

# MAINE STATE LEGISLATURE

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



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

**LEGISLATIVE RECORD**  
OF THE  
**One Hundred And Seventeenth Legislature**  
OF THE  
**State Of Maine**

**VOLUME V**

**FIRST REGULAR SESSION**

**Senate**

June 19, 1995 to June 30, 1995

**FIRST CONFIRMATION SESSION**

September 14, 1995

**FIRST SPECIAL SESSION**

**House of Representatives**

November 28, 1995 to November 30, 1995

**Senate**

November 28, 1995 to November 30, 1995

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

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, 1996 and June 30, 1997" (Emergency)  
 H.P. 516 L.D. 706  
 (C "B" H-387)

Tabled - earlier in the day by Senator KIEFFER of Aroostook.

Pending - the motion by Senator HANLEY of Oxford to **INDEFINITELY POSTPONE** Senate Amendment "C" (S-356) to House Amendment "A" (H-628). (Roll Call ordered)

**THE PRESIDENT:** The pending question before the Senate is the motion by Senator HANLEY of Oxford that the Senate **INDEFINITELY POSTPONE** Senate Amendment "C" (S-356) to House Amendment "A" (H-628).

A vote of Yes will be in favor of **INDEFINITE POSTPONEMENT**.

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, AMERO, BEGLEY, BENOIT, BERUBE, CAREY, CARPENTER, CIANCHETTE, CLEVELAND, ESTY, FAIRCLOTH, FERGUSON, HANLEY, HARRIMAN, HATHAWAY, KIEFFER, LAWRENCE, LORD, McCORMICK, MILLS, PENDEXTER, PINGREE, RAND, SMALL, STEVENS, and the PRESIDENT, Senator BUTLAND

NAYS: Senators: BUSTIN, CASSIDY, GOLDTHWAIT, HALL, LONGLEY, MICHAUD, O'DEA, PARADIS, RUHLIN

26 Senators having voted in the affirmative and 9 Senators having voted in the negative, the motion by Senator HANLEY of Oxford to **INDEFINITELY POSTPONE** Senate Amendment "C" (S-356) to House Amendment "A" (H-628), **PREVAILED**.

On motion by Senator **McCORMICK** of Kennebec, Senate Amendment "B" (S-355) to House Amendment "A" (H-628) **READ**.

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

Senator **McCORMICK:** Thank you, Mr. President, Men and Women of the Senate. I will be very brief because the hour is late. This amendment would include the income tax stabilization program in the budget, somewhat as it is now, but it would leave the \$674 million cap and do exactly what my two almost seatmates, Senator Ruhlin, and Senator Cianchette, wanted, which was to put any excess into a pay our bills fund, which would do just that, help us pay our bills. I'm going to hold up a graph of the unfunded liability, and this is why I am presenting this amendment. The red line that is going up into the sky at a swooping rate, is our amortization schedule. I took it off a paper from last year when I was on the Aging, Retirement and Veterans Committee. The horizontal red line is the level of our income tax stabilization, \$674 million. It doesn't take a rocket scientist to figure out that we have a problem. So, my amendment basically gives us that cap for operations, and puts everything else into a pay our bills fund, of which, clearly, one of the most important bills we have to pay is the amortization schedule, which I call the State's mortgage. Thank you.

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

Senator **HANLEY:** Thank you, Mr. President, Men and Women of the Senate. I would first like to say that I applaud the good Senator from Kennebec, Senator McCormick, for her proposal. I think it bears merit and will be supportive of the concept of setting forth a reserve fund to deal with the huge cost of our unfunded liability. But, as I pointed out before, the concern I have with the proposal is first, it messes around with a compromise that has been crafted. A very fragile compromise on the Appropriations Committee. Also, we have in existence a statutorily set reserve fund, which is what the good Senator is proposing in her amendment. I think, if we don't learn from history, we are doomed to repeat it. The history in this case is the Rainy Day Fund, which is directly analogous to the proposal put before us. That Rainy Day Fund, which only has statutory protection, has been used for its purpose once. Three dozen other times it has been raided for its non-statutorily designated purpose. I would hate to have the good Senator put her efforts towards this measure, which may not address her concerns, which are my concerns, which are the concerns of the Senator from Somerset, of a huge interest cost in expanding the amortization schedule on our unfunded liability. What we need to do, and what I was hopeful we could do in this budget, is integrate a constitutional amendment to protect that fund. The Attorney General's office has advised me, as well as the remainder of the Committee, that that is not possible in a budget document, and to give you the protection that not only you want, but that I want, and the other members of this chamber have asked for, we need to go with a separate instrument. The budget document will not provide the protection that you and I, and other members of this chamber, so dearly want. I am supportive of the concept, and also supportive of addressing this in a stronger fashion, but let us not dilute the fragile compromise we have here today, which had a strong showing in the other chamber.

**THE PRESIDENT:** The Chair would advise the Senator from Oxford, Senator Hanley, to confine his comments to the actions of this Chamber, and not the other Chamber, or the actions of the Governor.

Senator **HANLEY:** Thank you very much Mr. President. Sorry to the members of the Senate. I would just close in stating that we have before us a document that will keep state government working, will keep Maine moving, it will not force a state shutdown. I agree that we have other areas where we can work on to address the unfunded liability. Unfortunately, this is not the proper document. There are other documents that we have before us in other capacities to deal with that issue. Therefore, I will move the Indefinite Postponement of this amendment.

Senator **HANLEY** of Oxford moved that Senate Amendment "B" (S-355) to House Amendment "A" (H-628) be **INDEFINITELY POSTPONED**.

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

Senator **CAREY:** Thank you, Mr. President. As we discuss unfunded liability, and the efforts on this particular amendment, I would like to pose a question or two to the Chair of the Appropriations Committee. When your budget deliberations started, can you tell me how much money was in the Rainy Day Fund? Can you tell me how much money is left in the Rainy Day Fund today? The thing that we talk about protecting statutorily.

**THE PRESIDENT:** The Senator from Kennebec, Senator Carey, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you, Mr. President, Men and Women of the Senate. To respond to the good Senator's question. When we first began deliberations back in the first of the year, there was roughly \$14 million in the Rainy Day Fund, of which monies were spent in the two supplementals to take care of gimmicks, to avoid future interest that was starting to compound on other expenses. Then, as this Committee well knows, the second supplemental that was passed by the Legislature took \$9.7 million out of the Rainy Day Fund to take care of the payroll push for the State employees. Currently, it is my understanding, that there is probably not more than \$1 million in the Rainy Day Fund and would state for the same reasons, the same concerns that I raised for the other Senator from Kennebec, that you need to have stronger protections in that Rainy Day Fund, or whatever funds you want, so that for all of the good intentions of the legislature, that money isn't spent elsewhere, and so that the legislature is forced to make cuts elsewhere and to prioritize. The state government is, we have had an opportunity to review the revenues for May and projected revenues for June, and we anticipate a \$6 million surplus over revenues, of which, the good Senator knows, 50% of that would go towards the Rainy Day Fund, unless, and what I am proposing to do in another budget document, would be to not withstand again, and have 100% of the revenue surplus go into the Rainy Day Fund.

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

Senator **CIANCHETTE:** Thank you, Mr. President. I will be very brief. I just want to point out to everybody here in the Senate that this argument about the protection of putting the money into the unfunded mandate, it has the same protection under the statute as a cap on income tax. The cap on income tax can be changed by the next legislature, just as easily as could the unfunded liability thing be capped. I believe if this legislature does the right thing, then future legislatures will see the wisdom of that and it will be well protected by the people in this body.

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

**THE PRESIDENT:** The pending question before the Senate is the motion by Senator **HANLEY** of Oxford that Senate Amendment "B" (S-355) to House Amendment "A" (H-628) be **INDEFINITELY POSTPONED**.

A vote of Yes will be in favor of **INDEFINITE POSTPONEMENT**.

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, AMERO, BEGLEY, BENOIT, BERUBE, CARPENTER, CASSIDY, FERGUSON, HALL, HANLEY, HARRIMAN, HATHAWAY, KIEFFER, LORD, MILLS, PENDEXTER, SMALL, STEVENS, and the PRESIDENT, Senator BUTLAND**

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

19 Senators having voted in the affirmative and 16 Senators having voted in the negative, the motion by Senator **HANLEY** of Oxford to **INDEFINITELY POSTPONE** Senate Amendment "B" (S-355) to House Amendment "A" (H-628), **PREVAILED**.

On motion by Senator **MICHAUD** of Penobscot, Senate Amendment "A" (S-354) to House Amendment "A" (H-628) **READ**.

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

Senator **MICHAUD:** Thank you, Mr. President, Men and Women of the Senate. This appears to be the last

amendment that the Senator from Oxford, Senator Hanley, might be able to support. What this amendment does is it leaves the income tax stabilization the way they have it in the bill, except that rather than cutting taxes, what it will do, it will go to the unfunded liability of the Maine State Retirement System, which you heard a lot about. But, it also will go for the unfunded liability in workers' comp. As of June 30, 1994, the unfunded liability on workers' comp is over \$82 million. The State pays either \$10 million a year or over the biennium for workers' comp claims. I think we have to get our house in order. Also, part of this could be used for infrastructure repairs that must be paid. I think it's a grave mistake linking the budget to a tax cap. We have a bill to deal with that, we ought to deal with it separately. I don't think we should link it. People, of course, want a tax cut, they would like to have a tax cut, however, their top priority is getting the State's fiscal order in shape. That's their top priority. I was at a town meeting that Congressman Baldacci had in the northern part of my Senate district, which is the most conservative part of that district. There were a lot of Republicans at that meeting. The Congressman got hammered on what they were doing out in Washington when they were talking about tax cuts. The general sentiment is take care of the deficit. I'm hearing those same remarks here in the State of Maine. As a matter of fact, the people of the State of Maine had a choice over a year ago when there was a gubernatorial candidate who ran on this very issue of cut off the income tax and stop the spending. They ran on this very issue in the Republican party. The people of the State of Maine, in that primary, soundly rejected that idea. So, I think it is a bad mistake. I heard the Senator from York, Senator Hathaway, talk about how this isn't a gimmick. I've been in the legislature for fifteen years, and this is the worst gimmick that has come about. That's all this is is a gimmick. All of the other gimmicks that have been done over the last four years dealt with trying to balance a current budget. This gimmick has nothing to do with the current budget, nothing at all. What this gimmick and irresponsible idea does is going to force the next legislature to cut. So, I would hope that this body would adopt this amendment so we can start getting our houses in order and do what most of us, if not all of us, campaigned on, and that is take care of business, get your own financial house in order. Mr. President, when the vote is taken, I request a Roll Call.

Senator MICHAUD of Penobscot requested a Roll Call.

Senator BEGLEY of Lincoln moved that Senate Amendment "A" (S-354) to House Amendment "A" (H-628) be INDEFINITELY POSTPONED.

**THE PRESIDENT:** The Chair recognizes the Senator from Piscataquis, Senator Hall.

Senator HALL: Thank you, Mr. President, Ladies and Gentlemen. I want to thank the Senator from Penobscot, Senator Michaud, for waking me up. I haven't been here fifteen years. I have been here three. I have worked on two budgets. I came to Augusta to right a wrong. That wrong is to continually spend more money. I haven't been able to

do it yet. This is a start. It's a poor start. It's a small start. It probably won't do anything, because we probably won't have any money to cap the way we are going. You can't keep spending. There is \$232 million more in this budget. You probably won't do it with my help, because I don't think you're going to have it over the next two years. We have got to stop spending. In three years I have learned one thing, you're not going to do it unless, as has already been quoted, the faucet is turned off, your feet are brought to the fire. That's when you will make the cuts, when it's not there, just like the folks back home. If it's not in the paycheck, they're not spending it. They're not trading cars, they're not upgrading their standard of living. I don't know who some of you people listen to, but it sure is not the same people that are talking to me. Support that motion to Indefinitely Postpone and any other amendment like it.

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

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

Senator CAREY: Thank you, Mr. President, Members of the Senate. I have heard a lot of chatter about how we have got to cut spending. Show us a plan, show us what you are going to cut, and then maybe it will be something that we can buy.

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

Senator HARRIMAN: Thank you, Mr. President, Ladies and Gentlemen of the Senate. Before we take the vote tonight, I would just like to add a little something to the debate that may not affect your decision but hopefully, some reassurance. Like the good Senator from Penobscot, Senator Michaud, I share his concern about the unfunded state employees workers compensation fund. I was astonished, when I was elected in the last session, to find out that the State of Maine doesn't live by the same rules that we expect private industry to live by with workers' compensation. There is no insurance company, there is no reserves, there is no plans. As a result, the State has about \$80 to \$100 million in unfunded workers' compensation claims. So, doing what I thought was prudent, I suggested legislation in this session that would bring together the best and the brightest talent surrounding this issue in the State of Maine, to take a look at our workers' compensation program for state employees, in hopes that we might come up with some recommendations to help people get back to work, improve work safety, et cetera, et cetera, and settle claims. At the public hearing, most everyone there supported me. When we got to the work session, organized representatives of the state employees, Mr. Gorham at AFL-CIO, came and testified and said they had taken a look at the plan that's proposed by the new administration and that it's fine. He had no problem with it, it seemed to look great, and as a result my bill went nowhere. Thank you.

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

Senator **HATHAWAY**: Thank you, Mr. President, Ladies and Gentlemen of the Senate. The good Senator from Penobscot, I have not been around either for fifteen years. I was glad to hear you admit that people do want tax cuts. However, I am sad to hear that you think that forcing the next legislature to make spending cuts is some type of dastardly deed. I would like to remind you that the person you mentioned, our Republican candidate for Governor, had a very responsible plan to cut taxes, cut spending, stimulate the economy and create badly needed jobs in this State. I would like to remind you, also, of another candidate in whose book wrote that we should cut taxes, we should cut spending, yet today says that we should shut down the government instead of putting through those tax cuts. I can't agree with that. I don't think that we will be part of a shut down. I urge you to support this motion. Thank you.

On motion by Senator **KIEFFER** of Aroostook, Tabled until Later in Today's Session, pending the motion by Senator **BEGLEY** of Lincoln to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-354) to House Amendment "A" (H-628).

---

Senator **KIEFFER** of Aroostook moved to **SUSPEND THE RULES** to **EXTEND** until 10 o'clock p.m.

**THE PRESIDENT**: Pursuant to Joint Rule 12, the affirmative vote of two-thirds of the members present and voting is necessary to extend.

The Chair ordered a Division.

Will all those in favor please rise in their places and remain standing until counted.

Will all those opposed please rise in their places and remain standing until counted.

31 Senators having voted in the affirmative and 1 Senator having voted in the negative, and 31 being more than two-thirds of the membership present and voting, the Rules were suspended and the following proceedings were conducted after 9:30 p.m.

---

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

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, 1996 and June 30, 1997" (Emergency)  
 H.P. 516 L.D. 706  
 (C "B" H-387)

Tabled - earlier in the day by Senator **KIEFFER** of Aroostook.

Pending - the motion by Senator **BEGLEY** of Lincoln to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-354) to House Amendment "A" (H-628).

**THE PRESIDENT**: The pending question before the Senate is the motion by Senator **BEGLEY** of Lincoln that the Senate **INDEFINITELY POSTPONE** Senate Amendment "A" (S-354) to House Amendment "A" (H-628).

A vote of Yes will be in favor of **INDEFINITE POSTPONEMENT**.

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, AMERO, BEGLEY, BENOIT, BERUBE, CARPENTER, CASSIDY, FERGUSON, HALL, HANLEY, HARRIMAN, HATHAWAY, KIEFFER, LORD, MILLS, PENDEXTER, SMALL, STEVENS, and the PRESIDENT, Senator BUTLAND**

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

19 Senators having voted in the affirmative and 16 Senators having voted in the negative, the motion by Senator **BEGLEY** of Lincoln to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-354) to House Amendment "A" (H-628), **PREVAILED**.

**THE PRESIDENT**: The pending question before the Senate is **ADOPTION** of House Amendment "A" (H-628), in concurrence.

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

**THE PRESIDENT**: The pending question before the Senate is **ADOPTION** of House Amendment "A" (H-628), in concurrence.

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

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.