

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*One Hundred and Seventh
Legislature*

OF THE

STATE OF MAINE

1975

KENNEBEC JOURNAL
AUGUSTA, MAINE

Mr. Burns from the Committee on Legal Affairs on Bill "An Act to Permit Lessees of Beehives Damaged by Bear to Make Claims for Reimbursement under Certain Statutory Provisions" (H. P. 678) (L. D. 867) reporting same.

Mr. Carey from the Committee on Legal Affairs on Bill "An Act to Require Municipal Clerks and Registration Commissioners to File Lists of Certain Residents with Jury Commissioners" (H. P. 716) (L. D. 892) reporting same.

Mr. Gould from the Committee on Legal Affairs on Bill "An Act Concerning Court, Bank and School Holidays" (H. P. 857) (L. D. 1042) reporting same.

Mr. Carter from the Committee on Appropriations and Financial Affairs on Bill "An Act Appropriating Funds for Rebuilding the Dam at Lake Wessersunett in Somerset County" (H. P. 817) (L. D. 1001) reporting same.

Were placed in the Legislative Files without further action pursuant to Joint Rule 17-A.

Leave to Withdraw

Mr. Gould from the Committee on Legal Affairs on Resolve, to Reimburse the Town of Waldoboro for Assisting in the Capture of Escapees from the Maine State Prison in Thomaston (H. P. 886) (L. D. 1057) reporting Leave to Withdraw.

Mr. Shute from the Committee on Legal Affairs on Bill "An Act Placing Professional and Exhibition Wrestling Matches and Shows under the Jurisdiction of the Maine Boxing Commission" (H. P. 799) (L. D. 972) reporting same.

Mr. Joyce from the Committee on Legal Affairs on Bill "An Act Concerning the Installation of Sprinkler Systems in Certain Types of New Additions to Hotels" (H. P. 1077) (L. D. 1357) reporting same.

Mrs. Berry from the Committee on Local and County Government on Bill "An Act to Annex Hibberts Gore to the Town of Somerville County of Lincoln" (H. P. 489) (L. D. 608) reporting same.

Mrs. Clark from the Committee on Business Legislation on Bill "An Act to Limit Maine Licenses for Real Estate Brokers and Salesmen to Residents" (H. P. 556) (L. D. 685) reporting same.

Mr. DeVane from the Committee on Business Legislation on Bill "An Act to Prohibit Retail Stores from Marking Previously Priced Items with Higher Prices" (H. P. 630) (L. D. 781) reporting same.

Mr. LeBlanc from the Committee on Appropriations and Financial Affairs on Bill "An Act Appropriating Funds for Capital Improvements at the Houlton International Airport" (H. P. 460) (L. D. 563) reporting same.

Mr. Carter from the Committee on Appropriations and Financial Affairs on Bill "An Act Appropriating Funds for the Acquisition and Construction of a Site and Facilities for Certain Casco Bay Island Ferry Services and to Repair Other Such Ferry Facilities" (Emergency) (H. P. (H. 508) (L. D. 629) reporting same.

Mrs. Goodwin from the Committee on Appropriations and Financial Affairs on Bill "An Act Making Supplemental Appropriations for Human Services and Authorizing the Development of a Comprehensive Plan for Human Services" (H. P. 625) (L. D. 771) reporting same.

Mr. LeBlanc from the Committee on Appropriations and Financial Affairs on Bill "An Act Establishing and Appropriating Funds for Para-professional Outreach, Referral and

Counseling Services for York County" (H. P. 741) (L. D. 912) reporting same.

Mr. MacLeod from the Committee on Appropriations and Financial Affairs on Bill "An Act to Require the State to Pay Expenses Incurred by District Attorneys" (H. P. 774) (L. D. 945) reporting same.

Mr. Carter from the Committee on Appropriations and Financial Affairs on Resolve, Providing Funds for the Maintenance of Ocean Beaches (H. P. 787) (L. D. 975) reporting same.

Reports were read and accepted and sent up for concurrence.

Consent Calendar

First Day

In accordance with House Rule 49-A, the following items appear on the Consent Calendar for the First Day:

Bill "An Act Making Supplemental Appropriations for the Maine Human Services Council" — Committee on Appropriations and Financial Affairs reporting "Ought to Pass" (H. P. 626) (L. D. 772)

Bill "An Act Relating to Sale of Stuffed Toys" — Committee on Business Legislation reporting "Ought to Pass" (H. P. 669) (L. D. 843)

Bill "An Act Relating to Borrowing by Hospital Administrative District No. 1 in Penobscot County" — Committee on Legal Affairs reporting "Ought to Pass" (H. P. 887) (L. D. 1062)

No objections being noted, the above items were ordered to appear on the Consent Calendar of April 12, under listing of Second Day.

Consent Calendar

Second Day

In accordance with House Rule 49-A, the following items appear on the Consent Calendar for the Second Day:

Bill "An Act Amending the Charter of the Paris Utility District" (H. P. 587) (L. D. 726)

No objections having been noted at the end of the Second Legislative Day, the House Paper was passed to be engrossed and sent to the Senate for concurrence.

Passed to Be Engrossed

Bill "An Act Relating to the Prohibition Against Hitchhiking" (H. P. 1474) (L. D. 1564)

Bill "An Act to Clarify the Requirements for Voting in Municipal Elections" (H. P. 1475) (L. D. 1565)

Bill "An Act to Provide Accessible Polling Places for the Physically Handicapped and the Elderly" (H. P. 1476) (L. D. 1566)

Were reported by the Committee on Bills in the Second Reading, read the second time, passed to be engrossed and sent to the Senate.

Second Reader

Tabled and Assigned

Bill "An Act Concerning Employment in the Department of Mental Health and Corrections" (H. P. 476) (L. D. 596)

Was reported by the Committee on Bills in the Second Reading and read the second time.

(On motion of Mr. Palmer of Nobleboro, tabled pending passage to be engrossed and tomorrow assigned.)

Passed to Be Enacted Emergency Measure

An Act Relating to State Subsidy for Units with Federally Impacted Students (H. P. 107) (L. D. 104)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure and a two-thirds vote of all the members elected to the House being necessary a total was taken. 108 voted in favor of same and none against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

Passed to Be Enacted

An Act Providing Funds for Treatment of Cystic Fibrosis" (S. P. 126) (L. D. 412)

An Act to Require Public Hearings on the Appointments of Departmental Commissioners" (S. P. 429) (L. D. 1377)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

Orders of the Day

The Chair laid before the House the first tabled and today assigned matter:

Bill "An Act to Provide for the Maintenance of Neglected Dams and Existing Water Levels in Lakes Impounded by Dams" (H. P. 1459) (Committee on Reference of Bills suggested the Committee on Public Utilities)

Tabled — April 8, by Mr. Cox of Brewer.

Pending — Reference.

On motion of Mr. Cox of Brewer, retabled pending reference and tomorrow assigned.

The Chair laid before the House the second tabled and today assigned matter:

Bill "An Act to Phase Out the Present Form of County Government, Transfer its Functions to other Government Units and to Direct the State's Advisory Commission on Intergovernment Relations to Make Recommendations to the Special Session of the 107th Legislature" (H. P. 1445) (Committee on Reference of Bills suggests Committee on State Government)

Tabled — April 8, by Mr. Carpenter of Houlton.

Pending — Reference.

On motion of Mr. Carpenter of Houlton, referred to the Committee on State Government, ordered printed and sent up for concurrence.

The Chair laid before the House the third tabled and today assigned matter:

Bill "An Act to Fund Public School Education" (Emergency) (H. P. 1437) (L. D. 1452)

Tabled — April 9, by Mr. Palmer of Nobleboro.

Pending — Passage to be Engrossed.

Mr. Lynch of Livermore Falls offered House Amendment "A" and moved its adoption.

House Amendment "A" (H-135) was read by the Clerk.

The SPEAKER: The Chair recognizes the same gentleman.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: This bill has not had any discussion within the chamber. It was given its first reading. It is probably one of the more important bills that the House will deal with this session, and I would like to briefly give you some background.

When 1994 was enacted by the 106th Legislature, it set up a new system of financing public school education. Following the 106th Session, Governor Curtis appointed a study commission to look into the problems that might be

involved in 1994. The first meeting was held in June of 1974. The commission had knowledgeable people; they had access to people with expertise. Their report was written the end of January. The bill arrived in the House in the middle of February. It was referred to the Education Committee and we began our work. I think you ought to understand that nine of the thirteen members were new to the legislative Education Committee.

When the committee started its work, it started right from ground zero with the Education Subsidy Commission Report, and we have adopted essentially 10 of the 12 recommendations of the Subsidy Commission Report, not in the form that they were submitted to us, but I think in an improved substance.

I don't want to take too much time. We are working under a tight framework. I don't want the bill to be delayed too long; I would like to have it enacted with deliberate speed, but at no time should anybody feel that they are under pressure to do something without knowing the impact of how they are voting.

I would like to summarize quickly what we have done in the School Finance Act of 1975. The over collection of local leeway for high valuation units, which used this feature, is eliminated. A limitation of 20 percent is placed on the increase that any community is required by the state tax assessment to bear annually on school costs.

A second locally funded maintenance of effort is provided to give a more flexible ceiling to local units. The State Board had given flexibility to waive leeway limits when a local unit is not able in any way to meet current financial obligations.

Legislative ceilings are placed on authorizations of all school construction. Minor capital outlay is included in operating costs and a limit is placed on it.

State operated schools are removed from the consideration in establishing the uniform property tax. Methods of computing projected costs and the distribution of aid are based on known previous figures. Both the Executive Department and the Legislature will have an opportunity to review and/or revise total state education costs. A unit which gained pupils over the last year will have its allocation adjusted for the increase. A unit which loses students will be reimbursed on last year's enrollment, giving it one year to adjust to decreased funding.

Public Law 874 funds for federally impacted areas are brought into conformity with federal law. A uniform school budget year is part of the School Finance Act, and there is consistency between tax assessment and subsidy distribution year.

Those are the major provisions of the School Finance Act of 1975, and the act responds in the following ways to the major reasons for the existing deficit in education expenditures.

An article in the town warrant must specify the state and local share of any major capital outlay, debt service, thus clarifying the local unit's perception of their financial commitment in such projects. A legislative ceiling will be established each year for the authorization of major capital outlays.

In a separate act, the legislature has restricted bus purchases by allowing the Commissioner of Education to approve all future bus purchases and leasing.

Instead of calculating the total education

costs on the basis of estimates of the next year's expenses in numbers of students, as is the current practice, the cost will now be limited to a local unit's last known expenditures, plus an inflationary factor which adjusts for increasing or decreasing costs, and the last known numbers of students, thereby reducing the possibility of a faulty estimate.

Because of the above changes, the amount of money a local unit can appropriate for education is limited to the uniform school tax, the maintenance of effort and the local leeway. The Commissioner will have authority to offer flexible relief in certain cases. And, finally, with both the Executive Department and the Legislature now having the opportunity to do review and if necessary revise the total cost of education, the taxpayer is protected against soaring costs without proper representation. That, in brief, is what the Education Committee did in proposing the enactment of the School Funding Act for 1975.

Now, because we are operating in a tight ring, when the committee finished its recommendations, then the drafting process was speeded up and in hurrying the drafting process, there were some errors, and these are corrected in House Amendment "A".

The first part of House Amendment "A" are rather minor changes, clerical work, but on the bottom of page 2, "further amend said bill in Section 24," that puts the ceiling on costs. It controls the cost to where we won't get any surprises a year from now. And if you will look at the bottom of page 4, that removes the forgiveness which was accidentally brought forward from 526 into 1452. It was not the Education Committee's intention to forgive the over collection.

The committee draft and House Amendment "A" carries forward the intent of 1994. It puts tight controls on the cost of education. It makes the management of the local units and the direction of its schools one that will require a premium on good superintendents and school boards.

You have a list of amendments that are going to follow this. I hope you will adopt this one and put us in a position where no matter what happens we can continue the intent of 1994 without imposing any terrific impact on any one community.

I would ask for a division.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, I would like to address a question to the gentlemen from Livermore Falls, Mr. Lynch. In talking about the amendment at the bottom of page 4, you say that — and I presume it is the last one on Section 37 — you say that removes the forgiveness. As I understand it, it brings it back to what 1994 was, which did not forgive these things. My only question to you, Mr. Lynch, is, this would have been a major error in the original drafting of the bill, and how many other major errors are we faced with that we aren't going to be able to see? I have the utmost confidence in the gentleman from Livermore Falls. I am sure he is very conscientiously attacking this, but I am very much concerned. In my area, 1994 turned out to be excellent legislation, and I certainly hope that we don't do something here that we don't know we are doing and really foul it up.

The SPEAKER: The gentleman from

Farmington, Mr. Morton, poses a question through the Chair to the gentleman from Livermore Falls, Mr. Lynch, who may answer if he so desires.

The Chair recognizes that gentleman.

Mr. LYNCH: Mr. Speaker and Members of the House: On page 4, the gentleman is correct. That, for the calendar year 1975 and thereafter, is the elimination of the forgiveness.

We have gone over the redraft. We have gone over the bill as it was printed, and we are quite confident that there are no surprises in there.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: I would stand to support this amendment. Of course, I am really basically opposed to the elimination of the pay-in, but that was an honest error, and I think it should go in so we could address the document as it was intended by the Education Committee.

Thereupon, House Amendment "A" was adopted.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: I had prepared House Amendment "B" to this document. However, there were a few mistakes that were made in the drafting of that amendment, and I have now a corrected version which is under House Amendment "I", and I would like now to offer House Amendment "I" to L.D. 1452, under filing number 143, move its adoption, and I would speak to my motion.

House Amendment "I" (H-143) was read by the Clerk.

The SPEAKER: The Chair recognizes the same gentleman.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: The amendment that I am offering today represents, in part, one of the recommendations of the Education Subsidy Commission that studied L.D. 1994 for a period of six months and then recommended changes in its structure. Our Commission, of which I was chairman, and the gentleman from Nobleboro, Mr. Palmer, was the vice-chairman, came forth with 12 recommendations, all adopted unanimously by the Commission, which contained members with every variety of opinion about this controversial school equalization law. These recommendations were incorporated into a bill, L.D. 526, cosponsored by myself and Representative Palmer. It is a redraft of that bill, as presented by the Education Committee, that is before us today. The Education Committee, in its work on what we had done, accepted 10 out of the 12 recommendations that our commission made, and they added a few recommendations of their own.

The two rejected recommendations of our commission were both important, I feel, but I am only going to deal with one of them today. I will only mention briefly in passing the rejected recommendation that is not included in my amendment, and that was our proposal, that construction of school buildings and the purchase of new school buses be taken out of L.D. 1994. This is a complex subject and I, for one, am willing for now to accept the verdict of the Education Committee that these matters can be left within our school law.

But the second recommendation that was rejected goes to the heart of the problem with which we wrestled in dealing with L.D. 1994. I, therefore, feel

honor-bound, as the former Chairman of the Education Subsidy Commission, to present this idea to you today.

L.D. 1994 can be described, I believe, as the most extreme of the school equalization laws that have been passed by the states of this nation. During the last biennial sessions of state legislatures in this country, there were close to a dozen of these equalization laws passed. The impetus for this movement came from local court cases and the belief that the U.S. Supreme Court would uphold a Texas lower court decision in the Rodriguez case that would guarantee equal education to a youngster, no matter in what kind of town he lived, rich or poor.

The Supreme Court did not act as most people thought it would but, nevertheless, the momentum was there and also economic conditions were favorable, some states like Maine having significant surpluses and a healthy chunk of federal revenue sharing available for financing.

So Maine passed L.D. 1994, and they did it without a tax increase and within available funds, and they moved the state's share of education from approximately 33 percent to 50 percent, a significant jump.

But Maine also included a feature in its law that was not included in most of the equalization laws passed by other states. This is the so-called "pay-in" feature, or to give it its more polite name, "over-collection." What it simply means is that communities with a very high valuation, so-called wealthy communities, must, in certain circumstances, raise through their own property taxes a sum of money for education that cannot be spent in their own towns, but that must be sent into the state for other purposes.

I can only cite one other state that went to an equalization law that has included the over-collection or pay-in feature, and that is Utah. But since in Utah the state pays 70 percent of the cost of education, there has been no actual over collection from any community.

In the hearings held by our commission, we received a great deal of testimony from the pay-in communities as to the problems they faced. These problems have been especially aggravated because of the new state valuations issued in 1975 and representing in some communities as much as a 60 percent increase over 1973. Furthermore, the valuation picture has been distorted because of the action of the legislature in repealing the business inventory tax. The inadvertent effect of this action was to remove business inventories from the valuation of a community, due to a ruling by the Attorney General. Thus, the larger communities of the state, like Portland, Bangor, Lewiston, Westbrook, Waterville, et cetera, saw a considerable reduction in their valuations, without any corresponding loss of tax revenues, because the state reimbursed them for their lost business inventory revenues. This, in effect, is a \$7.3 million shift which has severely increased the problem of the pay-in communities and other communities in the state that have had to shoulder this added valuation burden.

The actual fiscal implications of the pay-in were heightened, needless to say, by the natural objection any community might have because of our traditions of local support for education, to raise money through the property tax that could not be used at home. In some instances there were communities that would have to send

into the state almost twice as much as they could keep at home and then still not have enough money to fund their own minimal education program.

The dilemma that faced our commission was how to devise a means to bring some relief to the pay-in towns without at the same time eliminating the equalization feature of L.D. 1994. To do what the pay-in towns clamored for us to do, which was to forgive the pay-in entirely and forever, would have totally changed the nature of L.D. 1994. Some say it would have killed the law. In any event, it would have severely eroded the equalization principle. We rejected that course.

At the same time, ample testimony was given that the original intent of L.D. 1994, when it was formulated by the Education Committee of the 106th Legislature, was to have the state eventually assume first 55 percent and then 60 percent of the cost of education. Indeed, in one educational publication that I read, Maine's L.D. 1994 was described as having already moved to a state share of 60 percent.

The solution reached by our commission to the dilemma that faced us was to recommend a one-year forgiveness of the pay-in feature in fiscal 1976 and have the state move to a 55 percent share of the cost of education in fiscal 1977, and in the following biennium to 60 percent. The thinking behind this was to allow the pay-in towns relief from the crisis situation that existed because of the extreme 1975 valuations and then, although the pay-in would continue, we would move to lessen the burden on the property tax, not only for pay-in towns, but for all communities, by having the state assume a greater proportional burden on its broader tax structure.

The amendment that I put before you today accomplishes that part of the recommendation that can be dealt with in this biennium. It would forgive the pay-in feature for fiscal 1976 and it would have the state assume 55 percent of the cost of education in fiscal 1977.

Before I discuss the financial ramifications of my amendment, I would digress for a moment to discuss the Education Committee's rejection of our commission's idea and what they proposed instead.

There was genuine philosophical opposition to the forgiveness of the pay-in, even if only for one year, and there was considerable doubt that this would satisfy the pay-in towns. There was also skepticism that an increase in the state's share to 55 percent and 60 percent would bring corresponding relief to property taxes. But above all, I believe there was a very real reluctance to go beyond the Governor's budget, which contained no room for either relief of the pay-in or an increase in the state's share.

The formula proposed by the Education Committee is sincerely aimed at reducing the burden on towns afflicted by sharp rises in valuation, and it would do this, quite ingeniously, by limiting any such increase in one year to 20 percent. What this means, in effect, is that the estimated \$5 million slated to come from the pay-in towns this year will be cut about in half. They will only have to pay in approximately \$2,500,000. But since the Governor has budgeted some \$5 million as coming from the pay-in, the additional \$2,500,000 will have to come from somewhere. Under the Education Committee's plan, it will come from the property taxes in the non pay-in towns.

I will not attempt to discuss the Education Committee approach. It is a very valid one. It stays within the Governor's budget. It restores in some way the balance lost from the valuation picture because of the inventory tax situation, but it does rely upon the property tax.

You will note that in the amendment I have offered there is a proposed tax increase to provide the additional funding that will be needed if the pay-in is forgiven for one year and the state's share of education is increased to 55 percent. The actual amount that will be needed for the biennium is about \$13 million. I will break this down for you. The forgiveness of the pay-in will cost \$5 million. The cost of extending the state's share to 55 percent will be an additional \$12 million. This should add up to \$17 million, but since the pay-in feature will not be forgiven in the second year, there will be about \$4 million coming in from the pay-ins. Thus, the net cost is approximately \$13 million.

The proposed tax increase on the amendment is, needless to say, an increase in the income tax. It is, as you can see, a modest increase. Figures that I have had prepared show that for an average family with a taxable income of \$6,000, (and that is not gross income, remember) the increase would be \$3.70. For a taxable income of \$8,000, it would be \$8.20. For taxable income of \$10,000, it would be \$25.45; at \$15,000 taxable, it would be \$40; and at \$20,000 taxable, \$52.

What the corresponding property tax reductions would be throughout the state, I cannot say with certainty. I had asked to have a printout prepared, but I am afraid it will not be ready until tomorrow. Yet, perhaps that is just as well. Perhaps it is better to decide this issue without reference to actual figures and how they affect one's particular community. I feel it is safe to say, however, that this approach overall will bring lower property taxes than either the present law as it would affect the pay-in towns, if nothing were done, and the non-pay-in towns if the Education Committee's recommendations are adopted.

When our commission first made its proposal we, of course, did not know what the Governor's budget would be. Now that we do know, it is evident that the recommendation we made could not be funded without a tax increase. I suppose I could have tried to fudge that issue, but I did not feel that that would be an honest approach. That I have been bold enough or fool enough to present to you a proposal that involves a tax increase and that sets that tax increase in print may well show that I am not as professional a politician as some people might like to think. A more professional politician might try to do this thing with mirrors to convince you that there are painless paths to progress or to cover over with the rhetoric of economy the fact that somewhere, from some pocket, some people must pay.

It seems to me that here we must fish or cut bait. What seems to be developing in Maine in this year of austerity, of inflation, of unemployment, or turmoil and doubt, is what I could call a New Hampshire approach to budgeting. That is, we are going to try to look good on the state level by passing tax burdens onto municipal property tax. The weirdly acrobatic balancing act by which the Governor has kept his promise not to raise state taxes has been accomplished in part by actions that will raise town taxes. Many people do

not realize this. It is a technique that has been very successful in New Hampshire, where property taxes are among the highest in the nation, but there are no broad-based taxes. This is a technique that benefits a certain narrow spectrum of society and Maine, in the past eight years, has moved away from such reliance on regressive taxes. Now it appears there is a deliberate attempt to reverse that trend.

I have not lobbied this amendment. I have tried to present it to you as sincerely and as completely so you can decide the issue or our commission approach of increasing the reliance on a broad-based tax for educational costs or the Education Committee's approach, which is geared more toward the property tax.

From my own point of view as a Representative from York, I can add that my town will do much better under the Education Committee's proposal, even if that 20 percent were raised to 25 percent, than it will do under my amendment. But I felt that I had to present this suggestion to you.

I hope you will give it every consideration.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: I am in agreement with the thinking of the gentleman from York, but I don't feel that this is the time to take this approach. And the reasons are these: The committee report maintains the principle and the philosophy of 1994. It does not call for any additional state dollars.

Looking at page three of House Amendment "I", we are asked to embark upon a change in the income structure. I don't believe this is the time to do that. Perhaps in the fall, when we realize the full impact of what we are appropriating at this time and what we are neglecting to fund, the fall months may bring it home to us that additional revenue is needed, and I think it would be wise to put all our income tax revisions into one package. I think it would be a good move on the part of the state to move toward the 55 or 60, which the Education Committee in the 106th did think about, but before enactment, it eliminated the 55 and 60 figures.

On the bottom of page one, I am in agreement with that. Basically, I am in agreement with the philosophy behind House Amendment "I", but I think this is not the time to adopt it, and I would therefore move for indefinite postponement of House Amendment "I".

The Chair recognizes the gentleman from East Millinocket, Mr. Birt.

Mr. BIRT: Mr. Speaker, Ladies and Gentlemen of the House: I wonder if the gentleman from York, Mr. Rolde, could give us any idea of what the decrease in the mill rate might be on the assumption that we did go to 55 percent funding from the state level?

The SPEAKER: The gentleman from East Millinocket, Mr. Birt, poses a question through the Chair to the gentleman from York, Mr. Rolde, who may answer if he so desires.

The Chair recognizes that gentleman.

Mr. ROLDE: Mr. Speaker, to answer the gentleman as best I can, I think it would be very difficult to state what the mill rate would be now, because we would be dealing with the second year of the biennium, and I don't believe that mill rate would be set because the total cost of

education would not have been set by the Education Commissioner, as the law now says. So I don't think that a mill rate would be set. I think at this particular point we would not be able to tell what the mill rate exactly would be.

The SPEAKER: The Chair recognizes the gentleman from Hampden, Mr. Farnham.

Mr. FARNHAM: Mr. Speaker and Members of the House: Regardless of the very lucid and clear explanation of House Amendment "I" by the gentleman from York, Mr. Rolde, it is my feeling that we have had serious problems in digesting the 50 percent formula. I think we should at least give it three or four more years trial. I am not opposed to 55 percent eventually, and I hope you will support the motion of the gentleman from Livermore Falls, Mr. Lynch, that this be indefinitely postponed.

The SPEAKER: The Chair recognizes the gentleman from Blue Hill, Mr. Perkins.

Mr. PERKINS: Mr. Speaker, Ladies and Gentlemen of the House: I rise to commend the ladies and gentlemen for their diligent work on the Education Committee. They have my sympathy, because their work was a thankless job, and no matter which way they went, they could not in any way win. I rise also to thank the ladies and gentlemen who worked all last summer and the many months on the Educational Subsidy Commission. I would like to comment briefly on some comments I have regarding the rules of the Educational Subsidy Commission and Mr. Rolde's amendment.

During my short stay in the legislature and in different committees, I have heard referred in many cases requests for welfare on different areas, and in these areas they referred to a system or something called the penalty of geographical accident of birth and the hardships which this entails. This is also true in the implementation of L.D. 1994 and the educational suggestions that we have here before us today. Because of being born on the coast, these people become the prime supporters of our educational funding. The question then becomes, is the definition of being poor any different to be poor on the coast or being poor inland? Poor to me is poor. The coastal numbers of being poor are smaller because the numbers are sparser, not because there is a difference in definition but because they are still poor, but the numbers are fewer. Poor in any definition is the same.

Is being elderly and poor any less severe because you live on the coast? Are we legislating the sale of family homesteads that have been in the family for years because there is no other method of funding the property tax, which is the means of funding our new education? These people who live on the coast and have had family homesteads for years have been living here for years and their families are enjoying these homesteads for whatever they can get, thus aren't we legislating the habitation of these homesteads for three months out of the year and a vacuum for nine months of the year? The property tax in this manner seems to indicate just this. For this reason, I heartily support Mr. Rolde's amendment and the work of the Education Subsidy Commission.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: As a matter of principle, I am opposed to L.D. 1994, as

demonstrated by my attempt to repeal this bill earlier in the session. My attempt to do so was unsuccessful, and I accept that decision as final for this session. It is a bad bill, but I accept the fact that we must live with it for the time being.

L.D. 1452, an act to fund public school education, represents an attempt to alleviate some of the problems created by 1994. To an extent, this is accomplished, but an examination of the printout provided to us by the Department of Education clearly shows that many inequities continue to exist. I would classify these inequities into two general categories: First, those poor towns which continue to subsidize the educational systems of wealthier towns. Secondly, I would point out that there are municipalities which, under L.D. 1452, would receive even more state aid than under 1994.

As an example, let me mention towns located within my own local area. Kennebunk and Kennebunkport are members of SAD 71 and are adjacent to my own town of Wells. By any standard of measure, Wells is a poorer town than either Kennebunk or Kennebunkport. This is recognized by anyone familiar with the area. In spite of this, SAD 71 receives \$282,000 under L.D. 1994 and \$337,500 under L.D. 1452, an increase of about \$56,000.

The Town of Wells, on the other hand, continues to pay in about \$260,000. The effect is to require Wells, a poorer town, to subsidize the educational system of two neighboring wealthier towns. I am certain that the citizens of Kennebunk and Kennebunkport have no desire to require Wells to support their schools, and that \$56,000 increase provided under 1452 is about as necessary as another yacht lying off Kennebunkport. This is not only an inequity, it is gross injustice.

Take another example, Cranberry Isles. Under L.D. 1452, it continues to pay in about \$26,000. Cape Elizabeth receives over \$1,400,000 in state aid.

Some of you have seen Cranberry Isles, and I ask you, do you believe that the people of Cranberry Isles should be required to contribute toward the educational system of Cape Elizabeth? I don't think so. These are only examples.

In order to alleviate these gross inequities, I prepared House Amendment "C" to L.D. 1452, which would eliminate the pay-in provision of L.D. 1994. That is, no municipality would be required to provide financial support to other communities within the state. I plan not to introduce this amendment in order to avoid divisiveness that this amendment could provoke within the House. I believe that we cannot afford any further controversy relative to this subject. Time does not permit further delay. All our communities are waiting for a decision by this legislature so they can move ahead in preparation of their school budgets. We have a responsibility to our constituents to provide a decision as soon as possible. For this reason I plan not to offer my amendment and do support the amendment offered by the gentleman from York, Mr. Rolde. I would like to compliment him because, as he pointed out quite correctly, the town of York was to gain very very substantially, to the tune of about — well, it was well over \$150,000 if he had stayed with 1452. So I admire his courage and his sense of dedication for submitting a bill that would deprive his town of all that money.

I would have preferred a stronger

amendment, but the amendment offered by Mr. Rolde is less controversial and should draw the broad support necessary to give us the two-thirds vote necessary to pass L.D. 1452 as amended, and we must have this bill.

In addition, I would point out that Mr. Rolde's amendment causes us to finally accept the fact that an increase in income tax is inevitable in order to continue to finance L.D. 1994. It is a step that is long overdue, but unfortunately is necessary.

I ask that we all get behind L.D. 1452 as amended by Mr. Rolde and give our frustrated constituents the legislation which they need to plan for the next school year.

Of course, I would urge that we not support the motion to indefinitely postpone this amendment.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker and Ladies and Gentlemen of the House: Just very briefly I would like to rise this morning to support the Education Committee's recommendation and to support the indefinite postponement of this current amendment that is being put before us. I would point out that actually under 1994, we certainly didn't intend to, but we gave a blank check to public school education. We certainly have got to take the blame here in the legislature for the drafting of the language. I think we can assign, and I think sufficient blame has been assigned to the Department of Education for not getting a handle on it quicker.

But what we are engaged in doing right here today, I would remind us, is giving a triple "A" priority to this subject of public school education. The very fact that we are getting ready to finalize their budget well in advance of anything else in fact does add up to a triple "A" priority. So while I would agree that the gentleman from York, Mr. Rolde's, amendment furthers the spirit and the intent of the original legislation, I feel that we have gone far enough on this, that we have got to take a look at the other needs that are perhaps not yet as visible as the one that is before us right now that would make Mr. Lynch's suggestion, I think, eminently sensible, that this Education Committee bill solves the problem for the present time and that at a later time we are going to certainly be required to take a look at our broad-based taxes, not only for education but for a multitude of other services.

The SPEAKER: The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I rise this morning to support the motion to indefinitely postpone House Amendment "I", but I do so as a person who has had a long-time interest in 1994, as a person who regrets the initial funding mechanism that was accepted by this legislature to take care of state expenditures under L.D. 1994, and as a person who sincerely would like to help pay-in towns. But I must support the motion to indefinitely postpone this morning for two basic reasons. First, the pay-in provision in the amendment is not the way to help the pay-in towns. Elimination of this only strikes at the equalization principle of L.D. 1994, and it is that principle that I feel so strongly about. To strike at it hard is wrong, in my judgment.

The second thing about this amendment, although I kind of like it in principle, I

don't think it goes far enough, the idea of increasing the percentage of state participation. I have always believed that L.D. 1994 should not be funded at all from property taxes, that we should go completely to a broad-based state level tax, namely, the income tax, raise it to whatever level is necessary and treat education as a priority item that the income tax should be used primarily to fund.

I hope that at some time in this legislature we will be able to increase the percent of state participation. I know it is going to be a very courageous act when we do it. I know it is going to take a lot of pull and tugging, but in my judgment it is the only solution to L.D. 1994's fiscal problems.

I hope that in a special session, perhaps, this will become a reality. If I thought there were any hope of it, I would introduce that amendment today, but I know that this is not the time, as Mr. Lynch has said. So I hope that you will indefinitely postpone this amendment, and I hope that over the summer you will think long and hard about the ultimate solution to the difficulties of L.D. 1994.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Ingegneri.

Mr. INGEGNERI: Mr. Speaker, Ladies and Gentlemen of the House: I oppose House Amendment "I" for the very good reasons which Mr. Lynch clearly enunciated. I won't go into them in any detail.

The Education Committee tried very hard to come to as equitable a position as possible with regard to pay-in communities, and I think they did so when they forgave half of that pay-in feature and limited the increase that a town could be assessed at 20 percent per year.

My biggest objection to Mr. Rolde's amendment is the machinery which he is attempting to use to finance it. In the first place, he has taken, in my opinion, a rather parochial, narrow view. He thought about raising revenue just to meet this one particular problem. We have heard much about the wealthy pay-in communities on the coast, and undoubtedly there are people there who do have quite a bit of money, and there are elderly people who do not have much money but are sitting on what would be considered extreme asset wealth. We understand that paradox and we think that there is relief there of an elderly property tax refund.

But what I am concerned about is the rates of Mr. Rolde's income tax proposed bill. You will note that there is a one-quarter percent increase in the — from zero to \$2,000 income. That comes out to a 25 percent increase in that one particular group, and that group is absolutely at the bottom of the heap as far as taxpayers are concerned. The figures from the Taxation Bureau showed that 25 percent of the returns fall into the category, and those people who are really paying can, for a \$20 tax, of paying it practically from a deficit, people that are that low in the income bracket or people who must be two weeks or four weeks behind their bills. We notice some people will take almost everything on a job, will do anything to hold a job, for the simple reason they are mortgaged two paydays, three paydays ahead.

A person who had a \$2,000 taxable income under the old rate would have \$20 to pay in taxes. Under this, that person who could hardly afford \$20 would have to pay another \$5.

You also note this so-called graduated tax. I hate to say this, but here is a tax that goes from a one-quarter percent increase at the poverty level, and I might say under the poverty level, because the poverty level for a family of four is about \$6,600 right now, and it goes up to the great increase to somebody with a taxable income of more than \$50,000 of 2½ percent, from 5 percent to 2½ percent. Now just think about that.

I worked out — I don't know where Mr. Rolde got his figures about the average of \$2 and \$3, etc. I do know that a family of four, whose income is entirely from wages and whose income amounts to \$8,000, with exemptions that would be \$4,000, and a standard deduction of \$800, that family would have deducted from its gross income \$4,800 to get to a taxable income of \$3,200. Under the old system, that tax would be \$32. Under this system it would be \$40. That may not look like a great sacrifice, but look at the terrific sacrifice that somebody with a \$60,000 taxable income will have under this proposed bill. Under the current rate his tax would be \$2,600. Under Mr. Rolde's proposed bill it would be exactly \$150 more.

So when you look at this paper, don't look at the percentage increase. Think of the absolute addition that particular taxpayer has to get up. Now, I am not against an income tax increase, but I am against an income tax increase that addresses itself to one immediate problem. This is what we have said in our Education Committee is a bandaid approach, going around to wherever there is a little bit of bleeding and sticking a bandaid on. If we are going to have an income tax revision in this session or by the fall, it must be an income tax revision that must address itself to all of the needs which are not met in the Governor's budget. We can't have something like this and then have somebody come up with a nuisance tax to take care of another little problem. We have not only this problem to think of, but we have the overdue raises for the state employees. We have welfare which has not kept pace with the cost of living. We have medical services which have been cut; medical services have been cut as if somebody were a sadistic surgeon, just popping off heads and arms and legs without wondering how to put them back again.

I think if we must have an income tax revision, and I unfortunately consider Mr. Rolde's proposed income tax revision at this time as a red herring across the path of a true debate which we should be indulging in on 1452. I think that a revision in the income tax must be based on a true graduation of increases with a special emphasis on the ability to pay. You can't tell me that you have an equitable revision of income tax when somebody in a \$60,000 taxable bracket comes up with \$150 additional tax.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Men and Women of the House: I wish that I had some assurance this morning in that what I would say would cause you to vote against the motion to indefinitely postpone. I suspect that most of us are going to vote this morning for the bill and against the amendment, based upon the amount of educational subsidy that this bill provides to the towns you represent.

We certainly come to the legislature and the people that elect us expect us to come

and to represent them, and I suppose in that sense, we are fulfilling that requirement.

The Educational Subsidy Commission and the Education Committee have worked long and hard hours, and I can appreciate and know the frustration that they have gone through, because I suffered that same frustration for almost two years, since I held the first meeting on this matter in Castine in July of 1973. Those of us who come from coastal communities or lakeside communities that have to pay in under 1994 have been frustrated in our efforts of trying to explain to the people why this bill was enacted and why we couldn't do something to reduce or to mitigate or to completely eliminate the burden which is going to fall upon the property tax that they have to pay this year.

I think the recommendation of the Educational Subsidy Commission to do away with the pay-in provision for one year was an attempt, among other things, to buy us time. On a number of occasions, I told the people that I represent that are adversely affected by this legislation that it was strictly short, fall solution to the problem. We have got to continue the work on this bill; we all know this, regardless of what this body does with the bill or the amendments before us today.

I don't think I have much to disagree with any of the speakers that have spoken on this amendment here this morning. I think they all had valid points. I think the thing we all talk about in regard to an income tax increase is that it is not possible during this regular session, but it is almost inevitable during the special session in September or certainly in January of next year.

I well remember several weeks ago when the gentleman from Bangor, Mr. Ingegneri, spoke on the hemophiliac bill, and I think if I can paraphrase his words, he asked us to vote for the bill, regardless of the fact that there may only be a few people involved that when anyone would discriminate against, even if it was a minority of one, that it was important to address that problem.

I suppose that the people of the pay-in communities feel that they have been discriminated against because of where they have to live. I think that the people who went to Cranberry Isles on a snowy Saturday found out that there were no large, huge mansions, the people who lived there were (on a year round basis) people lobster fishing and that they are going to have a difficult time paying an increased property tax in 1975.

I guess what my request here would be this morning is that we adopt House Amendment "I", so that we could do away with the pay-in feature for a year, could continue to work on this, could address the question of state valuation, could address the questions of taxation so that the people will not be burdened with these increased property taxes.

I think almost all of us agree that an increase in the property tax is not the desired method of taxation and yet, as the gentleman from York, Mr. Rolde, has indicated, because of the bill that is before us this morning and a number of measures in the Governor's budget, there is going to be property tax increases in many communities, as a matter of fact, perhaps in all communities.

I think the coastal communities have come to this legislature and have asked, if not on a permanent basis then

temporarily, to have an opportunity to work this out. They are certainly a minority. There is no question in my mind today that the majority of legislator's that represent the do-called recipient towns can turn down any requests by the representatives of pay-in communities. It seems to me that somewhere along the line our political process is broken down when the requests and feelings and thoughts and work of these communities are turned down, and I am not trying to in any way discredit the work of the Education Committee because I know the difficult decisions they have to make, and I know there are many improvements in the bill before us today.

I would ask you to seriously consider this please, and I would ask you to vote against the motion of indefinite postponement. Mr. Speaker, when the vote is done, I request the yeas and Nays.

THE SPEAKER: The Chair recognizes the gentleman from Ellsworth Mr. DeVane.

MR. DEVANE: Mr. Speaker, Ladies and Gentlemen of the House: I will be very brief. I arise to commend the majority leader, I arise to support his amendment. The reason that I do this and I think we all should is that it addresses today's problem today. Yesterday, in this room, the Commissioner of Education from the State of Maine acknowledged that in his best judgment very shortly there would be required a major tax increase. The time to address the question of taxation is when you appropriate or spend or provide the service or the benefit or whatever it is. The time is not to pretend that you can do something which you obviously cannot do.

I might say that the gentleman from Bangor, Mr. Ingegneri, who makes a number of analogies, some good ones and some not, that trying to find an equitable adjustment to 526 was like trying to find a pleasant way to administer the death penalty. It is simply impossible. The Education Committee labored long and hard on an insoluble problem. There is no way to do what cannot be done.

I said in an information meeting here yesterday, that as one representative I am as disinterested as my constituents are in becoming involved in a 17 page--explanation for a 9-page insoluble problem. The problem is that this state used revenue-sharing money to fund a program that it could not pay out of revenues. We passed recently, I believe, \$10.6 million to pay a deficit. We are going to have another deficit. Everybody here that you talk to in private acknowledges that to fund 1994, if it is not changed, to fund 526 as rewritten, to fund what the state has assumed as its obligation under the Constitution for secondary and primary education, is going to require revenue. The time to be concerned about the revenue is when you are providing the services. On behalf of all those who would rather not postpone a problem, I would like to compliment the gentlemen and ask you to be as concerned with providing the money as we were with trying to find a solution to an insoluble problem.

THE SPEAKER: The Chair recognizes the gentlewoman from Owls Head, Mrs. Post.

MRS. POST: Mr. Speaker, Ladies and Gentlemen of the House: I would like to support the amendment of Mr. Rolde. I think the question is that we know that there is going to have to be some extra money raised, and the question is, are we going to do it by taxing those on their

ability to pay or are we going to do it by taxing those "wealthy communities" along the coast, through the property tax? I know that I have made this statement before in this House and I would like to make it again — we are not wealthy communities along the coast.

In my district, most of the people are fishermen, and fishermen still drive pickup trucks instead of Cadillacs.

I would like you to stop and think a minute about what Mr. Rolde has suggested in his income tax proposal or in the question of raising income tax. None of us are happy about a raise in the income tax. It is there, it is clear and everybody in the state sees it when they fill out the form. However, what you are asking or what is being asked in the present bill now, even with the amendment to decrease the amount of property tax raised to 20 percent, is that a small island community, with a population of about 400, will have to pay about \$100 — between \$75 and \$100 per family. That is regardless of what they make for an income. Their property taxes on the average will go up between \$75 and \$100 per family.

In our area, we don't know whether to laugh or to cry when this bill is touted as one of bringing property tax relief, because it has done just the opposite for us. It has placed a tremendous unbearable burden on the property taxpayers of our small coastal community.

THE SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

MR. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: As I will be speaking later on, more at length on another amendment I will be very brief right now. But I do want to rise as Vice-Chairman of the Educational Subsidy Commission to compliment the gentleman from York, Mr. Rolde, on his presentation this morning and I think on what is a fact of facing up to the real situation with 1994. And because I will be speaking at length later on, I simply want to say that I hope certainly that you will not indefinitely postpone Amendment "I."

THE SPEAKER: The Chair recognizes the gentlewoman from Vassalboro, Mrs. Mitchell.

MRS. MITCHELL: Mr. Speaker, Men and Women of the House: I want to assure you that I am very sympathetic with the coastal towns, but I could not sit next to Mrs. Post from January 1 until now without being fully aware of their problems. I would like to, however, focus our attention on what L. D. 1994 was created for in the first place. We keep talking about the property tax burden and we say we are shifting too much on the property tax. I say just the opposite has happened except in certain spots and we do need to address ourselves to these spots.

Let me read this just very briefly. Under the old system, the wealthiest towns in the state are spending \$900 on each pupil and doing it with a local tax effort of approximately 7 mills on full valuation. In contrast, the poorest towns were spending \$400, less than half as much and were taxing themselves 56 mills. Now, this is inequitable property taxation. The state provided only 30 percent of the funds under the old formula.

The inequities, I feel, can best be addressed by limiting the amount of valuation any community can go up to 20 percent. I think of this as long-range school finance planning, not just for the coastal communities this time but for Portland,

Augusta, and any of the other communities that may experience rapid valuations in the future. I think this is very fair, long-range planning.

I would also agree with Mr. Rolde that an income tax is going to be necessary at some point because we would like to move in the future to more state funding, but this needs just a little more time at 50 percent, think of all the trouble we have had there. I think a healthier approach at this time would be to work actively on the circuit breaker approach, which would fund fishermen and any other people living on the coast or on the lakes in our own central part of Maine. It would help them pay their property tax in a way that they could afford.

The final point I must address is a request for a one year forgiveness. I submit that by forgiving the loans this year, we haven't accomplished a thing because next year it is going to be just as hard and no one is going to want to pay in at any time. I think we should move on to the philosophy of 1994 and try to deal with the inequities as we go. I support the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Henderson.

Mr. HENDERSON: Mr. Speaker, Ladies and Gentlemen of the House: Just so that it might be pointed out that there are different points of view within one community. I would like to respectfully differ with my colleague, Mr. Ingegneri, and support the motion and oppose the motion to indefinitely postpone.

I talked with my city manager and other officials last night about this, and while our community is not necessarily going to benefit terribly, in fact, we are going to get a little bit whacked by this bill. I think on the other hand we are concerned that when it is passed, that it be passed in the most equitable manner, and to that extent it is going to be involved, we feel, I feel at least, a matter of the income tax.

When we talk about tax effort, we have to include all the taxes that people are making an effort to pay, the property tax plus all other taxes. I think this would obviously increase the tax effort of people who can best afford to pay it, and while the proportional increase may not be ideal, I think the fact that the gentleman from Bangor pointed out that the \$8 to \$150 difference is a difference of 19 times more for one person than for another, and if the burden is on the property tax, there will no difference. That person at the lower level will be paying a similar amount to the person at the higher level if they happen to live in a house or own land which is equally valued. That will have absolutely no implication for their income and their ability to pay, though I would oppose the motion to indefinitely postpone the amendment.

The SPEAKER: The Chair recognizes the gentleman from South Berwick, Mr. Goodwin.

Mr. GOODWIN: Mr. Speaker, Ladies and Gentlemen of the House: I arise very hesitantly this morning because I am going to support Representative Rolde's amendment. I represent two towns that are going to benefit very heavily from this bill, but I guess I also have a conscience. I can't sit here and vote for something, knowing the situation as Representative Mackel has explained it, when you take a look at the town of Wells, which is going to have to pay in and you take a look at the town of Kennebunkport, and now even the

town of York, which is going to be a recipient, and I cannot imagine the town of Wells is richer than any other towns surrounding it and I just don't feel—I just can't vote for something that is as unfair as this bill is, even though my town is going to benefit greatly from it.

I am a very strong opponent of the property tax, and when I campaigned in November and October, I issued a press release saying that I would vote for an income tax increase and I still got elected, maybe it is because the people in my district would rather see an income tax increase than a property or sales tax, so that is why I am going to vote for this.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: There have been certain allegations made relative to the relative wealth of the various communities and I was able to get some information on per capita income by the various communities so that I could compare some of the communities which are paying in as opposed to some of the communities which are receiving. This information, unfortunately, is as of 1969. This is the most recent information that I could obtain and it comes from the U.S. Department of Treasury.

First of all, let me mention the small town of Acton. Under 1994, Acton would pay in \$143,000. Their per capita income is \$2,442. Kennebunk, which shares with Kennebunkport, \$282,000 received in state aid. Kennebunk's per capita income is \$2,934.

I hate to keep picking on Cape Elizabeth, but this really is a horrible example there that I am going to illustrate. The Cranberry Isles pays in \$30,000 under 1994. Their per capita income is \$4,109. Dallas Plantation—I don't even know where it is—but they pay in \$1,784. Their per capita income is \$2,342. Waterville, as compared, receives \$1,900,000. Their per capita income is \$2,763. Dayton, just a small town in—I hate to keep picking on Cape Elizabeth, but this really is a horrible example there that I am going to illustrate. The Cranberry Isles pays in \$30,000 under 1994. Their per capita income is \$2,500. Cape Elizabeth receives \$1,400,000 approximately. Their per capita income is \$4,109. Dallas Plantation—I don't even know where it is—but they pay in \$1,784. Their per capita income is \$2,342. Watervilles, as compared, receives \$1,900,000. Their per capita income is \$2,763. Dayton, just a small town in the vicinity of Biddeford, pays in \$35,000. Their per capita income is \$2,250. On the other hand, Auburn, receiving town, receives in excess of \$2,900,000. Their per capita income, \$2,826. Let me mention one more, at least. Kingsbury Plantation pays in \$6,000. Per capita income is \$2,387. Lewiston receives aid of \$2 million. Their per capita income is \$2,543. I could go on and cite Wells, as I mentioned before, and I suppose if I spend several more hours in researching this document, I could come up with more gross inequities provided under this bill, 1994, and continue under 1452, unless we have this moratorium.

The question is, should we continue to crucify small poor towns? I don't think we should. Therefore, I would ask for the sake of justice for these small towns, these poor towns that have been so frequently mislabeled as wealthy towns by so many people, I should think we would have the courage to do the right thing this morning. Again, I would oppose the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: We have had some figures thrown around and I think you can do almost anything with figures if you select the right figures. The gentleman has just quoted figures from per capita income. I think you have to look at another side of it, and I think these figures are the ones that brought about 1994.

What effort were communities making to support education? Now, he quoted a few, and if you go back to 1972, using 1973 state valuations, these communities that are now crying for relief under 1994 were funding their public school education on a tax rate of 5 to 7 mills. The communities that he criticized now for receiving subsidies were taxing themselves at 30 and 40 mills. That is a discrepancy that has been the effort that has been imposed on the majority of communities in this state to support their public school education. They took that burden for years and years and years.

been taking place, not for a year not for two years, that has been the effort that has been imposed on the majority of communities in this state to support their public school education. They took that burden for years and years and years.

Now, for an interim period, which I hope will be relatively short, we are asking other communities who did not impose that burden upon themselves to accept their fair share for a year or two. Under 1994, we did take a large mouthful. We really haven't had time to digest it. I don't believe we ought to gulp another mouthful until we take time to recognize where we are going and how we are going to get there.

I am opposed to an income tax under Amendment "I". I think it ought to be studied by the Taxation Committee or a committee appointed by the Governor similar to the Subsidy Commission Committee to study the income tax rate structure, to bring into it circuit breakers if necessary, to tie in the elderly homeowner's and renter's relief, put it all into a nice, neat package and not take the little bandaid approaches of one step here and one step there and the people throughout the state will wonder if we do know what we are doing.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mrs. Kany.

Mrs. KANY: Mr. Speaker, Ladies and Gentlemen of the House: Representative Mackel referred to Waterville's low income per capita, and it is true that the Education Committee's bill will cost the city of Waterville an extra \$82,000. But I plead with you all, for a lack of provincialism or parochialism and I think we should go along with the Education Committee's attempt to deal with the inequities of 1994 and I hope that you will not support Representative Rolde's amendment.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. McMahon.

Mr. McMAHON: Mr. Speaker, Ladies and Gentlemen of the House: I rise to support the motion to indefinitely postpone the amendment before us. I was one of those who voted against L.D. 1994 in the 106th Legislature, in spite of the fact that I am a teacher. I did so because it was obvious to me at that time the bill was improperly funded. I don't feel as though

now is the time to enact an income tax increase under the guise of an amendment to L. D. 1452. We should have enacted an income tax increase at the time L.D. 1994 was approved and enacted last session.

Something else concerns me about the prospect of a tax increase at the present time. If we increase our income tax without some overall direction as to where we are going and what programs it should be used to fund, then very soon we will find ourselves without any tax to increase in the future for future programs.

Mr. Mackel of Wells was granted permission to speak a third time.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: I would like to make a couple of comments in reference to the mills that were raised for the education of children in our respective towns, in Wells and others of that nature. Our mill rate in Wells, at the time just before the enactment of 1994, was about 10 mills. Now, that may not sound like much, but that was based on not the true valuation of the town, it was based on the inflated valuation as established by the Bureau of Property Taxation and it is a grossly inflated valuation which is based strictly on sales of property, property that is sold primarily along the beachfront and commercial property along Route 1. So it is not a representative figure and it is not a true valuation of the town. It is a greatly exaggerated figure.

Secondly, I would like to mention, too, that even with the enactment of the amendment sponsored by Mr. Rolde, this does not by any means correct all the inequities within this bill. I think you would have to, in order to correct all the inequities, turn around and actually provide funds to many communities that are now paying in. All I am asking is to eliminate the gross injustice, not the inequities, because we couldn't possibly correct all the inequities that are built into 1994 and continue to be perpetuated by 1452.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. DeVane.

Mr. DeVANE: Mr. Speaker, Ladies and Gentlemen of the House: I would like to say very briefly that I represent three municipalities and I have yet to see a list of the results of changes in the law that haven't benefitted all three of those towns and I would like you to understand that.

I stand here in support of this amendment as a representative of three communities that gain under 1994, that gain under 526, that gain under the redrafts, but everybody in this state I consider is my neighbor, as is everybody in this House, and if a person abuses in Wells, or the person abuses in Portland, where I was born and raised, or whether the person is in Madawaska is of no concern to me. I suggest that when there are not inequities, but as Mr. Mackel clearly states, when there flat-out injustices, that it is really of little concern to any of us where in this state they lie. The amendment is a good amendment because it addresses the substance of the problem and not the technique of how do you do what is impossible.

The SPEAKER: For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. If you are in favor of a roll call, you will vote yes; those opposed will vote no.

A vote of the House was taken. Obviously, more than one-fifth of the members having expressed a desire for a

roll call, a roll call was ordered.

The SPEAKER: The pending question is on the motion of the gentleman from Livermore Falls, Mr. Lynch, that House Amendment "I" be indefinitely postponed. Those in favor will vote yes; those opposed will vote no.

ROLL CALL

YEA — Albert, Bachrach, Bagley, Bennett, Berry, G. W.; Berry, P. P.; Berube, Birt, Boudreau, Burns, Bustin, Call, Carey, Carpenter, Carroll, Chonko, Churchill, Clark, Connolly, Cooney, Cote, Cox, Curran, P.; Curran, R.; Dam, Davies, Drigotas, Durgin, Dyer, Farley, Farnham, Faucher, Fenlason, Finemore, Flanagan, Fraser, Garsoe, Gauthier, Goodwin, K.; Hall, Higgins, Hinds, Hobbins, Hughes, Hunter, Immonen, Ingegneri, Jacques, Jalbert, Jensen, Joyce, Kany, Kelleher, Laffin, LaPointe, Laverty, LeBlanc, Leonard, Lewin, Lewis, Littlefield, Lizotte, Lunt, Lynch, MacEachern, Mahany, Martin, A.; Martin, R.; McBreaity, McKernan, McMahon, Mills, Miskavage, Mitchell, Morin, Morton, Mulkern, Nadeau, Najarian, Norris, Peakes, Pelosi, Peterson, P.; Peterson, T.; Pierce, Powell, Quinn, Raymond, Rollins, Saunders, Shute, Silverman, Smith, Snow, Spencer, Strout, Stubbs, Susi, Talbot, Tarr, Teague, Theriault, Tierney, Torrey, Truman, Twitchell, Tyndale, Usher, Wagner, Walker, Webber, The Speaker.

NAY — Ault, Blodgett, Bowie, Byers, Conners, Curtis, DeVane, Doak, Dow, Goodwin, H.; Gould, Gray, Greenlaw, Henderson, Hennessey, Hutchings, Jackson, Kauffman, Kelley, Kennedy, Lovell, Mackel, MacLeod, Maxwell, Palmer, Perkins, S.; Perkins, T.; Post, Rideout, Rolde, Snow, Sprowl, Tozier, Wilfong, Winship.

ABSENT — Carter, Dudley, Hewes.

Yes, 112; No, 35; Absent, 3.

The SPEAKER: One hundred and twelve having voted in the affirmative and thirty-five in the negative, with three being absent, the motion does prevail.

Mrs. Najarian of Portland offered House Amendment "H" and moved its adoption.

House Amendment "H" (H-142) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker, Ladies and Gentlemen of the House: This is a very simple amendment and I will try to explain briefly what it does. In fact, it raises the maximum increase in the school tax from 20 percent to 25 percent and lowers the mill rate by one quarter, from 14 mills to 13.75. At 25 percent, all communities would be taxed one-quarter of a mill less.

The pay-in communities will have to pay in somewhat more but 54 towns and cities and 23 SAD's will have to contribute less toward meeting their debts.

Keep in mind, even at 25 percent increase, the pay-in communities are still far better off than they would be if L. D. 1994 were left unchanged. Under that law, the 55 mainly coastal communities that would have to pay in some \$5 million, but the new revision states that they would only have to pay in \$2.3 million and all the other towns that are already paying their fair share would be taxed at a higher rate in order to contribute to the state fund of \$2.7 million for which they are being forgiven.

We have two printouts, one has been

distributed by Mr. Lynch and that is at the 14 mill rate and 20 percent, and your yellow copy is the 13.75 mills at 25 percent, and the way you can tell how my amendment affects your community is to compare the last two columns of the yellow sheet to the white sheet. If, on the yellow sheet in the third column the number is less than it is in the third column in the white sheet, your community or your school district will benefit.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: This shifts some of the burden from the municipalities back to the coastal areas, and I am opposed to it in principle and I am quite sure the members of the Education Committee are also opposed to this. When we struck the 20 percent figure, we had in mind the 2½ mill phase-in rate that was under 1994, and that is approximately 18 percent, so we felt that we would continue the intent of 1994 for allowing a phase-in period by changing the 2½ mill rate to a flat 20 percent rate.

Personally, I am opposed to going to 25 percent because I think it is an unfair shift in burden from the municipalities back to the coastal areas. I believe the municipalities have already received, under the inventory tax reduction, substantial benefit by not having to raise the money they would have had if the inventory had been kept within the valuation. So I am opposed to it in principle and I hope you will support indefinite postponement of this amendment.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: First, I would commend the Committee on Education, headed by its Chairman, the Representative from Livermore Falls, Mr. Lynch, for a fine contribution and the dedicated hours they put in, all of them, on this measure, as well as the Education Subsidy Commission.

I would hope, however, that you would not vote to indefinitely postpone this amendment and support the gentle lady from Portland, Mrs. Najarian's amendment, for several reasons.

I heard from the gentleman from Blue Hill and the gentleman from Wells, Mr. Mackel, about the poor towns, these would be the wealthy communities of both cities. These are municipal cities.

Back when the Sinclair Act, and this measure is nothing in my opinion but just a step-up of the Sinclair Act, the intent of the Sinclair Act was definitely to help the poor communities. The Sinclair Act, or the first subsidy program, that was introduced a few years ago, singularly hurt the community of Lewiston in that it took away the \$3 per pupil from our community.

At the time, there was almost double the enrollment of parochial students in Lewiston as compared to the public schools programs. So we lost a considerable amount of money, and I very well recall not only supporting it, in spite of that fact, not only supporting but speaking for the original bill. I felt at the time that we were in a position that we could help the smaller and poorer communities.

The gentleman from Wells stated in his remarks that he had figures dating back to 1969. We are now in 1975. In 1969, our unemployment rate was around the area

of 2 percent in Lewiston as compared to 13.2 today. Clark Shoe, for instance, Belgrade Shoe, hiring 700 or 800 people; today, some non-existent and the other hiring about 15 people. Bates Manufacturing hiring about 5,000 people; today, about 1,000 out of work.

Two years ago, I presented, when L. D. 1994 came up, those of you who were here will well remember the very lengthy remarks that I made and the ramifications that would result from the passage of L. D. 1994. On several occasions in my remarks, and on several occasions after that, I stated that we were not funding 1994 properly.

After we adjourned the legislature, the Appropriations Committee in session were again told in October of that year by the Department of Education that we did, in fact, regardless of my inquiries or my concern, we did have enough money to fund L. D. 1994. Of course, ultimately you know what happened. First shot, 9.5 and then 14.5 and 20.5 million. Seventy-five percent of our problems that we are encountering now in the state you can tack right on to this measure. My indefinite postponement motion at the time did not prevail and L. D. 1994 is now before us. And in passing, I might state that Lewiston was a loser in that area.

I might say also to the good gentleman from Wells, Mr. Mackel, that in his remarks, I am sure it was not intentional on his part, I think he probably forgot to tell us that 60 or 70 percent of the property tax in Wells is either coming from out-of-staters or people that live out of Wells. I am sure he meant to tell us that but he probably forgot to do so.

As far as we are concerned at home, it isn't a question of threats by any means, because if this amendment did not pass, I think we would fully intend, the majority of us at least in Lewiston I have spoken to, move to vote to engross this bill, I will, pending its enactment.

However, we have been hurt on two bad occasions and on one specific occasion, in the original act, we were very helpful even though it hurt us drastically to pass this measure. We are no longer talked about as the wealthy community. We are a proud community. We are no longer termed a wealthy community. The facts will show you that the average wage in Portland is \$30 higher per week than in Lewiston. I could give you other examples but I think this one will suffice. At the present time, we need help, we cannot stand to lose as we would under the act as presented now in 1452, the sum of money that we would lose in our area. Consequently, we ask you, we beg you to consider voting and supporting the gentlelady's amendment from Portland, Mrs. Najarian's.

The SPEAKER: The Chair recognizes the gentlewoman from Owls Head, Mrs. Post.

Mrs. POST: Mr. Speaker, Ladies and Gentlemen of the House: I am rising to oppose the amendment proposed by the gentlelady from Portland, Mrs. Najarian. In my district, this small, minor amendment means a difference of \$56,000. This \$56,000 difference by this 5 percent change means that this burden is going to have to come from towns who are already, because of the state's valuation, have to pay a larger share of the county budget. Already because of the business inventory taxes being removed from the state valuation, these small communities are being hurt. Already because of the state's high valuation, they rarely get

reimbursement for general assistance. Already because of the high state valuation, they rarely get reimbursement for veteran's exemptions. They are not getting paid assistance for their town roads and they have a high percentage of these. They are no longer, under the Governor's budget, getting assistance for plowing the town roads. The new district assessing laws, if they go into effect, are going to mean high expenditures for all of these smaller communities, and many of these communities, because of geographical isolation, already have some of the highest per people expenditures in the state.

Many of my communities obviously are not happy even with the 20 percent. They felt that it was fair for them not to have to pay in any amount but we are willing to accept the 20 percent. The 25 percent, that 5 percent difference, is actually imposing a burden, which many of them simply cannot carry.

The SPEAKER: The Chair recognizes the gentleman from Calais, Mr. Silverman.

Mr. SILVERMAN: Mr. Speaker, Ladies and Gentlemen of the House: I rise today to ask for the indefinite postponement of the amendment before us and also to reply to my good friend, the gentleman from Lewiston, Mr. Jalbert.

Before me, I have what is contributed to the city of Lewiston back in 1971 and 1972, before 1994 went into existence, and it comes to a figure that the local share was \$3,980,455. That was 5 years ago, with all the inflation, and if you look at your white sheet that was handed out, the city of Lewiston today, under the recommendations of the Committee on Education, would have to raise \$3,955,000. It shows you that 1994 was a big help to the city of Lewiston. If we look at it a little farther, the state aid to the city of Lewiston, before 1994, was \$482,157, that under the revision that is before us today presented by Mr. Lynch, the city of Lewiston will receive state aid of \$1,932,749.66.

What I am saying is, 1994 was a tremendous benefit to these cities. It was at the expense of the coastal areas and the towns of rural Maine. We have a revision here presented to us by the Committee on Education — it is a fair revision. If we start manipulating it with amendments today, it will go to the disadvantages of the areas that were hit hardest by 1994 and, again, to return to the advantages from those areas that could have received substantial funds such as I presented to you just now.

I would ask you to vote against the amendment. I could show similar figures from this sheet for the city of Portland and I am quite sure from the city of Bangor, and I quite certain many of you have just been lobbied by some of them, but if we are going to use fairness in this equal opportunity for education throughout the State of Maine, then we have got to be fair to those who have had to substantial increases because of the program and we have got to realize that those who have been receiving have got to join with us to make this program work.

Therefore, I ask you to indefinitely postpone this amendment.

The SPEAKER: The Chair recognizes the gentleman from Skowhegan, Mr. Dam.

Mr. DAM: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose a question through the Chair to Mr. Lynch, the Chairman of the Committee on

Education, because I am somewhat confused. This white sheet that was passed out yesterday showing the 1975 and 1976 uniform tax in the present law and the state aid, used in the first two columns, under the SAD's, why does the figures on the yellow sheet say present law 1975 - 1976 uniform tax and 1975-76 state aid differ in my district from what they were on the white sheet? Why is there a change in this figure if it is the present law? Under SAD 54?

The SPEAKER: The gentleman from Skowhegan, Mr. Dam, had posed a question through the Chair to the gentleman from Livermore Falls, Mr. Lynch, who may answer if he so desires.

The Chair recognizes that gentlemen.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: There is no easy answer to the gentleman. I think if he would see the Department of Education, they would show him the formula the page on which subsidy is computed, he would recognize why there is a change, a change within the school unit that affects the revisions by the 107th.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: I would just like to set the record straight and I would like to have the gentlemen from Calais, my very dear friend Mr. Silverman give me both of his ears. Every time he comes back from a trip to Israel, it takes him about two or three weeks to get back in business again. A great fellow, too. He mentions about state aid — \$1,952,000, then he mentions a uniform tax — you know, there is a little bit of difference. State aid 1975-1976, Lewiston, \$1,991,996.87. State aid, 1975-76, state aid Lewiston, under this bill, \$1,932,749.66. That means a loss of \$62,000 in Lewiston, and I don't have to have a computer and neither does he to figure that out. This bill here will help us. We want to work and continue to help education. We want to continue to do our part. We cannot continue to lose. This doesn't mean, by any means, that we say to you, either this or you don't have us we are not hollering and threatening but I mean we would like to set the record straight as far as the accuracy of figures, that is all.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker, Ladies and Gentlemen of the House: I arise as a Representative from Portland and also a member of the Education Committee that reported out this bill with the 20 percent ceiling. Last week, Thursday or Friday, I believe it was, I was first approached about the idea of raising the ceiling to 25 percent and my initial reaction at the time was, I don't think that I could support it because the committee worked very hard to try to be fair, particularly to the coastal communities that were being burdened the most under the original bill. It wasn't until last night, when I had this yellow sheet and had the opportunity to sit down and compare that with the white sheet that we got last week, that I finally arrived at the decision that it would be even fairer to support the amendment to raise the ceiling to 25 percent.

I think you have to understand that there are 54 communities, large and small, that will benefit by this amendment. There are also 23, I believe it is, SAD's who will benefit by this amendment, and it is true that some communities, particularly some

of the coastal pay-in communities, will lose something by this amendment, but you have to understand that the net effect, as a result of this amendment, will still result in a gain for a coastal community.

Just take one example, take the community of Wiscasset. If this amendment is passed, Wiscasset will have to pay into the state about \$807,000, but the original law, if 1994 were allowed to stand as is, Wiscasset would have to pay in \$1.7 million, so the pay-in for the town of Wiscasset has been cut in half.

The lady from Owls Head, Mrs. Post, who is representing SAD 5, I believe it is, will not receive, under this amendment, as much state aid as she would have with the 20 percent ceiling, but SAD 5 will receive \$22,000 more in state aid than it would have if 1994 were allowed to stand. So, it is really the way you look at the problem and, in my opinion, after I thought about it a long time and dealt with this bill in committee, I do think that raising the ceiling is a fair and equitable thing. I would hope that you would support it.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I have certainly been enlightened by the speech from the good gentlemen from Portland, Mr. Connolly, as to how you look at this problem. That was really a marvelous performance.

We are talking about coastal communities, which in the last year or two have had increases in their taxes of 50 percent. Many coastal communities have doubled their costs for education as a result of 1994. Now, I didn't intend to do this, but I will now — just take the city of Portland, for example and say, are they really as bad off as they think they are? In 1971-72, before 1994, the city of Portland, on local share, raised \$9,367,000, and in 1975-76, the local share is \$8,640,000, or in other words, in this time span they have reduced their local share by 7.8 percent.

In 1971, before L.D. 1994, the city of Portland received from the state \$2,315,000 and in 1975 — 76 they are scheduled to receive \$3,898,000, or an increase of 68.4 percent. So, we are talking about a municipality which has had an effort on its own decreased by 7.8 percent, an increase in state aid by 68.4 percent and they are throwing the poor coastal communities a sock of 5 percent, or arguing over 20 versus 25 on this refund. I think it is a little bit ridiculous but I do appreciate all kinds of reasoning.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: I will be very brief. I have two reasons why I would support the motion to indefinitely postpone. One is called Monhegan Plantation, and contrary to what the lady from Portland indicated that all pay-in towns would receive some benefits, I would invite your attention to the yellow handout, page 3, look at the effect that takes place in the case of Monhegan Plantation. Under 1994, they were paying in \$15,842 and with this 25 percent phase-in proposed by this amendment "H", they would, in fact, pay in \$19,798.

My second reason being Orient; the town of Orient on the same page, under 1994, they would pay in \$4,061. With the 25 percent phase-in proposed by Amendment "H", they would pay in \$6,927. So I think those two, as far as I am concerned, are

good enough reason why we should support the motion to indefinitely postpone this amendment.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker, Ladies and Gentlemen of the House: In response to the gentleman from Nobleboro, Mr. Palmer, I don't see him in his seat but I hope he is listening, what he said I don't argue with, but I think he is looking at the problem in the wrong way.

To give you an example, if 1994 were to stay the same, Portland would have to raise \$8.6 million through the property tax to pay for education and if we accept the 20 percent ceiling, the one that is in the bill now, Portland would have to raise \$9.6 million, or \$220,000 more in property taxes. If we raise the ceiling to 25 percent, Portland would have to raise half of that, or \$120,000 more than they would have to raise if the law were not to change.

Just to give you an idea of some of the communities that are affected in the same way as Portland, besides the big cities like Auburn and Augusta and Lewiston and Biddeford and Waterville and Westbrook and South Portland, there are about 45 others, not including the SAD's, towns like Orono, Peru, Poland, Dennyville, Cooper, Woodsville, Woodland, Veazie, Jay, Lisbon, Easton, Eastport, Falmouth, you can go on and on and on and on, right?

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. DeVane.

Mr. DEVANE: Mr. Speaker, Ladies and Gentlemen of the House: The venerable Mr. Jalbert has asked this House to support the amendment and not its postponement and he asks you to do so on the basis that Lewiston and other communities cannot continue to lose. I ask you on behalf of those communities, if my assessment is correct I have already lost, please indefinitely postpone this amendment.

The SPEAKER: The Chair recognizes the gentleman from Blue Hill, Mr. Perkins.

Mr. PERKINS: Mr. Speaker, Ladies and Gentlemen of the House: In an effort to add my part to the numbers game which we are quoting today. I would just point out that the town of Mt. Desert, whose population 1600, is paying in with 1994 \$250,000, this year and next will pay in \$227,000, so I do not really believe that my constituents would find it in their hearts to feel sorry for the whole city of Portland to pay in \$200,000.

The SPEAKER: The Chair recognizes the gentleman from Bar Harbor, Mr. MacLeod.

Mr. MACLEOD: Mr. Speaker, Ladies and Gentlemen of the House: I would like to get this out of the big city atmosphere if we might for just a moment this morning and take that trip back to Cranberry Isles, Cranberry Isles, Isle au Haut, and Islesboro, two little dots out there in the Atlantic Ocean, now, I think you have put the burden on these people before, and if I will go back in time just a little bit this morning and join my good friend from Lewiston, Mr. Jalbert, I sat here when L. D. 1994 first came on the floor of the House and squirmed and at that time I saw that the little island out there, Cranberry Island, was going to contribute only \$6,000. You have gotten them up to \$29,000 now, and under a 25 percent assessment, you are going to take it back up into the \$30,000 bracket and drag Isle au Haut and

Islesboro, another couple of little islands out there, back up. Where do you find this kind of money out here in the middle of the Atlantic Ocean at this time of the year? Gentlemen, I am against this amendment and I hope you will support the non-passage of it.

The SPEAKER: The Chair recognizes the gentleman from Skowhegan, Mr. Dam.

Mr. DAM: Mr. Speaker, Ladies and Gentlemen of the House: I asked a question pertaining to the — why is one district the figures different in SAD 54 under the white sheet, present law, and under the yellow sheet, present law? An answer was sent to me by way of a Page that it was an addition. Well, as far as the addition on the yellow sheet, I have checked and the addition is correct, but since there are no different figures on the white sheet, but only a balance for the complete district of SAD 54, I asked the question up back of the Chairman of the Committee on Education. I was told by him that that question couldn't be answered yesterday. It seems strange to me for the amount of money we got going over to the Department of Education that we don't have someone over there that can send us some correct figures. Maybe, it is time to abolish the department and get somebody in from the third and fourth grade that can add and not have to rely on some computers and adding machines. Until I can get an answer of the difference why on the printout yesterday one figure was put there for the present law under the uniform tax and the state aid, and under this yellow sheet, there is a different figure and why this affects only one district, I shall refrain from voting on this bill and I ask to be excused from voting, because I can't vote on this and I don't think any Representative of the District of SAD 54 can, when we have two sets of figures before us that conflict. Are we being told a lie? In one set of figures or is this an honest error? If this was an honest error, let someone get up and say so and let's get the breakdown for SAD 54 by the six towns to compare with the yellow sheet.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: Yesterday noontime, we had an informational caucus. Less than one third of the House was here. The same question was brought up yesterday. The Commissioner of Education had an answer, but it concerned each separate school unit. Now, if the gentleman from Skowhegan really desires to know the exact computation that is on this printout of April 3, I am quite sure that the Department of Education is adequately prepared to answer his question. I am not, I am sorry. I am a districts layman, the same as he is, and I am not up on all the intricacies of figuring school subsidies. It is a long, complicated formula; it takes a full size sheet, and the computations for all the school units in the districts are about that thick.

The SPEAKER: The Chair recognizes the gentleman from Danforth, Mr. Fenlason.

Mr. FENLASON: Mr. Speaker, Ladies and Gentlemen of the House: I have heard a lot of figures on all sides. I am a member of the Education Committee. I assure you that we worked with what we hoped was great integrity and we did our best to provide some help and some different distribution for many towns, and I think we did. I have heard towns read this

morning, some of them my towns, and I didn't look to see whether they were going to lose or gain, because I know that our committee had done the job to the best of its ability. I strongly recommend that you support Mr. Lynch's motion.

The SPEAKER: The Chair recognizes the gentleman from Falmouth, Mr. Snow.

Mr. SNOW: Mr. Speaker and Members of the House: I find that I am faced with somewhat the same problem as the gentleman from Skowhegan, Mr. Dam.

Falmouth, the town which I represent, stands to lose \$100,000 under the 20 percent formula, half of that under the 25 percent formula. This is money beyond what the town had anticipated in the fall at budget time when all of us and many other communities throughout the state did our budgeting. This budgeting was completed. There were seven or eight public hearings. The municipal budget has been completed after seven or eight public hearings. Now we are faced with the problem of raising \$100,000 which we had not counted on. This is \$50 for every taxpayer in Falmouth, \$15 for every person in Falmouth. It is approximately twice as much as is being requested from the city of Portland. It is one of the largest changes for a receiving town that I am aware of.

We are concerned that our neighboring community of Cape Elizabeth, which is much like Falmouth, which has, I will have to say, one of the highest per capita incomes in the state enjoys subsidy of almost three times that of Falmouth. In meeting last night with the school committee and with members of the city council I was requested not to support the bill to revise the subsidy law.

My reasoning goes somewhat beyond what I have tried to say at this point. I also understand that one of the reasons why Falmouth is losing \$100,000 may be another error in computation. I received a message from our superintendent, who is away at a conference in Vermont, that he understood that our subsidy had not been computed correctly. I find it very difficult to vote favorably on a measure, the effect of which is unknown to me as far as my community is concerned.

I will support the motion of the lady from Portland, Mrs. Najarian, because it obviously will reduce this change in the subsidy to the community I represent.

I would like to add one more point: I think many of us have met with our school boards and with our councillors and we find that although they should be well informed on matters greatly affecting the finances of the town, they are confused, they are uncertain, if this is enacted, they wonder if it will bring up the same kind of problems which have been raised under 1994 and I, myself, in face of this new report that Falmouth subsidy has not been computed accurately, must say that I wonder.

Mrs. Snow of Auburn requested a roll call vote.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Norris.

Mr. NORRIS: Mr. Speaker, Ladies and Gentlemen of the House: Very briefly because it is getting late. I guess I must explain my position and why I want to support this amendment. We do have 1994 as law now and we are attempting this morning to come up with some sort of a vehicle to help the coastal communities. In order to do that, in order to help the coastal communities, it is going to mean a sacrifice to my communities. I have been very much against this. I was going to go

for a 30 percent amendment but I was prevailed upon not to and I am not going to do that. But I would remind you folks from the coast that it is going to take a two-thirds vote to pass this on an emergency basis, to pass either we come out with 20 or 25. I can only speak for myself, but I am afraid there are a lot of urban people here that are just not going to be able to come up with the number of votes to pass this and you will be set in with 1994 as it presently exists.

I would advise everyone to think hard this morning and soften the blow a little bit to the urban communities with this amendment and move along and pass this, but I am afraid you are going to have problems, or at least you will with me, because you won't have my vote if we can't have this 25 percent amendment.

The SPEAKER: The Chair recognizes the gentleman from Winthrop, Mr. Bagley.

Mr. BAGLEY: Mr. Speaker, Ladies and Gentlemen of the House: I wasn't going to say anything on this. I hate to disagree with my former student, but I checked my own home town of Winthrop, and his proposed amendment would gain \$19,000 for it. I have talked to the school board and the superintendent out there and my political future, of course, at my age is mostly behind me anyway. I am not worried too much about that. I may attempt to run once more, but the people in Winthrop are perfectly willing to pay the extra \$19,000 so that the impact on the coastal towns may not be quite so great.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The pending question is on the motion of the gentleman from Livermore Falls, Mr. Lynch, that the House indefinitely postpone House Amendment "H". All in favor of that motion will vote yes; those opposed will vote no.

ROLL CALL

YEA — Albert, Ault, Bagley, Bennett, Berry, G. W.; Birt, Blodgett, Bowie, Burns, Byers, Carpenter, Carroll, Chonko, Churchill, Clark, Conners, Cox, Curtis, Davies, DeVane, Doak, Dow, Durgin, Farnham, Faucher, Fenlason, Fraser, Garsoe, Goodwin, H.; Goodwin, K.; Gould, Gray, Greenlaw, Hall, Henderson, Hennessey, Higgins, Hunter, Hutchings, Immonen, Jackson, Kany, Kauffman, Kelleher, Kelley, Kennedy, Lavery, LeBlanc, Leonard, Lewin, Littlefield, Lovell, Lynch, MacEachern, Mackel, MacLeod, Mahany, McBreairey, McMahon, Mills, Miskavage, Mitchell, Morin, Morton, Palmer, Peakes, Perkins, T.; Peterson, P.; Peterson, T.; Post, Powell, Rideout, Rolde, Rollins, Shute, Silverman, Smith, Spencer, Sprowl, Strout, Stubbs, Tarr, Teague, Theriault, Torrey, Twitchell, Tyndale, Wagner, Walker, Webber, Wilfong, Winship, The Speaker.

NAY — Bachrach, Berry, P. P.; Berube, Boudreau, Bustin, Call, Carey, Connolly, Cooney, Cote, Curran, P., Curran, R.; Drigotas, Dudley, Dyer, Farley, Finemore, Flanagan, Hinds, Hobbs, Hughes, Ingegneri, Jacques, Jalbert, Jensen, Joyce, Laffin, LaPointe, Lewis, Lizotte, Lunt, Martin, A.; Maxwell,

McKernan, Mulkern, Nadeau, Najarian, Norris, Pelosi, Perkins, S.; Pierce, Quinn, Raymond, Saunders, Snow, Snowe, Susi, Talbot, Tozier, Truman, Usher.

ABSENT — Carter, Dam, Gauthier, Hewes, Martin, R.; Tierney.

Yes, 93; No, 51; Absent, 6.

The SPEAKER: Ninety-three having voted in the affirmative and fifty-one in the negative, with six being absent, the motion does prevail.

The Chair recognizes the gentlewoman from Freeport, Mrs. Clark.

Mrs. CLARK: Mr. Speaker and Members of the House: I move that we reconsider our action whereby this amendment was indefinitely postponed and I would urge you vote against my motion.

Mr. LaPointe of Portland requested a roll call vote.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. LaPointe.

Mr. LaPOINTE: Mr. Speaker, Men and Women of the House: I would urge members of the House this morning to reconsider this particular amendment so that we can give you some more information on it. It is apparent by the vote on the first go around that some people don't really fully understand the ramifications of my colleague from Portland, Mrs. Najarian's, amendment and I would like to share some of those ramifications with every member of the House. I hope that you would allow reconsideration of this amendment this morning.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: I urge this House to support the reconsideration motion. Perhaps some of us didn't get the message out to a lot of you in this house on exactly who was going to benefit. It is the old push and shove game, as we all know, and unfortunately some of you may not be getting the direct benefit that you think you could be other than Mrs. Najarian's amendment. By the way, you are doing a lot better job than if you were living under 1994.

Perhaps maybe we should stand up and maybe I should stand here and read to each and everyone of you in this House, and I really don't like to do it because there are 54 communities that are going to benefit from this and approximately 23 other SAD's. It is difficult for me, who happens to be on the side that seems to be gaining a little bit more on Mrs. Najarian's amendment than others, but I would be remiss if I didn't attempt to bring back additional dollars to my community. We are not well off up in Bangor by any means. We are no different than the Isle au Haut for that matter. We have got our poor just as you have got your poor.

There has been a printout and perhaps not all of you have got it, but there are some 54 which would benefit considerably better under the Mrs. Najarian's amendment, than the bill that came to us from the Education Committee, chaired by that fine gentleman, Mr. Lynch.

I am not about — and the reason as you all know I changed my vote was to get it back for reconsideration. If you are willing to cost your communities money when you think it is the fair and noble thing to do to help out others, I might suggest that the other printout, not Mrs. Najarian's but the white printout, does a little bit better than 1994. As Mr. Norris has stated, it is difficult for us to go home with an empty dinner pail at the cost of our own taxpayers. We are down here trying to do what is right for our people as well as you for yours and I am sure it will be darn difficult to pass this L.D. without the amendments.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: I would hope that you would consider what the impact of going from 20 to 25 percent may have on your community the next time around. There are considerations being given to large paper mill complexes, consideration given to nuclear plants, oil refineries, you may regret moving from 20 to 25 percent two years from now.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker, Ladies and Gentlemen of the House: My friend from Bangor, Mr. Kelleher, has just paid this legislature, I think, a high compliment because he only too well knows, in the past any attempt to modify the educational subsidy formula was an automatic, they voted the printout, and this is what he is suggesting, that we haven't done it here today, and I think this is a compliment to this body that would lead me to believe that we are going to be able to look at this in the light that the gentleman from Ellsworth pointed out earlier, that this isn't a community problem, this is a statewide problem. We are on the road, I think, to making some significant improvements in this bill and I hope that all 90 who voted will stand fast.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Norris.

Mr. NORRIS: Mr. Speaker and Members of the House: I would ask a question of Representative Lynch or anyone who might care to answer, where the 20 percent figure was arrived at? What did they use? We are under heavy debate here and just what was the philosophy of the committee with the 20 percent, where did that come from?

The SPEAKER: The gentleman from Brewer, Mr. Norris, poses a question through the Chair to the gentleman from Livermore Falls, Mr. Lynch, who may answer if he wishes.

The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker and Members of the House: Under 1994, there was a phase-in period so that no community would suffer an enormous impact in any one year. That was a two and a half mill phase-in increase. We thought that was reasonable. It would allow the communities to phase into this over a period of three or four years. Because the Bureau of Taxation created a problem by substantial increases in state valuation in many communities, it did create a problem. The two and a half mills figures out to about 18 percent. The committee felt that 20 percent was a reasonable adjustment.

The SPEAKER: The Chair recognizes

the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker and Members of the House: As I told you a few minutes ago, it wasn't until last night that I finally convinced myself, after looking at the figures, that supporting the 25 percent ceiling was really the right thing to do.

To show you the way that I arrived at that decision, I looked at this yellow sheet of paper and I looked at all the pay-in communities, the communities that previously had to pay in large amounts of money to support this legislation. I just want to point out to you what happens to some of those communities. For example, the town of Acton, these communities all continue to be pay-in communities, but let's see how much that pay-in is reduced by. The town of Acton is reduced by almost \$80,000 in its pay-in. The town of Baileyville is reduced by \$30,000; Barnard Plantation is reduced by almost \$3,000; the town of Bristol is reduced by almost \$55,000; Carrabasset Valley is reduced by almost \$20,000; the town of Castine, which was one of the communities that complained the loudest at the public hearing has had its pay-in reduced from \$96,000 to \$54,000; the community of Otis has had, what is formerly a pay-in community, to pay in 2.3 thousand dollars and now it no longer becomes a pay-in community but it is going to receive state aid to the tune of \$18,000; and then the community of Wells, the town that Mr. Mackel represents, formerly had to pay in \$393,000 and has that commitment reduced by a little more than \$80,000. In my opinion, this amendment is fair and it takes into consideration in the effect on coastal communities and I would hope that you would change your mind and vote to keep this amendment alive.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: At this point I would like to express my appreciation for the generosity of some of the Representatives from some of the larger cities here. I am glad also that it was pointed out that these are still pay-ins. We are not receiving. I would ask that we hold fast on this and we vote no on this reconsideration. I do not consider this an equitable solution.

The SPEAKER: The Chair recognizes the gentleman from Owls Head, Mrs. Post.

Mrs. POST: Mr. Speaker and Members of the House: I was not planning to speak on this motion, but after hearing the comments from Mr. Connolly and Mr. Kelleher, I felt that the statistics had to be brought to date a little more. Even though Acton may be experiencing a decline under the 20 percent guidelines, they still, with 156 students, will have to pay in over \$58,000 to the state. Baileyville may also be experiencing a decline, but with only 562 students, they have to pay in, even under the 20 percent guideline, over \$62,000.

Mr. Kelleher mentioned that both Bangor and Isle au Haut have poor, and I will agree with that, we both do. The difference is that the community of Bangor, under this new amendment, would get almost \$3 million, while the town of Isle au Haut, which is a very small community, has to pay into the state \$10,000. I ask you to vote against reconsideration.

The SPEAKER: A roll call has been

ordered. The pending question is on the motion of the gentleman from Freeport, Mrs. Clark, that the House reconsider its action whereby House Amendment "H" was indefinitely postponed. All in favor of that motion will vote yes; those opposed will vote no.

ROLL CALL

YEA — Bachrach, Berry, G. W.; Berry, P. P.; Berube, Boudreau, Bustin, Carey, Connolly, Cooney, Cote, Curran, P.; Curran, R.; Drigotas, Dyer, Farley, Finemore, Flanagan, Hinds, Hobbins, Hughes, Jacques, Jalbert, Jensen, Joyce, Kelleher, Laffin, LaPointe, Lewis, Lizotte, Lunt, Martin, A.; McKernan, Mills, Mulkern, Nadeau, Najarian, Norris, Pelosi, Perkins, S.; Pierce, Quinn, Raymond, Snow, Snowe, Talbot, Tozier, Truman, Usher.

NAY — Albert, Ault, Bagley, Bennett, Birt, Blodgett, Bowie, Burns, Byers, Call, Carpenter, Carroll, Chonko, Churchill, Clark, Connors, Cox, Curtis, Davies, DeVane, Doak, Dow, Dudley, Durgin, Farnham, Faucher, Fenlason, Fraser, Garsoe, Gauthier, Goodwin, H.; Goodwin, K.; Gould, Gray, Greenlaw, Hall, Henderson, Hennessey, Higgins, Hunter, Hutchings, Immonen, Ingegnieri, Jackson, Kany, Kauffman, Kelley, Kennedy, Lavery, LeBlanc, Leonard, Lewin, Littlefield, Lovell, Lynch, MacEachern, Mackel, MacLeod, Mahany, Maxwell, McBairty, McMahon, Miskavage, Mitchell, Morin, Morton, Palmer, Peakes, Perkins, T.; Peterson, P.; Peterson, T.; Post, Powell, Rideout, Rolde, Rollins, Saunders, Shute, Silverman, Smith, Spencer, Sprowl, Strout, Stubbs, Susi, Tarr, Teague, Theriault, Torrey, Twitchell, Tyndale, Wagner, Walker, Webber, Wilfong, Winship, The Speaker.

ABSENT — Carter, Dam, Hewes, Martin, R.; Tierney.

Yes, 48; No, 98; Absent, 4.

The SPEAKER: Forty-eight having voted in the affirmative and ninety-seven in the negative, with four being absent, the motion does not prevail.

Mr. Susi of Pittsfield offered House Amendment "D" and moved its adoption.

House Amendment "D" (H-138) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker, Ladies and Gentlemen of the House: The amendment that I offer deals solely with the problem which is coming up every year now of the delay that we have in establishing a level of state support for education. The Maine Municipal Association staff did the work on this amendment.

I would like to read to you from the Statement of Fact: "The Education Committee recommendation that the Governor and the Legislature become involved in the certification of the estimates of the total school costs to be raised by uniform property tax and from the State General Fund annually is unworkable. The process will create a continuing uncertainty by towns and cities as to whether the state will in fact live up to the commitment to fund 50 percent of the total costs of education." Towns all across the state for the past several years have each year wondered what we were going to do right at the time when they should have had their budgets all resolved.

In addition, the practical facts are that the legislature will not be in a position in most legislative years to get the two-thirds necessary vote which is called for under

1452 to certify the amount necessary to be raised from the uniform property tax.

This means that the Governor, on the Education Committee's proposal, 1452, will be responsible for the certification of this amount. The effect of such action would be to place more power in the Executive Branch and to leave the communities in a position of now knowing at budget time what the state's share of education costs will be.

This amendment places the certification of the total costs of education back in the hands of the Commissioner of Education and Cultural Services. Those changes in L. D. 1452 make this estimate one which is more certain than under 1994.

Local school boards and school officials have serious and extensive responsibility of educating a couple hundred thousand of our children here in Maine. They deserve our cooperation in this task. We in the Maine Legislature in turn have the considerable responsibility of determining overall broad state policy. We refer to ourselves as a deliberative body, and I think we should be just that, deliberative, and not operating as we are today under the pressure of events.

As we are going and as proposed by L. D. 1452, we are seriously obstructing the effectiveness of both the legislature and our school system. School officials are preoccupied with what we will do on school finance rather than being able to concentrate on their real function, educating Maine children. We in the legislature reduce our effectiveness by attempting to resolve year after year one of the most important issues we face, namely, education finance, but facing urgent time deadlines, being under the gun so to speak. This is certainly not conducive deliberation on such an important issue.

We in the Maine Legislature have been accused of conducting government by crisis, and under certain situations this has to occur. We have to understand that, if it is acts of God involved or whatever, but if we were to enact this L. D. 1452 just as it is written, we would be deliberately perpetuating a system that will lead to government by crisis year after year. To deliberately embark on such a policy is, to me, inexcusable and we can avoid it by the enactment of this amendment.

To summarize, if you would support this amendment, local school boards can prepare their budgets without having to go through the annual hassle which we have been exposing them to whereby they don't know how much they are going to have of state funds right at the time when they should be preparing or have prepared their school budget. We in turn will be taken out from under the gun so we can prepare in a deliberative attitude the solutions to these very serious problems without getting the constant pressure that we get, and rightfully so, from our school boards on how much we are going to appropriate for this. I hope you will support the amendment.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Men and Women of the House: I think the amendment that the gentleman from Pittsfield has presented is one of the most critical amendments that we can put on this bill or perhaps defeat today. My immediate reaction is not to support the amendment but I may be convinced otherwise.

I would like to, perhaps, generate a little

bit of discussion, and I apologize for this, but I think this is particularly important. One of the major criticisms this legislature has come in for in regard to 1994 is that the Commissioner of Education and the Director of the Bureau of Property Taxation are the ones that are setting the cost of education in the state and the mill rate. I don't subscribe particularly to that problem but the arguments the gentleman from Pittsfield, Mr. Susi, has laid before us today are valid. I am embarrassed, literally embarrassed, when I go before the communities that I represent in the months of February and March and tell them that we have not decided this issue.

I think the issue is clear. Does this legislature want to take whatever measures are necessary to consider the recommendations of the Commission of Education, perhaps before the legislature goes in session? We have standing committees and we have the Standing Committee on Education to do this and then provide a recommendation to the legislature in the very early part of either a regular session or a special session. I reiterate that I think that it is critically important.

I think that we have been criticized for not having taken the responsibility, but the time factor the gentleman relates to is critically important. I think we ought to thoroughly think about this and debate it this morning before you vote on it one way or the other.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I heartily concur with the remarks of the gentleman from Stonington, Mr. Greenlaw. I think probably this amendment would do away with one of the most important things that was done to L. D. 1994, and I think the criticism that we receive so many times from our communities is that the state has literally taken away all local control and certainly if we pass this we gut that part of the bill which would effectively give the legislature the right to review the budget and set the uniform tax rate which I believe it should do. I hope you can indefinitely postpone House Amendment "D".

The SPEAKER: Mr. Palmer of Nobleboro moves indefinite postponement of House Amendment "D".

The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: There are, I think, sound reasons on both sides of this argument. Going the route suggested by the Education Committee does bring the legislature into the picture. I think if you are going this route you have to automatically go the uniform fiscal year. You are putting the legislature under the same sort of a time frame that we have been under this year.

I have misgivings at times as to whether the legislature or the Governor ought to get into the picture. I think there would be political implications. I think we are in the same position as we are with the University of Maine. If we put them on a line budget and get the political implications into the university system, I think it would be bad for the system.

The committee, and I am sure all of the members of the House, are concerned with the total cost of education and in the 1452 we have, I think, tightened up as much as we can the cost of education in the State of

Maine. I know we are going to be criticized for taking away local control of education, but we have found out through 1994 that if you leave one little door open and while these superintendents explain that they can't understand the legislation, it doesn't take them very long to find the loopholes and the following year you find yourself with a large deficit.

I have mixed feelings on it. I am not sure which way I would want to go. I think I would have to support the committee position and I think I will do that.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker, Ladies and Gentlemen of the House: The question that was raised by the previous speakers is on whether and to what degree the legislature and the Governor can get involved in this process if we are to adopt this amendment. I had the same reservation in considering this amendment and I questioned this until I was satisfied completely that we don't lose any involvement. We will still be able to determine what level we want to support education, whether it be 50 or 45 or 55 or whatever, that is a question that would come before us just the same as it does now. The only change is that the local school units will know, we will be directing, that they will be notified of what level of support is going to be at that time. If prior to that day we want to act or after that day we want to act, we have all the rights that we have always had. We aren't sacrificing any of our prerogatives, but I think this is extremely important that the local school units be given this answer so the whole educational process in this state isn't put under the handicap that it has been for the past several years.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Bustin.

Mr. BUSTIN: Mr. Speaker, Ladies and Gentlemen of the House: I just want to add, before the vote is taken, that I think Mr. Susi is right on target with this amendment; it is absolutely necessary. We need to avoid unnecessary political implications year in and year out. We need to support the local school committees in their budget planning. We do not — we do not lose our power.

The SPEAKER: The Chair recognizes the gentleman from Skowhegan, Mr. Dam.

Mr. DAM: Mr. Speaker, Ladies and Gentlemen of the House: I think this is one of the worst amendments that I have ever seen come across my desk in this session. We have heard many, many times, me being one of those that has preached that the state is having too much power; let's return it to our people.

I almost believe that if we were to pass this amendment today that we might as well get another amendment out and maybe the Speaker would rule it wouldn't be germane, but I would be willing to offer it, that we abolish the legislature and turn the state over to the departments, because I think this is what we are doing here.

I don't represent the Maine Teacher's Association. I happen to represent my taxpayers. I am sure this would be good for the educational system as far as getting the figure raised and giving the people again their control at the local level. I am sure this would be beautiful, but I don't think my people in Skowhegan want it and I ask you people to ask yourself the question, do the people in your community want it.

Mr. Speaker, if the motion has not been made to indefinitely postpone this amendment, I so move.

The SPEAKER: The motion has been made by the gentleman from Nobleboro, Mr. Palmer.

The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Ladies and Gentlemen of the House: The gentleman from Pittsfield, Mr. Susi, I think, indicated that if we didn't go this route then perhaps we have to go the route of having uniform fiscal years, and I support that concept. As a matter of fact, I am presently having a order drafted that would request the Taxation Committee to evaluate the possibility of going to uniform fiscal years for the not only school budgets but also town budgets, because I think in regards to the level of spending that this state makes into the communities, that it makes sense to have uniform fiscal years.

I would like to pose one question to the gentleman from Pittsfield, Mr. Susi. I fully understand that this legislature has the power of review of the percentage of the total cost of elementary and secondary education that the state is going to make, but I would question whether or not the legislature, if we adopted this amendment, would have the power to review the recommendation which the Commissioner of Education made for the expenditures of the next year.

I am sure that many times I get put in the light, because of the constituency I represent, of being opposed to education. I am not; I am very concerned about the education of the young people in this state. But in terms of fiscal responsibility, it seems to me that we should have some power of review of the recommendation that the commissioner makes for the expenditures of education. In effect, if we adopt this measure, it is my understanding that we are giving him pretty much of a carte blanche within the constraints of 1994 and the bill that is before us today to recommend what he sees fit.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker and Members of the House: Before we vote on this, let me read a couple of paragraphs. Presently the Commissioner of Educational and Cultural Affairs computes a figure for the total costs of education. This figure is certified to the State Director of Property Taxation, who establishes a mill rate of the uniform school property tax by simply dividing the figure for the total costs of education by the amount of the most recent state valuation. The law directs that the state and local share should each be 50 percent of the total cost. Although the law is explicit, leaving no administrative flexibility in actually computing of the mill rate, the Governor and the Legislature are not now involved in any part of the process of establishing costs.

The Education Committee has recommended, therefore, that two steps should be added to the process. First, the Commissioner of Educational and Cultural services will communicate his estimate of total education costs to the budget office and the Governor. The Governor may review it and revise this estimate and then send it to the legislature. The legislature must review and approve the final figure for the total cost before the mill rate is established by the Director of Property Taxation. Now, what does this mean? It means there is no flexibility in establishing the mill rate, but it does interject the Governor and the Legislature into the total costs of education, the level at

which the total cost of education can be established.

Now, if they established the total cost at some level below the commissioner's estimate, then you are going to save half of that lower cost on state dollars and you are going to require that the state communities raise less money. You have to judge for yourself what that impact will be on the local educational system. I think the Governor and the Legislature will be responsible in any steps that they take, but it does bring the legislature into the control situation to some degree where they have to fund the cost of education and perhaps they ought to have a voice in how the costs are established and the level at which they are established.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: One of the weakest aspects of 1994 was the lack of adequate fiscal control which led to this \$20 million deficit. I would certainly endorse L. D. 1452 for the additional fiscal controls that are imposed against the Governor and the Legislature involved in establishing these funds. Therefore I am against this amendment. I would recommend that we all go along with indefinite postponement.

The SPEAKER: The pending question is on the motion of the gentleman from Nobleboro, Mr. Palmer, that House Amendment "D" be indefinitely postponed. All in favor of indefinite postponement will vote yes; those opposed will vote no.

A vote of the House was taken.

90 having voted in the affirmative and 14 having voted in the negative, the motion did prevail.

Mr. Carey of Waterville offered House Amendment "E" and moved its adoption.

House Amendment "E" (H-139) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: Section 31, which this abolishes, would be that section asking for the fiscal year, being July 1 to June 30. What happens is, the way this thing is written it says that each municipality "shall" annually adopt a school budget for a period of that fiscal year, and further down it says the municipality "may" adopt a school budget for periods to include both the municipal year and the fiscal year. Unfortunately, the way we are structured in Waterville, and I don't know how many other towns are so structured, but if we do adopt that budget for that fiscal year, then it means we also have to appropriate the sums of money to operate, so that we would be putting in for a municipal budget for municipal operations for a 12-month period and 18 months for the school year, and it creates a tremendous amount of problems for us.

I would certainly support an order if one were drawn, I might even draw it myself, which would have the Local and County Government Committee report out a bill putting us on a fiscal year, preferably by 1980, so the community could have an ample amount of time to make the transition from the calendar year to the fiscal year.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: I recognize that

there may be some problems for municipalities operating under separate charters, but I wonder if the problem in those municipalities would be greater under a uniform fiscal year or operating under the conditions under which they have been operating this year, where the level of financing of public school education was up in the air for such a long period of time. I don't know the answer; I am simply asking for information.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker and Members of the House: I oppose this amendment and I would like to cite a personal experience in my home town. We have an SAD that covers two towns and a year and a half ago we went to a July 1 fiscal year for the school system, the municipalities remained on a calendar year, and no such problem as my friend, the gentleman from Waterville, envisions came up. We adopted a 6-month budget that took the school system from January to July and then adopted an annual budget, but each year the municipality is assessed 6 months on one tax year and 6 months on the other, and we have had absolutely no problem with it whatsoever. And I submit to you that this is proof that committee recommendations can be implemented without confusion and without any undue burden.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker and Members of the House: That may be true in Cumberland, but under the charter that we operate under whatever we adopt, whatever we budget for, we have to appropriate for money to back up and unfortunately what would happen would be the 18-month appropriation for this thing. Certainly, it may be a one-time problem, but the fact of the matter is, that one-time problem is there at a time when many of our people are concerned about losing their property because of tax liens. The tax collector in Waterville is going to have an unusual amount of tax liens to put on the property this year, basically because people just can't pay their taxes and we insist on treating everybody the same; if we are going to take a lien on one we are going to take a lien on everybody.

I don't see where this creates too many problems for the simple reason that even under the definitions preceding years would be two years hence and the current year is the immediate year that we are operating under, so the Department of Education could certainly come up with their figures based on those two definitions. I think that we should have everything under a fiscal year, not just the school department, and I would certainly enjoy being able to plan my snow budget, for instance, all in one fiscal year rather than breaking it off at the end of December and then having some more in January, and the problem belongs with the Local and County Government Committee so that all communities will do it for every item in the municipal budget.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: When the committee was considering this feature of the redraft, we were told by the city of Portland that it did not present any problem to them at all.

The SPEAKER: The Chair will order a vote. The pending question is adoption of House Amendment "E". All in favor of adopting of House Amendment "E" will vote yes; those opposed will vote no.

A vote of the House was taken.

Mr. Carey of Waterville requested a roll call vote.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker and Members of the House: Apparently, the way 1452 is causing some problem, and I would think that we should make an attempt to accommodate the towns who are having difficulty. So I would recommend support of this particular amendment.

The SPEAKER: The pending question is adoption of House Amendment "E". All in favor of adoption of House Amendment "E" will vote yes; those opposed will vote no.

ROLL CALL

YEA — Ault, Berry, G. W.; Berube, Birt, Bowie, Burns, Call, Carey, Chonko, Connors, Cote, Curran, P.; Dam, DeVane, Doak, Dudley, Durgin, Dyer, Farley, Faucher, Finemore, Goodwin, K.; Gould, Greenlaw, Henderson, Hinds, Jackson, Jalbert, Kelleher, Laffin, Leonard, Lizotte, Mackel, MacLeod, Maxwell, Morin, Perkins, T.; Rolde, Sprowl, Tarr, Theriault, Torrey, Twitchell, Usher, Wilfong, The Speaker.

NAY — Albert, Bachrach, Bagley, Bennett, Berry, P. P.; Blodgett, Boudreau, Bustin, Carpenter, Carroll, Carter, Churchill, Clark, Connolly, Cox, Davies, Dow, Drigotas, Farnham, Fenlason, Flanagan, Garsoe, Gauthier, Goodwin, H.; Gray, Hall, Hennessey, Higgins, Hobbins, Hughes, Hunter, Immonen, Ingegneri, Jensen, Joyce, Kany, Kennedy, LaPointe, Laverty, LeBlanc, Lewis, Littlefield, Lovell, Lunt, Lynch, MacEachern, Mahany, Martin, A.; McBreaity, McKernan, Mitchell, Morton, Mulkern, Nadeau, Najarian, Peakes, Pelosi, Perkins, S.; Peterson, P.; Peterson, T.; Pierce, Post, Powell, Raymond, Rideout, Saunders, Shute, Silverman, Smith, Snow, Snowe, Spencer, Strout, Stubbs, Susi, Talbot, Teague, Truman, Tyndale, Wagner, Webber, Winship.

ABSENT — Byers, Cooney, Curran, R.; Curtis, Fraser, Hewes, Hutchings, Jacques, Kauffman, Kelley, Lewin, Martin, R.; McMahon, Mills, Miskavage, Norris, Palmer, Quinn, Rollins, Tierney, Tozier, Walker.

Yes, 46; No, 82; Absent, 22.

The SPEAKER: Forty-six having voted in the affirmative, eighty-two in the negative, with twenty-two being absent, the motion does not prevail.

Mr. Greenlaw of Stonington presented House Amendment "J" and moved its adoption.

House Amendment "J" (H-144) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Men

and Women of the House: I hope this is not an issue that polarizes us. I think it is an issue of fiscal constraint. We have already

or in 1452 the Education Committee has seen fit to put a limit on the authorization of bonds that the Board of Education can issue for the purpose of capital construction. That limit is \$25 million. You are all probably aware, after the caucus yesterday, that the board in the previous two fiscal years has authorized up to \$50 million in each year.

Earlier this year, this legislature enacted very quickly legislation that would give the authority to the Commissioner of Educational and Cultural Services the authority to approve all new bus purchases. At that time, we didn't see fit to put any kind of fiscal constraint on it. I was concerned about that matter and I asked the commissioner yesterday what he thought would be a fair limit, and he suggested \$3 million. That is exactly what the amendment says, and it also provides that the legislature will annually review this limitation in the same method that we will do with the capital construction, and I would urge you to adopt this amendment.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: While the committee took no action on this particular phase, I believe it is an acceptable amendment. I think the \$3 million is probably a little bit on the high side. In the last two years we have spent 3 and 3.5 and the third year prior was approximately \$1 million.

I think it is in the ball park and as long as the commissioner retains his authority to approve bus purchases, I think we are safe. I support it.

The SPEAKER: The pending question is on adoption of House Amendment "J". All in favor of adoption of House Amendment "J" (H-144) will vote yes; those opposed will vote no.

A vote of the House was taken.

77 having voted in the affirmative and 5 in the negative, the motion did prevail.

Mr. Spencer of Standish offered House Amendment "K" and moved its adoption.

House Amendment "K" (H-145) was read by the Clerk.

The SPEAKER: The Chair recognizes the same gentleman.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: The purpose of House Amendment "K" is to increase the amount of school construction that may be authorized for the coming year from \$25 million back to the \$35 million which was recommended by the Educational Subsidy Commission.

At the present time, there are \$50 million worth of projects pending, waiting to be approved. Only \$12 million worth of those projects can be approved in this fiscal year, leaving a balance of \$38 million in unapproved construction projects. This does not include a number of projects which are desperately needed around the state, which have not yet been submitted.

On your desks this morning was a letter addressed to the members of the House from the parents who live in my district who are concerned with the excessive overcrowding in our elementary schools. In the past few years, our school system has been experiencing a rate of growth that is unmatched in the state. Last year alone we had over 200 new pupils, which was more than one student coming into the school system every two days.

If the amount of school construction is reduced to \$25 million, it will be one half the level of construction that has been approved for the past two years, and it will be at the same dollar level that was being approved before 1994 went into effect.

Since 1971, construction costs have increased as much as 40 or 50 percent, so that in effect, we will be funding school construction at a level which is little more than half of the school construction that was going on prior to the passage of 1994. I think that this is going to impose a great hardship on my community and on the communities around the state which need further construction.

I would urge you to vote for the adoption of House Amendment "K" so that these communities can continue to meet the educational needs of their students.

If this legislature puts an unrealistic limit on the amount of school construction which is allowed, I think that we will greatly increase the amount of local resentment towards the state as a result of the state's increasing role in education. To tell the parents of small children who are going to school in overcrowded classrooms that they can't build a new school because the state is playing a greater role in order to help the local communities simply doesn't make sense. I think the towns that need construction will be in the same position as the coastal communities now. There will be an enormous amount of resentment against the legislature and against the state unless the construction limit is increased.

The SPEAKER: The Chair recognizes the gentleman from Orono, Mr. Wagner.

Mr. WAGNER: Mr. Speaker, Ladies and Gentlemen of the House: I rise to strongly support Amendment "K". The superintendent of my schools is in conference with the Commissioner of Education this very day about a proposed middle school that we desperately need in my home town and that the planning has gone forward on for a number of years. We have extremely crowded conditions, and I think this is a realistic figure and I would urge my colleagues to support this amendment.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. DeVane.

Mr. DEVANE: Mr. Speaker and Members of the House: I rise to oppose the adoption of House Amendment "K" and I do not hesitate to say that the figure is probably very realistic and do observe that it is unfortunate that the citizens of any community in this state should be in the position which they are today, and that is coming to the state and asking the state if they, in fact, need a school. However, that is the situation that we have.

I differ with Mr. Spencer, and he and I, I guess, jointly next week will be here together with a bill, but I differ with Mr. Spencer. Passage of this amendment will fund nothing. Passage of this amendment will authorize the spending of further funds we don't have.

I will rise and support this amendment or a similar amendment at such time when this House funds anything. Then is the time to authorize additional building funds. I am sorry to rise again, Mr. Speaker, but it is unrealistic to urge passage of this amendment.

The SPEAKER: The Chair recognizes the gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker, Ladies and Gentlemen of the House: I have stayed

away from this bill, but I believe personally that \$25 million — I understand that is the amount the education group has put on this bill right now — is plenty of money for the simple reason that building costs, building construction and school buses is what has gotten us into this mess. So let's try now to stick with what they suggested, \$25 million, because I don't know where you are going to pick up another \$10 million. I think it is impossible.

I realize that I come out of a district, SAD 42, that right now is in the process of trying to get a building, but I believe if we had to wait we could wait rather than see us have a budget next year overspending another ten or twenty million dollars.

I move at this time the indefinite postponement of House Amendment "K". I also request a roll call.

The SPEAKER: The gentleman from Bridgewater, Mr. Finemore, moves that House Amendment "K" be indefinitely postponed.

The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker, Ladies and Gentlemen of the House: I oppose this amendment. I was thinking seriously about offering an amendment which would cut back from the \$25 million level in the bill. I would like to offer to you a device which may help you in making up your mind how to vote on this. The \$25 million or the \$35 million works out at twenty-five or thirty-five dollars per capita, and I applied this to my town, which has 4,000 people and would provide for \$100,000 per year if we were to maintain this construction level — \$25 million per year. During my whole lifetime I don't think that town has spent a million and a half on their schools, and their schools, I would say, are in very good shape.

I am not doubting that there is a need in the area of Standish. I have read the letter, and apparently, contrary to the statewide situation where our school load is decreasing, they must have an influx of people in the Standish area, for some reason they have a need, but across the state, if you will take the \$25 or \$35 and multiply the number of thousand people in your community and apply that test, I think you will find that the \$25 million is an extremely high level to sustain year after year for the construction of new facilities here in Maine.

I hope you vote against the amendment and for its indefinite postponement.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: I would support Amendment "K". When the Education Subsidy Commission heard testimony on this particular problem, we were told that the amount of building after 1994 had gone into effect had shot up from \$25 million to \$50 million. Our proposal, it was a double-barrel proposal for dealing with this particular problem, first we recommended taking construction out of the bill and going back to the old formula where towns would be reimbursed on a sliding scale. This would put a downward pressure on the desire of communities to have new schools, because some of them would be forced to come up with the amount of money that they would have to pay for it rather than be under the impression that they were getting 100 percent reimbursement from the state. At the same time, we felt that we should put a limit, and we felt with this downward

pressure that \$35 million would be a responsible limit to put on.

The Education Committee has not seen fit to go with our first recommendation, which is to take construction out of the bill. And although they have proposed having language and local bond issues, I am afraid, I think the net effect will be that many communities will still believe they are being reimbursed 100 percent by the state, and therefore the pressure will be the greater to construct schools, and when they come up against this \$25 million ceiling, there is going to be a great hue and cry in local communities about the loss of local control, that the state is telling them what to do. Therefore, I think the \$35 million is a more realistic figure.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: I would just like to make one point. If the authorized construction is increased from \$25 million to \$35 million, there will be no impact on the state budget in this biennium and the impact will first be felt in 1977 or 1978, and that will be in the amount of \$600,000 added expense.

The SPEAKER: The pending question is on the motion of the gentleman from Bridgewater, Mr. Finemore, that House Amendment "K" be indefinitely postponed. All in favor of that motion will vote yes; those opposed will vote no.

ROLL CALL

YEA — Albert, Bennett, Berry, G. W.; Berube, Birt, Boudreau, Bowie, Bustin, Byers, Carey, Carpenter, Carter, Chonko, Churchill, Clark, Conners, Cox, Curtis, Dam, DeVane, Doak, Dow, Drigotas, Dudley, Durgin, Dyer, Farnham, Faucher, Fenlason, Finemore, Flanagan, Fraser, Garsoe, Gauthier, Goodwin, H.; Goodwin, K.; Gray, Hall, Hennessey, Higgins, Hinds, Hutchings, Immonen, Ingegneri, Jackson, Jalbert, Joyce, Kelleher, Kelley, Kennedy, Laffin, LeBlanc, Leonard, Lewin, Lewis, Lunt, Lynch, MacEachern, Mackel, MacLeod, Mahany, Martin, A. Maxwell, McBrearty, McKernan, McMahon, Mitchell, Morin, Morton, Nadeau, Norris, Peakes, Pelosi, Perkins, T.; Peterson, P.; Pierce, Post, Powell, Raymond, Rideout, Rollins, Shute, Silverman, Snowe, Sprowl, Stubbs, Susi, Teague, Theriault, Truman, Tyndale, Usher, Webber, Winship.

NAY — Bachrach, Bagley, Berry, P. P.; Blodgett, Burns, Carroll, Connolly, Cooney, Curran, P.; Curran, R.; Davies, Gould, Greenlaw, Henderson, Hobbins, Hughes, Jensen, LaPointe, Laverty, Lovell, Mulkern, Najarian, Palmer, Perkins, S.; Peterson, T.; Quinn, Rolde, Saunders, Smith, Snow, Spencer, Talbot, Tarr, Torrey, Wagner, Wilfong. The Speaker.

ABSENT — Ault, Call, Cote, Farley, Hewes, Hunter, Jacques, Kany, Kauffman, Littlefield, Lizotte, Mills, Miskavage, Strout, Tierney, Tozier, Twitchell, Walker.

Yes, 94; No, 37; Absent, 19.

The SPEAKER: Ninety-four having

voted in the affirmative and thirty-seven in the negative, with nineteen being absent, the motion does prevail.

Mrs. Post of Owls Head offered House Amendment "G" and moved its adoption.

House Amendment "G" (H-141) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentlewoman from Owls Head, Mrs. Post.

Mrs. POST: Mr. Speaker, Ladies and Gentlemen of the House: Briefly, this amendment speaks to the particular needs of the geographically isolated communities and solves a problem of what seems to have been an inequity in the previous law. This removes the provision that these communities would have to pay their maintenance of effort moneys before they received a geographical consideration. It is my understanding when 1994 was originally passed it was felt that maintenance of effort amount would be relatively small. What has happened is because the eight geographically isolated communities or at least the eight communities which have applied for special assistance because of this geographical isolation all have extremely high per pupil cost. Five of them pay over \$1000 per pupil. This particular amendment speaks only to their needs and to their problems.

(Off Record Remarks)

The SPEAKER: The Chair recognizes the gentleman from Blue Hill, Mr. Perkins.

Mr. PERKINS: Mr. Speaker, Ladies and Gentlemen of the House: I rise to support the amendment of the gentlelady from Owls Head. Representing one of these geographically isolated areas which now pays in \$30,000, I feel that I, too, should support this with my greatest vigor. I would appreciate your support also.

The SPEAKER: The pending question is the adoption of House Amendment "G". All in favor of adoption will vote yes; those opposed will vote no.

A vote of the House was taken. 103 having voted in the affirmative and 6 in the negative, the motion does prevail.

Mr. Rolde of York offered House Amendment "M" and moved its adoption.

House Amendment "M" (H-147) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: L. D. 1452 has a provision in it that the legislature will certify the amount of money needed for the support of public education. However, in the bill it does not say how they will certify. This amendment would specify how that certification would be made and the question was, should it be done by — if it was a bill would that have to be an emergency bill? This amendment says that it would certify by Joint Order and that just specifies the mechanism by which this would be done.

Thereupon House Amendment "M" was adopted.

Mr. Jackson of Yarmouth offered House Amendment "N" and moved for its adoption.

House Amendment "N" (H-148) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Yarmouth, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: The impact of

this amendment would be on the towns that want to exceed the ceiling having presented sufficient evidence that they should be allowed to exceed the ceiling it would take out the word "may" and substitute the word "shall" thereby insuring that they would be allowed to exceed the ceiling and it also, if they are denied, it would also put them in a better position in a court case.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose a question, Mr. Speaker, to anyone who may answer it. What is the impact of this on state spending?

The SPEAKER: The gentleman from Farmington, Mr. Morton, poses a question through the Chair to any member of the House who cares to answer.

The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: Under Section 30, what the amendment does, it says, "However, upon petition to the State Board of Education and upon a showing that unusual circumstances require additional expenditures in order to avoid serious educational hardship in any administrative unit. The State Board of Education under 1452 says, "may", the amendment would substitute "shall". The State Board of Education may or shall grant authority for additional appropriations for school purposes. Monies appropriated under such a special grant of authority by the State Board of Education shall not be included in any future calculation of state or local average per pupil cost, total education costs or any component of total education costs. It is strictly a local effort.

The SPEAKER: The pending question is adoption of House Amendment "N". All in favor of adoption will vote yes; those opposed will vote no.

A vote of the House was taken.

92 having voted in the affirmative and 11 in the negative, the motion did prevail.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: As many of you know, I do have an amendment, Amendment "F", which I was going to present this morning — it is highly controversial and it is very complicated and I think in the interest of time I will not. Many of you called me and said, would you put it in supporting me. I just wanted you to know at this time I think is unwise to introduce the amendment.

Mr. Spencer of Standish offered House Amendment "L" and moved its adoption.

House Amendment "L" (H-146) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: The purpose of House Amendment "L" is to make provision for the few towns that are suffering the problems of rapidly increasing enrollment.

Under the proposals that have been developed by the Education Committee, the state allocation to each district is based on the number of pupils in the preceding year. Those districts which are experiencing rapidly increasing enrollment find themselves in the position

of educating more pupils than they are being provided an allocation for. In the case of SAD 6, for example, which comprises Standish and some of the towns represented by Mr. Carroll of Limerick, the enrollment in the schools is increasing at a rate greater than 200 pupils per year. Under the existing formula, we receive no allocation at all for those pupils because the state allocation is based on the preceding year's figures. There is provision in House Amendment "A" for an adjustment to be made in the event that a local unit exhausts its leeway and can establish with the State Board of Education that it can't meet its financial commitments.

There are two problems with that provision — one is, at the time the school unit adopts its budget, it may not be necessary to use up the full leeway; provision or use up the full leeway. If the unit does not use up the full leeway, it is then ineligible for an adjustment even though it may suffer an increase in enrollment of 100 or 200 or 300 students during the course of the year. The other problem with the provision as drafted, is that it requires the unit to show the State Board of Education that it can not meet its financial commitments. What this means is, to me, is that the unit has to go in and show that it actually can't pay its bills before it can be granted an adjustment. The problem is that when you have this increasing enrollment, you always can meet your financial obligations simply by adding to the number of students in each class, increasing the burden on each teacher and ultimately undermining the quality of the education in your school system.

In the letter which was presented to each member of the House this morning, it was pointed out that in this particular district, 17 out of, I believe, 22 elementary school class rooms have more than 30 students. 200 of the students in this system are students for whom the district is not receiving any allocation whatsoever. What I am proposing is, that if a district can document that its enrollment has increased by more than three percent that would be more than 100 students for our system which has a total about 3,000 students, then it can receive an adjustment or shall receive an adjustment, from the state if the Board of Education finds either that the increase in enrollment is causing overcrowding, a decline in educational quality, or substantial increased expense to the district. The problem in a nut shell, is that a district with declining enrollment is getting the allocations of the students that we are educating and because of the rapid rate of growth we are always getting an allocation which is 100, 200, or 300 students lower than the number of students that we are educating.

I would urge you to support this amendment not because it will affect very many districts but because those districts that are affected need it very, very badly.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: There are districts, such as the one in Standish, that do have problems, but I don't think we need a blanket amendment such as this to correct an individual problem. The amendment says the State Board shall adjust state aid on October first nd April first of the current year whenever a unit

documents that it has experienced an enrollment increase in the excess of 3 percent. Now, in Mr. Spencer's area, I think he could very easily do that but how about the small school districts where the increase of five students is a three percent increase and the amendment said the State Board shall adjust? I think if you go with the committee's stance in L. D. 1452, which says, the Commissioner is authorized to adjust state aid to reflect rapidly increasing enrollment whenever a unit documents that it cannot meet the school's financial obligations. I am sure that the State Board of Education is not going to be so hardnosed that they do not recognize financial need when they see it.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: I just want to make a point of clarification. The amendment takes care of the situation where a school district is able to fit the students into its existing structure without hardship because no adjustment needs to be made unless the school district documents that the increased enrollment is resulting in overcrowded conditions, a decline in the quality of educational programs or a substantial added expense to the unit. So if the kids can be fitted in, then the State Board of Education doesn't have to make provision. But if this increase is seriously affecting the quality of education in the district, then they do make the adjustment.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, Ladies and Gentlemen of the House: With L. D. 1994 and of course with this proposed revision, we, for the first time in the history of education, have some ceilings that are put on expenses. I think we are doing a pretty good job this morning of holding them down. We heard the remarks of the gentleman from Livermore Falls. He felt that we did not need this blanket amendment which mandates the change, and I am sure that some towns would take advantage of it. That is another one of those loopholes that was typical of the ones taken advantage of on the first passage of 1994. For that reason, Mr. Speaker, I would like to move the indefinite postponement of this amendment.

The SPEAKER: The gentleman from Farmington, Mr. Morton, moves the indefinite postponement of House Amendment "L".

The Chair recognizes the gentleman from Brewer, Mr. Cox.

Mr. COX: Mr. Speaker, Ladies and Gentlemen of the House: As a school teacher and one who has suffered for years with overcrowded conditions, I am wondering if this particular amendment would relieve the situation, because when you get overcrowded conditions, it seems that you do have not sufficient room in your schools. I am just wondering if this particular amendment is going to provide funds that would override the limit on school construction, which is what's needed generally to overcome overcrowded conditions. Perhaps someone would care to answer my question.

The SPEAKER: The Chair recognizes the gentlewoman from Auburn, Mrs. Lewis.

Mrs. LEWIS: Mr. Speaker and Members of the House: I am not rising to answer Mr. Cox's question, but I do agree with the

gentleman from Standish, Mr. Spencer. I think this is one area that we didn't address ourselves to 100 percent, inasmuch as it does refer to the people who have not taken their leeway. It is impossible for them to vote higher taxes, have their citizens vote higher taxes in the middle of the year after their budget has been passed. So I would urge you to support this amendment.

The SPEAKER: The Chair recognizes the gentleman from Buxton, Mr. Berry.

Mr. BERRY: Mr. Speaker, Ladies and Gentlemen of the House: I, too, represent part of SAD 6. I have also served on the school board of SAD 6 for 4 years. It is overcrowded, and SAD 6 is not unique to this particular year. We have had it for a good many years. It is a very difficult problem to deal with.

Ten years ago we built a new high school, a 600-pupil high school. I don't remember the total amount of money, but it was considerable for an area of that size. Last year we built another high school, a \$2.5 million high school. At the same time, we also built an elementary school, and I might add that we were in the process of doing this before 1994.

We are now faced with a situation where we have got to build another elementary school, and I am not standing here crying about that, because we knew we were going to have to do it anyway. The thing that does bother me is that in the particular area in which I live and the gentleman from Standish lives, the gentleman from Limerick, we are experiencing an unprecedented rate of growth. I think if you will read the report and studies that have been done on our area of York County, you will find that every year we experience a 12 percent growth rate. There is almost no way that the taxpayers in that area can cope with situations like this. We get 200 additional pupils every year and we will continue to for a good many more years.

The gentleman from Livermore Falls, Mr. Lynch, mentioned the bill does take care of this. Well, perhaps in his opinion it does take care of this. He mentioned fulfill financial obligations. Well, that is a pretty ambiguous term, open to a lot of interpretation. I would think. In other words, I would think that if cutting your light bill 50 percent allowed you to take care of other areas, that would be what would be expected of you. And I suppose there are a hundred other ways of fulfilling your financial obligations, but it would certainly prove to be very difficult in the area that I represent.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: This is what you run into in trying to correct a problem in one area, you create problems in others. There is no question that the areas that Mr. Spencer and Mr. Berry are talking about do have an increasing enrollment problem. But looking at the amendment, which says that the State Board shall adjust state aid, what happens to the small school unit who has been living with what most people would call overcrowded conditions? And suddenly they say, look, we have five new students. Let's go to the State Board and say that they must adjust their state aid because we have an increase in excess of three percent. How many of those communities are you going to open up the door to?

My only objection is to the three percent figure.

The SPEAKER: The pending question is on the motion of the gentleman from Farmington, Mr. Morton, that House Amendment "L" be indefinitely postponed. All in favor of that motion will vote yes; those opposed will vote no.

A vote of the House was taken.

66 having voted in the affirmative and 43 having voted in the negative, the motion did prevail.

Thereupon, the Bill was passed to be engrossed as amended by House Amendment "A", House Amendment "G", House Amendment "J" and House Amendment "M" and "N" and sent up for concurrence.

The SPEAKER: The Chair recognizes the gentleman from Calais, Mr. Silverman.

Mr. SILVERMAN: Mr. Speaker, I now move we reconsider our action and hope you will vote against my motion.

The SPEAKER: The gentleman from Calais, Mr. Silverman, moves that the House reconsider its action whereby this Bill was passed to be engrossed as amended. All in favor of reconsideration will say aye; those opposed will say nay.

A viva voce vote being taken, the motion did not prevail.

(Off Record Remarks)

On motion of Mr. McKernan of Bangor.
Adjourned until twelve o'clock noon tomorrow.