug this one-on-one technology in at her school. Our needs in the district are clear. This is not about taking money from the north to feed the south. It's about acknowledging a real need. We've had many debates about the needs of service centers, regional centers, hub communities; how ever we've been referring to them this year. If you note in your printout, some of the cities and towns that are losing education money, you will notice the correlation between the cities and towns that have been before us asking for local option sales tax, asking for other means of relief because of the fiscal reality. I want to point us in the direction of what it means when our city schools are so encumbered by these financial problems that people flee the cities and move to the suburbs and then our school funding formula, our education construction formula, requires that we now build new schools in the suburbs. We build new school for fewer students with our scarce education dollars. I submit to you that it is of vital importance that we fund out city schools in a robust way to discourage this flight and the necessity to use precious education dollars to build new schools. So this amendment, crafted creatively, with Yankee ingenuity, with a team of colleagues, would take \$2.5 million from the 4<sup>th</sup> year of the lap top program. It would also take \$2.5 million from the cascade, making certain that we place it in line beneath tax conformity and above the Rainy Day Fund, to take advantage of what may be additional resources and that we put \$3 million of this into the cushion and \$2 million of this into GPA for the regular formula to get relief to some of our urban schools and to acknowledge that we still need more in some of our rural districts. I ask you to vote for the pending amendment.

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

Senator **GOLDTHWAIT** of Hancock moved Senate Amendment "F" (S-504) to Committee Amendment "A" (H-968) be **INDEFINITELY POSTPONED**.

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

Senator **GOLDTHWAIT:** Thank you, Mr. President, ladies and gentlemen of the Senate. This is an extremely difficult issue because, I think, there is a lot of right on both sides. Certainly the good Senator from Cumberland, Senator Bromley, has well represented the difficulties in which her school district finds itself. This budget is, as all budgets are, a compromise. It is a compromise between partisan ideologies. It is a compromise between regional interests, between individual priorities. Most of all, it's a compromise with the reality of a demised economy. The strength of this budget is that representatives from all quarters were at the table when the fundamentals of this compromise were agreed on. All of leadership from both bodies were present, from both caucuses within those bodies, and even from those of us who don't have a caucus. There was an agreement at that point that this was a compromise that warranted general support. One of the more difficult pieces of this was, clearly, the school funding piece. Compared to the original proposal from the chief executive, we had the benefit of working with a significant reprojecion, which came after the chief executive put his budget proposal together, and because of that, we were able restore \$11 million to GPA. The money was substantial, irrespective of other

considerations, but in this particular year, starting with a \$250 million hole and receiving a reprojected of only about \$90 million, it is extraordinary that we were able to return that much and it is only the commitment of this entire legislature that caused us to be able to put that money together and add that much more to GPA. The money that was provided is a rising tide. It adds money virtually everywhere in the state. In some cases that is money that increases the state subsidy. In some cases that is money that mitigates losses. With the mitigation of losses, its probably cold comfort to know that you're losing only a little rather than a lot or you're losing less than you were going to. But the fact is that, despite the fact that there are still losses and that is very difficult for some school districts, it points out to me the whole problem with the premise of a cushion. Had we not employed cushions over the years, these districts that are losing money now because they have fewer students, for instance, would have been ratcheted down rather slowly over time. But because we have provided cushion after cushion, we are now in a position where some districts are losing quite a lot of money quite suddenly. So we can't go back and address the issue of whether we should have done those cushions or not. The fact is that the more cushioning we do, the less the formula is allowed to operate and the more we get into these situations where only millions more will buy us out. As for using money from the Maine Learning Technology Endowment for this, I am opposed to that specific provision. I am also concerned because this already eats into potential surpluses or unanticipated revenues in the future year when we already know that the out years have a structural gap in the neighborhood of \$500 million. So to be already providing for the use of dollars in that economic context, again, leaves relatively less flexibility for the legislature to deal economically with that situation. The problem with the cushioning is if you do it internally, you are creating losers somewhere in the system, and if you do it externally, you have to find more money. In this case, I believe that it passes one test. It doesn't create more losers because it's not an internal cushion. But it fails the second test, which is that it's looking for money from two sources to provide this, neither one of which, I think, are sound policy or sound fiscally. So I would urge you to support the pending Indefinite Postponement motion.

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

Senator **BRENNAN:** Thank you, Mr. President, men and women of the Senate. I rise and urge you to support this amendment. I want to state three reasons why I think you should support this amendment. First, there has been general discussion about cushions, and about why we have cushions, from a policy perspective. I want to lend my perspective to why we have cushions. We have cushions for one simple reason, we're not funding the school funding formula at 55%. In 1991, the state was funding 50% the share of education. All through the 1990's that percentage dwindled and we got down to 43%. We're back up to about 45%. If we were funding 55% the share of education through the school funding formula we would not be using cushions. We started cushions in 1991 because we were not able to adequately fund the school funding formula, and consequently, there were a series of cushions that were implemented all through the 1990's. So I think at this particular point, to make the argument that cushions are no longer necessary, ignores the fact that on one hand our policy of funding 55% is 10% off from that and we need to continue to have

cushions in order to make the formula work to some degree. Second, those communities in this particular printout that are most effected tend to be service center communities that we already know, based on legislative research and from other reports, tend to have the highest mill rates in the state and they also tend to be the areas with the most economic development. If this budget passes without this amendment, we'll simultaneously increase the property tax in those areas and increase the mill rate in such a way that it will diminish economic activity and will hurt the business climate. Last, and most important, there is an issue of fairness here. By any count, depending on how conservative you want to be or how liberal you want to be, there have been at least 5 changes to the school funding formula since 1998. Those changes have benefited some communities and they have not been very advantageous to other communities. Given those changes to the school funding formula, at this point, to say that we cannot have cushions is not fair. When those changes were made to the school funding formula, they were with the understanding and good faith that cushions would continue to assist those communities that may be disadvantaged because of the changes in the school funding formula. So if for no other reason, I would ask you to support this amendment out of a sense of fairness, that when changes have been made to the school funding formula and have benefited some of your communities, at this point there are people that need a cushion in order to extend that fairness. Thank you very much.

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

Senator **MARTIN:** Thank you very much, Mr. President and members of the Senate. It may seem a little strange to some of you that I'm going to be supporting the amendment. I want to give you background why that's the case. I know the Appropriations Committee did their job and did it well. I'm not at all disappointed with what they did. We all know the problem that exists with the school formula. It's all been pointed out. It's a fact that we've not funded it appropriately. The legislature got into trouble and this state got into trouble in the late 1980's and early 1990's. Basically, the 55% goal was not met. We all understand and all know that cushions are not the answer. But the reason I will support this today is based entirely on history and probably it's because I've been here as long as I have been. When northern Maine and eastern Maine got the increases in valuation, caused by the changes in valuation by the state that are imposed each year, it was not southern Maine that asked for the cushions, it was northern Maine. It was Lewiston. It was Fort Kent. It was Presque Isle. As I recall, the first time we put in about \$5 million. If you take that in today's money, it would probably closer to \$10 million. We put the cushion in to help northern Maine communities, those that I represent and those that some of you represent. Today, because of the changes and what has happened with state valuation changes, the shoe is on the other foot. I find it difficult to say that I can't help because, until such time as we go to 55%, it's going to be this way. This time it's southern Maine. Five years from now, if we don't go to 55%, when property values change again in northern Maine and southern Maine changes the other way, as they did a number of years ago, we will be the ones hurting. I want to be the last one to say 'I don't want subsidy help, I don't want a cushion.' So I'm going to vote for it, not because I think it's right, only because it's fair. For those of you who intended not to vote for this, I urge you

to reconsider because the shoe may be on the other foot in a few years and it won't be any more right then as it is today.

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

Senator **MITCHELL:** Thank you, Mr. President, ladies and gentlemen of the Senate. I would ask you to please vote in favor of the good Senator from Hancock, Senator Goldthwait's, motion to indefinitely postpone this amendment. I would like to address some of the concerns that some of you have that would mention the fact that you would not support this motion. The Education Committee has worked diligently, along with the Appropriations Committee, in coming up with this budget. We looked at the quintiles, not just individual towns. We looked at how we could equitably help all of the school units in our state, realizing that there is a hardship that goes across our state. It isn't just the southern towns, it's some of our northern and some of our towns in the coastal communities that are also experiencing this problem. When we talk about the smallest cushion, what we're saying is we reduced the cushion from \$6 million last year to \$4 million in this current proposal. However, \$2.2 million was put into the program. The program cost, by adding that \$2 million into this, has also reduced the percent reduction, which helps those communities that are having the difficulties. It's actually providing more help to more units across the state with this existing proposal that has been supported by the Appropriations Committee. We went up to \$730 million. What we have done is to defeat that image that has been there for many years, that we are not working diligently towards reaching 55% of support by the state. By putting the additional money into the operating cost, we have made that even, so that there is no loss in operating cost for this biennium, and we've added this money to the program cost to help those communities that experienced a larger cushion last year. They are getting it in the formula instead of in a cushion, which is the long-term goal. Yes, we approved essential programs and services and we need to phase out that cushion over a period of years. But we also need to put the money into the formula to make more of the school units equitable and to provide the formula on a more equitable basis. You can't say you can't help, but you are helping by supporting this existing budget that we have because you are putting the money that would have been additional money into the cushion, into the formula, which is internally helping those units by reducing the percent reduction. We are reaching out to the largest number of gainers with this formula. We are also reducing the amount of loss by this formula that we have put into the budget. So I would ask you to work with all of us to try to reduce that cushion by putting that money into program costs, which is going to still help those units. If you look at how it was proportionately divided, you would see that the money going into the formula that we've put in there is helping more people, substantially, and we would certainly be glad to review those facts with you individually. But looking overall at the quintiles and looking at the overall number of units, you would see that this is a definite step in reaching our goal on implementing essential programs and services down the road. It's like the 4-year target that we had, that we're working diligently on. We need a target also in implementing essential programs and services. You can't make it happen all in one year. You can't jump to 55% in one year. You have to work towards that goal. This is definitely putting us into that position. So I would ask you to please support the efforts of all of the Education Committee and the Appropriations Committee and many other

people who want to make sure that we care for the largest number of students in the most units in this state by providing more equitable funding. Please vote to indefinitely postpone this amendment.

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

Senator **EDMONDS:** Thank you, Mr. President, men and women of the Senate. I appreciate all the good words my brother and sister Senators have put forward. I just want to remind you of one thing. I'm sitting here thinking about the young people who come into my library, which is the public library in Freeport. I want you to think about the young people in every town in Maine when you think about this. We get kind of lost in percentiles and percentages and all those things, but we're talking about the lives of young people. We're talking about how many teachers they have. In my school, they will have 6 less teachers. That will be a big deal. It won't be about percentages and it won't be about quintiles. It will be about the fact that they will have less access to good people. That's important. I think, for me, that tips the balance. Thank you.

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

Senator **MILLS:** Mr. President, men and women of the Senate, the discussion about cushions really has nothing to do with 55% promises that were made in 1985. It has nothing to do with service center communities. The issue is how to deal with fluctuations in property value. That is what has driven these disparities that people are talking about this evening. If we had been at 55% funding last year or two years ago and we were still at 55% funding this year and we had had the same variations in property values, we would be here talking about cushions. The problem of service center communities in Maine has much more to do with what I call the municipal side of their budgets than it does with the school side of their budgets. The school funding formula, if you let it work, does a pretty good job of adjusting for differentials in tax burdens, in so far as it effects school budgets. Easily 50% of the budget of the service center community is consumed by police departments, public libraries, and trash pick up. All of these things that are not controllable by the school funding formula. Yet we have this tremendous political pressure exerted on us at this time every year to distort the school funding formula to favor service center communities and others who might, in some instances, lose. Why? Because the school funding formula is where the money is. I think we need a system whereby revenue sharing and other sources of state support are delivered in a more rational way to these service center communities that have mill rates of 27, 28, and 29. Not all service center communities will be benefited by a cushion. May I suggest to you that the City of Lewiston, which is a property poor service center, is just as much in need of letting the formula work as a poor town like Milo, or Hartland, or Palmyra. So this really is not a discussion about 55% promises, it should not be a discussion about service center communities and how much we care for them or not. It is pure and simple a situation where property values have climbed dramatically in one sector of the state and they haven't climbed in another sector of the state. I would add that there has been some adjustments to pupil counts. We have addressed this policy issue in a sensible way in the past. We made a conscience decision that we would count, or

average, 2 years of property values. Bare in mind the way in which the state addresses property values, as it looks at really old property values, because the data flows in such a delayed way. Adjusting for property values is like playing the organ. You put your finger on the note and wait for a moment before you get the answer. Here we wait for a year or two. So we're looking at property values from 1999 and 2000, things that happened several years ago. Thus, when the community sees this happening, when they see their property values skyrocketing, they have a chance to get ready. Yes, there have been times when rural communities have needed cushions because property values were plummeting in the south end of the state at times when we had a significant downturn in the economy. Sure the shoe will be on the other foot on another day. It's all true. But this \$4 million cushion and the money that was allocated to program costs and the money that was allocated to operating costs to let all boats rise together was done after lengthy discussions, all day Friday a week or so ago, and well into the night. It had the backing, I believe, of key members of the Education Committee. It had the backing of almost all the members of the Appropriations Committee. It had the backing of the administration, and most significantly, it had the backing of the leadership of this chamber and the other chamber. These are compromises. I think we do need cushions to adjust for some of these changes that we see being made from year to year. But we determined that a compromise level of \$4 million, plus injecting more money than we can afford this year into the engine of the formula, was what we should do. A lot of money is being spent on program costs this year because it helps some of the very service center communities who are articulating concerns about this budget. There were accommodations made. This compromise was framed in the principle of discussion. This chamber, I think, has a duty to back the people who were at the point of the sword negotiating this agreement. I would urge you to vote for the pending motion, reject the amendment so that we can go on and pass the budget. I think that there are fundamental policy issues lurking within the formula that we should have under constant discussion from year to year. It's been suggested that perhaps we should go to a 3 year averaging of property changes and perhaps we should. But that's for another day, not for this budget. I urge that you vote for the pending motion. Thank you.

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

**Senator BROMLEY:** Thank you, Mr. President. I neglected, in my earlier remarks, to point out what the good Senator from Somerset, Senator Mills, reminded of all of. It is property valuation that's made these vast, disproportionate affects on the formula. I want to point out that often in this chamber we talk about tax policy and making it predictable in order to write budgets and plans, whether you are a business or whatever. A skyrocketing property valuation, in our school funding equation, is beyond the control of any Superintendent of Schools. It's beyond the control of any City Manager. To have that variable cut your funding by 30%, when there is absolutely nothing you can do about it, seems to be something that we, in this chamber, ought to be concerned about. Also the remarks that the good Senator and chair of the Education Committee, the good Senator from Penobscot, Senator Mitchell, made was to work with the formula towards our goal of equity and I will tell you that is exactly what I hope we do. That is exactly the point of cushions, to help us

work towards equity in a gradual way so that a community doesn't have to suffer in a year when they can work in a more gradual way. I want to point out that it's 34 positions in my community. It is 6 positions confirmed in the good Senator from Cumberland's community. It is nearing 50 positions in our other good Senator from Cumberland's community. These are people and positions that I don't think can be replaced by debate about equity. I urge you to defeat the pending motion. Thank you.

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

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

**Senator MARTIN:** Thank you, Mr. President and members of the Senate. The Senator from Somerset, Senator Mills, has raised the question of what happened and why. Subsidies began when the problem started with the budget when, unfortunately, most of you were not here and I was. Let me give you the history of the cushions. In 1992, when the problem started in northern Maine, we froze the funding subsidy and said 'it's going to be like that, just the way it is. No changes.' That helped northern Maine. In 1993, we added \$4.8 million for northern Maine. We were getting the valuation increases. In 1994, we put in \$6.6 million for northern Maine. In 1995, we put in \$2 million for northern Maine. In 1996, losses were limited to 5% and the cushion came from those who were gaining more than 6.59% in subsidy. Then it started to change. We added \$3 million in 1997, \$3 million in 1998, \$5 million in 1999 with a hold harmless, in 2000 we put \$4.3 million with a hold harmless, and last year we put \$6.2 million. I can't go home and tell the people why northern Maine isn't getting any money because today, those of us in power, who are gaining more, refused to give to those who are losing. Next trip around, the shoe may be on the other foot.

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

**Senator GOLDTHWAIT:** Thank you, Mr. President, ladies and gentlemen of the Senate. I have just a few words to add. I've tried not to bring my own district into this discussion because whatever is happening there doesn't make what's happening in any other district any better or any worse. The facts of each district remain. To argue 'my district is really worse off...no, no mine is really, really worse off' is not a productive debate in any way. But since the word fairness was brought up, my district has not really had a dog in this fight, frankly, because for the most part we don't get school subsidy. We live in an area where the valuation is enormous. Many of our jobs are tourism related. They are seasonal. You don't get health insurance benefits from many of those jobs. Despite the fact that we are portrayed to be a fabulously wealthy community, some of our summer residents may be, but our year-round residents are not. Yet the formula has dictated that we don't get much in the way of subsidy in about half of my communities, my 23 communities. I've not really pressed that point because I believe, having served on two School Funding Task Forces, probably before some of you were born, that the formula has a design to it, as difficult as it is to understand, and it does work. I'll tell you about a town in my district that is losing subsidy. It's a very, very small town, Winter Harbor. The naval base is closing there. They are losing about

2/3 of their students and that means that the formula says they are losing \$90,000 in what is already a very small subsidy. That's a very painful impact for that community. But I have not argued that we should be cushioning Winter Harbor because there are other potential solutions. That community is trying hard to work that out. One of the solutions may be to combine with a neighboring town and splitting so that one town has a K-3 and the other has 4-8. There are solutions on the drawing board. But they were not dependent on me coming in and saying 'oh, Winter Harbor is losing money. We've got to send them more money.' Although, as I say, I try hard not to do that useless battle of who's in worse shape, but I think there is probably not a school unit in the State of Maine that couldn't honestly use more money and make a better educational program with it. But the issue for me is putting the money through the formula, which tends to rise all boats, and beginning with the cushion routine, than things turn into the kind of debate we're having now where we are beginning to pit region against region and school against school. So it is my hope that we can continue to raise the state percentage for the formula, because some day that's going to get to the coast. In the meantime, I prefer not to go the cushion route and urge you to support the pending motion. Thank you.

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

**Senator NUTTING:** Thank you, Mr. President, ladies and gentlemen of the Senate. I wasn't going to rise tonight, but I feel that after listening to the debate I must. As the prime sponsor of the school funding formula bill that passed 4 years ago that has caused many of the current changes to occur, I just feel I have to say some things on the record. The goal of the school funding formula is an attempt to try to equalize the mill rate effort raised for education all over Maine. In 1996, we had a situation where there was a huge difference in the number of property tax mills raised for education. Not for trash pick-up and police and everything else, but for education, because that is the only goal of the school funding formula. The per pupil guarantee has been increased over four years from \$3,700 per student to \$4,800 per student this year. Yes, the original bill said that this years per pupil guarantee was supposed to increase to \$5,200 per student to finish getting the poorest schools at a mill rate effort for education that was at the state average. This budget, on page 111, if you read the top of page 111, this year's per pupil guarantee is only going to \$4,816. The poorest communities in Maine are waiting another one or two years to get to that \$5,200 level that they were supposed to get to this year. So there have been compromises all over. If you look at your computer print-out from the Department of Education, the quintile of schools that are raising the most amount of effort for education is still the 5<sup>th</sup> quintile. That's been that way for five or six years now, at least. So they've waited and waited and waited. Yet is the difference as great as it was? No, it isn't. Progress has been made. I think all of us can share some pride in that. I also have to rise today to say that I am frustrated with part of the work that happened. I feel, personally, that of the \$4 million that is in this budget for a cushion, \$1 million is going to schools that, frankly, don't deserve a cushion. We have cushion money going to schools that have a total mill rate effort for education is 9.5 mills, well below the state average. We have \$350,000 in cushion money going to one school that has a \$760,000 valuation per student. Last year, that school wouldn't have qualified for a cushion. It does this year. I tried in the Education Committee to change the criteria of the

cushion, to take \$1 million of the \$4 million and direct it towards communities that really do need a cushion. I, so to speak, fought the good fight and got absolutely nowhere. Some of the very representatives, not in this body, who stood to gain by my proposed change to who gets a cushion and who doesn't, kind of lead the charge against changing that criteria. I'm frustrated by that. I felt it was a significant amount of money that could be moved to those communities without increasing the total amount of the cushion. But I lost that battle and I have to accept that. I like this budget, but when my bill passed 4 years ago, the thought process then, as was stated in the Education Committee, was that there would be four more years of cushions, and there has been. The other statement that was made, and agreed to by the Education Committee at that time, was that the amount of money put into a cushion would slowly be decreased over time. Everybody agreed to that. That is reflected in the budget that is before us today. I think there are a lot of tough choices and there is a lot of pain to go around in the school budget and there is a lot of pain and suffering, potentially, with a lot of different schools in Maine. But some schools have waited seven or eight and through that period have raised 18 to 22 mills for education. They are going to wait another couple of years before that mill rate drops. I feel strongly that tonight somebody needs to stand up and at least mention the Greenville's and the Wales and the Lubec's of this state, who by far are raising the most amount of mills for education, far more than any community that stands to lose money in this formula. Far more. When you are raising 20 mills for education, that's really a sad state of affairs and it's only going to be corrected when we get to a per pupil guarantee of \$5,200 per student, which is still one or two years away. So in conclusion, yes, I'm frustrated. In my opinion, \$4 million that is here for the cushion is not going to where it should go. There is nothing I can do about that. I know one of the Superintendent of Schools in one of the communities in southern Maine that is effected by this has been pushing for one year now to consolidate some of the 12 elementary schools in that district in order to save money. That's going to have to be looked at. That's happened in many other parts of the state. I think there are many other options out there. I am going to be supporting the motion. I wish things could have been different as far as who got a cushion, but I have to accept that. In the end, the main goal of the formula is to equalize the number of mills raised for education and this budget takes a step towards that goal. I want to thank you all for listening.

**THE PRESIDENT:** The pending question before the Senate is the motion by the Hancock, Senator Goldthwait to Indefinitely Postpone Senate Amendment "F" (S-504) to Committee Amendment "A" (H-968).

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

#### ROLL CALL (#265)

YEAS: Senators: CARPENTER, CATHCART, DAVIS, FERGUSON, GOLDTHWAIT, KNEELAND, MCALEVEY, MILLS, MITCHELL, NUTTING, ROTUNDO, SAVAGE, SAWYER, SHOREY, SMALL, TURNER, WOODCOCK, YOUNGBLOOD, THE PRESIDENT - RICHARD A. BENNETT



NAYS: Senators: BRENNAN, BROMLEY, DAGGETT,  
DOUGLASS, EDMONDS, GAGNON, KILKELLY,  
LAFOUNTAIN, LEMONT, LONGLEY, MARTIN,  
MICHAUD, O'GARA, PENDLETON, RAND, TREAT

19 Senators having voted in the affirmative and 16 Senators having voted in the negative, the motion by Senator **GOLDTHWAIT** of Hancock to **INDEFINITELY POSTPONE** Senate Amendment "F" (S-504) to Committee Amendment "A" (H-968) **PREVAILED**.

Committee Amendment "A" (H-968) as Amended by House Amendment "K" (H-986) thereto, **ADOPTED**, in concurrence.

Under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-968) AS AMENDED BY HOUSE AMENDMENT "K" (H-986)** thereto, in concurrence.

Under suspension of the Rules, ordered sent forthwith to the Engrossing Division.

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Senate at Ease.

Senate called to order by the President.

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The Chair laid before the Senate the following Tabled and Later (1/18/02) Assigned matter:

**SENATE REPORTS** - from the Committee on **EDUCATION AND CULTURAL AFFAIRS** on Bill "An Act to Phase Out Community Income Considerations from the School Funding Formula" S.P. 9 L.D. 1

Majority - **Ought Not to Pass** (11 members)

Minority - **Ought to Pass** (2 members)

Tabled - January 18, 2002, by Senator **MITCHELL** of Penobscot

Pending - motion by same Senator to **ACCEPT** the Majority **OUGHT NOT TO PASS** Report

(In Senate, January 18, 2002, Reports **READ**.)

On motion by Senator **MITCHELL** of Penobscot, the Majority **OUGHT NOT TO PASS** Report **ACCEPTED**.

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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The Chair laid before the Senate the following Tabled and Later (3/6/02) Assigned matter:

Bill "An Act to Amend the Laws Relating to Development Districts"

S.P. 725 L.D. 1966  
(C "A" S-441)

Tabled - March 6, 2002, by Senator **GAGNON** of Kennebec

Pending - **FURTHER CONSIDERATION**

(In Senate, February 27, 2002, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-441)**.)

(In House, March 5, 2002, Bill and accompanying papers **COMMITTED** to the Committee on **TAXATION**, in **NON-CONCURRENCE**.)

On motion by Senator **GAGNON** of Kennebec, the Senate **RECEDED** from whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-441)**.

On further motion by same Senator, the Senate **RECEDED** from whereby it **ADOPTED** Committee Amendment "A" (S-441).

On further motion by same Senator, Senate Amendment "A" (S-503) to Committee Amendment "A" (S-441) **READ**.

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

Senator **GAGNON:** Thank you, Mr. President, men and women of the Senate. This is just a bill that recodifies the TIF laws and this Senate Amendment is a clarification of some of the items and corrects a typo in the bill.

On further motion by same Senator, Senate Amendment "A" (S-503) to Committee Amendment "A" (S-441) **ADOPTED**.

Committee Amendment "A" (S-441) as Amended by Senate Amendment "A" (S-503) thereto, **ADOPTED**.

**PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-441) AS AMENDED BY SENATE AMENDMENT "A" (S-503)** thereto, in **NON-CONCURRENCE**.

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

Bill "An Act to Implement the Recommendations of the Commission to Study Domestic Violence"

H.P. 1658 L.D. 2163

Tabled - March 25, 2002, by Senator **LONGLEY** of Waldo

Pending - **ADOPTION OF COMMITTEE AMENDMENT "A" (H-883)**, in concurrence