

# MAINE STATE LEGISLATURE

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# LEGISLATIVE RECORD

OF THE

**One Hundred And Seventeenth Legislature**

OF THE

**State Of Maine**

**VOLUME IV**

**FIRST REGULAR SESSION**

**Senate**

May 2, 1995 to June 16, 1995

On motion by Senator **BUTLAND** of Cumberland, Tabled until Later in Today's Session, pending the motion by Senator **HANLEY** of Oxford that the Senate **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "B"** (H-387) Report in **NON-CONCURRENCE**.

(In House, June 7, 1995, the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-386) **AS AMENDED BY HOUSE AMENDMENT "A"** (H-402), thereto.)

(In Senate, earlier in the day, Reports **READ**.)

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Somerset, Senator Cianchette.

Senator **CIANCHETTE:** Thank you Madam President. I just had to stand up. I think I'm surprised to hear the suggestion from the Senator from Oxford, Senator Hanley, that suggests that I'm the guy who starts the rhetoric. I think that's a little strange. I asked a simple question. If I vote for this amendment that is before us now, would I be voting for a \$1 million cut in the Skowhegan school funding formula? I understood that that was an unfair question. If that's an unfair question, I don't know what a fair question is. Thank you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you Madam President. My apologies to the Senator from Somerset. No, it was not an unfair question. I just think it's appropriate that it be looked at in the whole context of school funding. As far as the answer, I don't think there is an answer to your question as far as will Skowhegan be hit for \$1 million because it depends on what school funding formula is in place. It was my understanding that this legislature, and the Education Committee, had made a commitment, along with the Governor, to pass out a new school funding formula, one that would be fair. If that happens prior to July 1, then I'm not sure whether or not Skowhegan may lose a million or gain a million.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Cumberland, Senator Esty.

Senator **ESTY:** Thank you Madam President, Men and Women of the Maine Senate. I would just like to make a couple of quick points regarding some of the discussion that we have heard so far. First of all, let me make it clear to all of you that the distribution of the money has not been finalized. So, within both budgets that are proposed, there is no final distribution method. The distribution will be addressed before this session of the legislature adjourns. Secondly, what I think is most important to recognize in both of these budgets is that both parties recognize the priority that education should have within the State of Maine and within the State of Maine's budget. Both the majority and the minority report have fully funded education at the Governor's recommended levels. I think, frankly, we should all be applauded that all this is recognized as our top priority. This will be addressed in the negotiations that continue in the next few days, hopefully not in the next few weeks, but in the next few days so that it can be resolved regarding the distribution issue. Frankly, I don't think that it is, at this point in time, a point that we need to spend much of our discussion on. Thank you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Penobscot, Senator Michaud.

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

**ORDER**

**Joint Order**

On motion by Senator **KIEFFER** of Aroostook, the following Joint Order:

**ORDERED**, the House concurring, that when the House and Senate adjourn, they do so until Monday, June 12, 1995, at 9:00 o'clock in the morning.  
S.P. 586

Which was **READ** and **PASSED**.

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

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

**HOUSE REPORTS** - from the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** on Bill "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1997" (Emergency)

H.P. 516 L.D. 706

Majority - Ought to Pass as Amended by Committee Amendment "A" (H-386). (7 members)

Minority - Ought to Pass as Amended by Committee Amendment "B" (H-387). (6 members)

Tabled - earlier in the day by Senator **BUTLAND** of Cumberland.

Pending - the motion by Senator **HANLEY** of Oxford that the Senate **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "B"** (H-387) Report in **NON-CONCURRENCE**. (Roll Call ordered.)

Senator **MICHAUD**: Thank you Madam President, Men and Women of the Senate. Since we are still on the minority report I hope you vote against it. Look at the budget document on page 275. You will find the distribution formula. That's where it is. The Education Committee, they can work all they want to work, if you vote for the minority report you are voting for the distribution method, whether we like it or not, it's here. It's on page 275. I did a calculation on Skowhegan, it's \$851,732 from the printout I have, so it will lose. Whether the Education Committee deals with this issue or not, by voting for the minority report you are voting to set the distribution funding formula by this bill. That is not acceptable to me, because this is going to kill towns. It's going to kill Skowhegan, it's going to kill Caribou, it's going to kill Limestone, it's going to kill Presque Isle, it's going to kill Belfast, it's going to kill Woodland, it's going to kill Calais. Whether we like it or not, that's what this bill does, it sets the funding formula. Although there are towns who gain, Portland gains, South Portland gains, Norway gains. They gain well over \$1 million. I'm glad, but I'm not going to support it because it's irresponsible government in the name of politics. Whether you like it or not, it's politics. There are some items in the majority report, which is not before us so I cannot discuss that report, but I will not be voting for this report, and the primary reason is because of the distribution formula. There are other items in the report, which I haven't found, but going by the side-by-side from the staff downstairs, it also takes money, if I understand it correctly, out of the Transportation fund, even more than what the legislature currently does. That's a gimmick as well. I was a member of the other body when we raised taxes for roads, to repair our highways, and the Governor has been trying to get away from that. He has made some small steps in this budget, but if I read the minority report correctly, it takes about an additional \$4 million out of the highway fund. I have not been able to find that provision in the budget yet. I want to correct what Senator Esty has stated. This does set the funding formula, and by voting for the minority report, you are voting to establish a funding formula. I think that is wrong. That should be the job of the Education Committee. That is a major policy decision and it should not be dealt with in the budget process. I hope that the superintendents out there, the teachers and the members in your districts, realize that in the name of politics you're voting to really dismantle a lot of the schools within this state. But you will not be doing it on my vote. Thank you Madam President.

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

Senator **MILLS**: Thank you Madam President, Men and Women of the Senate. Under every version of the school funding formula that has been under discussion, my town of Skowhegan, which is one of 24 towns I represent, loses several hundred thousand dollars at the very least. I have every confidence that the Education Committee will work out a formula that will, in some fashion, address the various inequities around the state. Skowhegan is prepared to do its share. I have talked with the

Superintendent on numerous occasions. They understand that under any version of an amended school funding formula they will be a loser because they are a property-rich town. The Democratic version of this budget costs my hospital \$850,000, which will put it in jeopardy of closure. That's why I'm voting against the Democratic budget.

**THE PRESIDENT PRO TEM**: The Chair recognizes the Senator from Penobscot, Senator Faircloth.

Senator **FAIRCLOTH**: Thank you Madam President, Colleagues of the Senate. I want to cut taxes for the middle class. There are many tax cut proposals that have been floated during this legislative process. Viewing each of them on their own, they are all good, I would like to provide all of them. But, responsible voices, including responsible voices on the second floor, tell us that a budget that is going to gain a two-thirds vote is only going to have a very limited number of tax cuts. So, the question is, if you believe that you want tax cuts for the middle class, what is the best route? When I look at the minority report before us, I conclude that it is inadequate. It provides \$6.4 million in property tax cuts. We need more property tax cuts. That's what I remember during the campaign. Just to throw a number out there, I think that \$20.8 million in property tax cuts would be a good number. That's what the people in my district spoke to me most emphatically about, a property tax cut for middle class citizens, say up to \$35,000 a year is something that I think the people in our home districts would appreciate very much. So, we have to pick and choose. This minority report does not achieve that goal adequately. Let's reject it and move on to property tax cuts for the middle class of this state. Thank you.

**THE PRESIDENT PRO TEM**: The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY**: Thank you Madam President. Just to correct the good Senator from Penobscot. While it establishes a mill rate, all budget documents that have come forward prior to this have said in the budget document how much will be for general purpose aid to education. It does not set the formula, as far as how it will be applied. As far as the discussions that the Education Committee has had, with respect to cost of living and income, are part of that formula. I do not profess to be an expert on school funding, but I have confirmed with the Office of Fiscal and Program Review, which have dealt with many budgets over the course of their work. To respond to the other Senator from Penobscot, Senator Faircloth, as far as property tax relief, I could not agree more. That is why the amendment that you are voting on not only has \$6.4 million additional above the fifteen that's already there, but what about that community hospital up in Aroostook County. A municipal community hospital which, if the sick tax isn't dealt with, will impact directly onto the property taxpayers in that town. What about the rest of us who have hospitals in our areas, who have a risk of those hospitals closing, laying off a lot of employees. What is the economic impact going to be in those communities when people no longer have jobs. In my area, in my hometown, my hospital is one which has been put forward, not only by Ernst and Young, a reputable accounting firm, but also the

Maine Health Care Finance Commission. If my hospital were to close, the unemployment rate would jump, from nearly 9%, to almost 15%. Right now there are a lot of people in Senate District 25 who are having trouble paying their property taxes, and they have jobs. I can only imagine those people trying to pay their property taxes when they don't have that job. It's not just the jobs in the hospital, it's the peripheral jobs that support those hospitals. I don't know about you, but the two hospitals in my Senate District are the largest employers. Men and Women of the Senate, put yourself in my shoes. If the largest employer in your district had a possibility of closing because they had entered into an agreement with the legislature back in 1991, assuming that they would be held harmless, to help out the state, and now, because the federal loopholes have been closed, they are going to be forced to close. I would like to think that the men and women of the Senate would say yes, we need to address that and we can't run the risk of having those people out of work, the hardworking men and women of our state out of work and not able to pay their taxes. I think that's what we need to focus on this evening. Thank you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Cumberland, Senator Rand.

Senator **RAND:** Thank you Madam President, Men and Women of the Senate. It truly warms my heart to hear the good Senator from Oxford, Senator Hanley, speak with such concern about the workers in the hospitals. I share that concern. I have a long history of being a very strong advocate for the working people of this state, but my advocacy doesn't stop at the door of state employees. This minority report, once again, seeks to solve the problems of this state, the financial problems of this state, on the backs of our state employees. For the past five years we have demanded that state workers sacrifice hundred of millions of dollars in reduced benefits, lost wages, and job losses. Currently, hanging over their heads right now, is the \$45 million worth of cuts that will be put in place after the productivity task force completes its work. This report, the minority report, would institute an additional co-pay for health insurance for state employees. Currently, state employees are asked to pay 40% of the dependents share of health insurance. This would now increase, or actually create a co-pay for their own personal health insurance. A 20% co-pay. If we add both of those co-pays together, a state worker would be paying a total of \$2,520 annually for family health insurance plan. I believe that we have kicked the state workers around long enough and hard enough. It's time for us to take a realistic look at the finances of this state and look for solutions other than on the backs of state employees.

I would also like to address my remarks in opposition to this minority report as a small business owner. I have been around these halls for a number of years, and one of the mantras that I have heard repeatedly from my Republican colleagues is that government should be run more like a business. That's the responsible thing to do. If government were run more like a business we wouldn't be in the mess we are in today. Well, I must tell you that, as a business owner, if I were faced with huge amounts

of unpaid bills, similar to what the State of Maine is facing now, millions and millions and millions of dollars worth of unpaid bills that will have to be paid, we can just start with the unfunded liability in the Retirement System. If I were a business faced with those types of expenses, the last thing, in fact I would never, never move to cut off my cash flow. To eliminate the money that was coming into my business to pay my bills. So, I would ask you, is this the way, as is being put forth by the minority report, is this the sensible way to be doing business? Removing taxes as if we didn't need any money to pay existing bills. We aren't talking about new programs. We aren't talking about the creation of additional bureaucracies. We are talking about paying bills that we owe right now. The minority report is unfair, uncaring and unfeeling when it comes to our good, hardworking state employees. It is one of the most fiscally irresponsible pieces that I have seen put before me in my nine years here. I would really strongly urge you to reject this report. Thank you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Lincoln, Senator Begley.

Senator **BEGLEY:** Thank you Madam President. I am in favor of the minority report. I am in no way embarrassed by it. I am concerned that the State of Maine in the past twelve to fifteen years has increased its expenditures at least by 100% and then some. I have heard in the past twenty years, at least, what we want to do is wait for the right time to cut taxes. Wait so that we can then be sure that our house is in order. Every time we have gotten close to that position ten people have jumped out of the closet on the right, ten people have jumped out of the closet on the left, and said, "Hurrah, now I can get that project in there that we haven't been able to do before." There hasn't been a cut in that time. Good times, in the eighties, we had a marvelous time. We spent and we spent and we spent and we still say we can spend more. That is absolutely true, we could go on ad infinitum. The hospital tax is a promise to keep them equal. We are not keeping that promise and we should definitely get out of there, and no later than July of 1997, otherwise we again prove that we do not do what we say. The reduction of the one cent sales tax, certainly, only temporary with the idea that when we have enough money we will give it back to you. Christmas comes but once, and it hasn't come for twenty years to the taxpayers. The other aspects of the budget cuts are, in my mind, correct. To send a message to the people who have said to me, would you please stop spending and do some cuts. There are all kinds of people out there hurting. There are people in education, there are people in the state working, there are people on welfare, and there are an awful lot of taxpayers who are saying the same thing, please cut some taxes so I can expand, I can spend, and I can improve my own life. I am not afraid of this budget. The education has not been cut. The state has not spent less on education in the last fifteen years. It has always gone up. It's going up this year \$38 million, preferably \$42 million. When we started this budget argument, if you remember ladies and gentlemen, the Governor has increased this budget from last year by \$232 million. This is not a cut. This is not a reduced budget. We started with

\$232 million increase, and many of the gimmicks, many of the so-called things that were important, we took care of in the Appropriations Committee as best we could. We still asked the Governor to hold to the promise of what we had been concerned with. As far as I am concerned, the minority budget is a good budget and should be passed.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from York, Senator Lawrence.

Senator **LAWRENCE:** Thank you Madam President. I think the good Senator from Lincoln hits the point exactly of what the problem is with this budget. It proposes to cut taxes, but it doesn't propose to cut the spending to pay for those taxes. Maybe it does in this budget, but in the next budget it does not. Through a gimmick of making these tax cuts effective, only three months before the budget runs out, and making minor cuts in the budget, you haven't addressed the deficit that it is going to create in the next biennium budget. I heard talk about the \$232 million of increased new spending. A lot of that increased new spending is to deal with gimmicks of the prior administration. Let's talk about which tax cut will really help people. I support a cut in the sales tax, I support a cut in the snack tax, but if I was an average citizen, I would have to eat 16,666 bags of ninety-nine cent potato chips in one year, and I could probably do that, but in one year, before it would equal the amount that if you expanded the property tax cut to other citizens that they would get at the maximum level. If you want to talk about tax cuts, let's talk about that tax cut. Let's make it effective for the entire biennium and let's make the cuts we need to pay for it now and in the future. Let's not introduce tax cuts with a gimmick. Thank you.

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

Senator **GOLDTHWAIT:** Thank you Madam President. About fifteen minutes ago I had a realization that struck me as a major enlightenment. I realized that tonight is probably going to be the biggest night of my life in the Maine State Senate. That is because, as I considered the debate on the minority report, I realized, understood, and remembered people saying that there is no way that the minority report will pass as is. There is not a single person in this body, or the other body, or in any branch of government who believes that that will happen. Likewise, there is not a soul who believes that the other report will pass as is. The budget that will pass is the middle ground, that's my budget. I am the only one who can stand here tonight and claim that my budget is the budget that will pass. It's guaranteed. There is no doubt about it and every single person in this room agrees with me. So, having said that, and having declared a victory, I would just like to make a few points about the report before us, because, for me, in that report there is a lot to like.

I tried to evaluate that report in terms of what I think the state wants and needs. Those criteria include control of expenditures, reduction of the size of government, and individuals taking increased responsibility for their own behavior. I think this

report goes very far to address those things. I have some concerns about the way in which this report lives up to a need to face the consequences of all the pieces of it, and I am referring specifically to the tax reduction pieces. So, that is one area where I have a reservation. There are two other things that the State wants and needs very badly. That is for the Legislature to finish its work on time, and for the Legislature to avoid another shutdown of the State of Maine. The only way that's going to happen is if you pass my budget, and that's a foregone conclusion. Fortunately, although you may not describe it as fortunate, the numbers in the two bodies make it necessary to reach a middle ground. There is no way, in either body, that one group is going to force a budget on another group. We have to reach a middle ground in order to do what the state wants us to do, finish our work on time, avoid a shutdown, increase fiscal responsibility, reduce the size of government, and control expenditures. So, I urge you to defeat this report, and if I have the opportunity I will urge you to defeat the opposite report. Neither of these reports represents a budget that can, or will, pass. I urge you to defeat the minority report so we can go on and pass my budget, the middle ground. Thank you.

**THE PRESIDENT PRO TEM:** The pending question before the Senate is the motion by Senator **HANLEY** of Oxford that the Senate **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "B" (H-387)** Report in **NON-CONCURRENCE**.

A vote of Yes will be in favor of **ACCEPTANCE**.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

**YEAS:** Senators: **ABROMSON, BEGLEY, BENOIT, BUTLAND, CARPENTER, CASSIDY, FERGUSON, HALL, HANLEY, HARRIMAN, HATHAWAY, KIEFFER, LORD, MILLS, PENDEXTER, SMALL, STEVENS,** and the **PRESIDENT PRO TEM, Senator AMERO**

**NAYS:** Senators: **BERUBE, BUSTIN, CAREY, CIANCHETTE, CLEVELAND, ESTY, FAIRCLOTH, GOLDTHWAIT, LAWRENCE, LONGLEY, MICHAUD, O'DEA, PARADIS, PINGREE, RAND, RUHLIN**

**ABSENT:** Senator: **McCORMICK**

18 Senators having voted in the affirmative and 16 Senators having voted in the negative, with 1 Senator being absent, the motion by Senator **HANLEY** of Oxford to **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "B" (H-387)** Report in **NON-CONCURRENCE, PREVAILED**.

The Bill **READ ONCE**.

Committee Amendment "B" (H-387) **READ** and **ADOPTED**.

The Bill, as **Amended**, **TOMORROW ASSIGNED FOR SECOND READING**.

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Senator **O'DEA** of Penobscot was granted unanimous consent to address the Senate on the Record.

Senator **O'DEA**: Thank you Madam President, Men and Women of the Senate. Last night we suffered a loss in this State. I would move that when the Senate adjourns tonight, that it do so in memory of Marshall A. Stern. Thank you.

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Senator **MILLS** of Somerset was granted unanimous consent to address the Senate off the Record.

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The **ADJOURNMENT ORDER** having been returned from the House **READ** and **PASSED**, in concurrence, on motion by the **PRESIDENT PRO TEM**, **ADJOURNED**, in memory of Marshall Stern and in memory of Dora Pinkham and other women legislators who have passed on, until Monday, June 12, 1995, at 9 o'clock in the morning.