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State of Maine

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ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
FIRST REGULAR SESSION
65th Legislative Day
Wednesday, June 26, 2013

The House met according to adjournment and was called to order by the Speaker.

Prayer by Honorable Lawrence E. Lockman, Amherst .

National Anthem by Honorable Craig V. Hickman, Winthrop.

Pledge of Allegiance.

Doctor of the day, Robert Chagrasulis, M.D., Calais.

The Journal of Wednesday, June 19, 2013 was read and approved.

The following items were taken up out of order by unanimous consent:

COMMUNICATIONS

The Following Communication: (H.C. 234)

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0001

June 24, 2013
The 126th Legislature of the State of Maine
State House
Augusta, Maine
Dear Honorable Members of the 126th Legislature:
Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1509, "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, 2013, June 30, 2014 and June 30, 2015."
This veto is not one done lightly. When I submitted a balanced budget, I knew there would be areas of concern for many legislators. That is why we had nearly six months to work together and find a solution that would have made hard decisions while still protecting our most vulnerable. It was an opportunity for our State to do something great, to make real changes for the better. Unfortunately, it was an opportunity missed.
There are two groups harmed by this budget, the first being students. They are harmed by the education cuts forced through the process. This budget reduces funding for the Job's for Maine Graduates program. It reduces funding for our innovative programs, such as career and technical education and the Fund for the Efficient Delivery of Educational Services. These cuts were supposedly to help support General Purpose Aid for our schools – aid that I have significantly increased since I took office. But money alone will not fix education in Maine. We need to give our students options, to recognize that each student is an individual and each one learns differently. Throwing more money at administration and overhead merely continues the status quo.
The second group harmed in this budget is our elderly. Some have said that "no one cares" about rate increases in our meals, lodging, and sales taxes. That could not be more wrong. Retired mill workers living on fixed incomes, elderly widows collecting social security, and our veterans who receive nothing more than their military pension – each of them care about this tax increase. We are already one of the highest taxed states in the nation. We have some of the lowest per capita income in the country. Now is not the time to ask Mainers to give more to fund government. It is time for us to make hard decisions and make real, structural cuts.
There is so much we can do. Our overly generous welfare programs can be reformed, cutting waste, fraud, and abuse. We can rethink our subsidies to cities and towns – Lewiston and Auburn are already doing much together and could do more. I have told everyone where the efficiencies lie in Waterville, Winslow, Oakland, and Fairfield. And often we forget that our counties can be partners to increase efficiencies and reduce cost in local government. But we need to start somewhere, and that somewhere starts in Augusta.
There are some good pieces in this budget – I recognize that. Those pieces can be a starting point for us to go back to the table and do more. I have extended an offer to Legislative leadership that can avoid a shutdown in the near-term and give us time to eliminate these sales, meals, and lodging tax increases. However, while those tax increases remain in the budget, I cannot support it.
As you vote on this veto, it should not be about counting votes to simply ignore these objections. Maine people deserve a considered, reasoned debate, and your ultimate decision is owed directly to them. We have been 50th in the nation for too long and this budget will keep us there. It is time to look past the next election to the next generation. The vote before you is about one thing: the future of Maine. We must all stand together.
For these reasons, I return LD 1509 unsigned and vetoed. I strongly urge the Legislature to sustain it.
Sincerely,
S/Paul R. LePage
Governor

READ and **ORDERED PLACED ON FILE**.

The accompanying item 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, 2013, June 30, 2014 and June 30, 2015 (EMERGENCY)

(H.P. 1079) (L.D. 1509)
(H. "P" H-499 to C. "A" H-468)

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Harlow.

Representative **HARLOW**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. We are sitting here about six months into a very long, long session and we are faced with no good choices. If we vote to sustain this veto, we are saying that we accept a bad budget, which is what my opinion of what this budget is. It cuts significantly to every town and city throughout Maine after years and years of cuts. Not only will property taxes be increased, but I'm not sure how services won't be cut and how that would not affect the poor, the needy and the average Mainer. We vote to override this budget. We've been painted in the corner with the Chief Executive. We are saying, from what I've heard, that we may not get anything if we don't vote to override this budget. So I look at the two choices and I don't see either one that I really like. I can say one thing that I've learned over the course of the past week and that's that if we took half as much time, maybe a quarter as much time, to talk to each other and care about each other during the rest of this session, the people of Maine and we, as legislators, will be a whole lot better off. If only the people of Maine knew what happened up here. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Farmington, Representative Harvell.

Representative **HARVELL**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. First of all, I stand here today recognizing the extremely difficult work that the Appropriations Committee has done over the last six months and their late nights, I would not want to be there. But this weekend, I picked up a copy of the *Maine Sunday Telegram* and in it was an article by Charles Lawton that says "A demographic meteorite is aimed at Maine." In it, he says, "The not-yet-finished legislative session in Augusta promises to be ... the opening scene of a drama that ... will [be] played out for years to come. From the rush to use drinking to pay for health care [costs] to the now-you-see-it, now-you-don't status of revenue sharing; from the quiet, bipartisan efforts to restructure our tax [reform] to the crude obscenities shouted at pep rallies outside the governor's office, we have seen but an introduction [of] the characters and themes that will strut and fret on our stage for the foreseeable future." He goes on to say that if you look at the demographics, that in 2010 we hit the tipping point, that it is now 58 people that are on some form of dependency for 100 working, that that number will be 69 by 2020 and 83 by 2030. Then he says, "The fiscal ... challenge to the 100 'working' people, daunting enough today to 'support' 58 people, will be even greater tomorrow to support 83." He ends his article by saying, "Yes, life may be good here now. But life goes on. And what is coming toward us down the road looks anything but good."

Also, over the weekend, I went back to work and I work in a paper mill and as you all well know, it's very hot there. Actually, the air conditioner in the room I work was broke down. It was 100 degrees and many of us were scrambling to fix things, and paper mills are hot when you step outside of a room. The idea that I am going to add burdens more to the already individuals that are earning their labors to the sweat of a brow is something that I cannot tolerate. Also, you learn that you live in a fishbowl here, that we don't really see reality that great, so over the weekend you get to step back from that and actually interact with your citizens more and more. I had a welder come to my house on Sunday and he has had a small business for a number of years and I know that recently he has had to go out of state to find some work. I asked him, "How's it going?" He said, "Well, you know, it's still pretty tough." But I said, "You're making enough to make it." He said, "You know what? If you don't make enough to make it, you have to make the cuts to make it work." Then I think of the words that I hear used in the media and in this body today like "draconian." That's my favorite analogy. And if that isn't enough, "savage draconian." The people that make these cuts apparently have no idea who Draco was because what we're doing here today is not draconian. The suggestions for cuts that are being made are not draconian. To the Athenian lawmaker, a draconian cut would be if you steal a head of cabbage, you will get your head cut off. That is a draconian cut.

We talk about bipartisanship and because we have a unanimous report out of that committee, we say, well, it's bipartisan. Well, I suggest to you today that if a Democrat and a Republican both reach their hands into my pocket to take my wallet, bipartisan it may be, but the net result is no different. No, we're going to put a greater burden upon those that are already upholding and doing the work that give us all the money we already have. Let's talk about compromise for a minute. Compromise is always seen as a wonderful world, but it's not always wonderful. There have been some great compromises and there have been some not so great compromises, and compromises always involve sacrificing reason and principle. At the Constitution, while slavery was upholding the Southern economy, on what principle, North or South, can you stand to decide that an African American is three-fifths of a human? They weren't invited to Philadelphia. And this hall is full of lobbyists, but the taxpayers aren't being invited to this equation. Let's look at the Munich crisis. While the decision to avoid war by the Western powers weighed heavily on their conscience and they met at Munich to decide the fate of Czechoslovakia and the Czech delegation wasn't even invited to the room, I suggest today that the Czech delegation is the taxpayers and they have not been invited to this equation. When Chamberlain showed back up and stepped off a plane...

The SPEAKER: Will the Representative defer? The Chair recognizes the Representative from Newfield, Representative Campbell, and inquires for what purpose does the Representative rise.

Representative **CAMPBELL**: We're not debating the history here of Czechoslovakia. We're debating the budget.

On **POINT OF ORDER,** Representative CAMPBELL of Newfield asked the Chair if the remarks of Representative HARVELL of Farmington were germane to the pending question.

The SPEAKER: The Chair will remind all members to keep their comments to what is before us and that is the veto override of the biennial budget. The Representative may proceed.

The Chair reminded Representative HARVELL of Farmington to stay as close as possible to the pending question.

Representative **HARVELL**: Yes, I have a Point of Order, Mr. Speaker. Dealing with a budget that is $6.3 billion in this state which covers health care, which covers education, which covers nearly every facet of the life, I don't know if I could find something that wasn't generic to speak of and since when did it become wrong to use a metaphor in these halls?

The SPEAKER: The Representative may proceed and please keep in mind the temper and tone of the debate.

The Chair reminded all members to keep tempers and debate reasonable to the question before the House.

Representative **HARVELL**: Thank you. No, we have been weighed in the balances and found wanting. In 1863, Lincoln made the proposition about whether a free people could decide their fate and we've met that challenge for 200 years, but you might ask the question today is can a dependent people survive their fate? This budget has made this people more dependent. Our Yankee tradition and our heritage, which is one of independence, is being eroded here today by dependency. We like to say that we're independent, but we are anything but that. This budget moves us in an area which is even greater than that today and I suggest that you vote against it. You know, we're not some Egyptian pharaohs that stand here in a marble palace and tell the workers out there that we're expecting the same quota of bricks, but today we don't want them to use straw to make them, and I urge you to vote no.

The SPEAKER: The Chair recognizes the Representative from Freedom, Representative Jones.

Representative **JONES**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. First of all, I'd like to recognize the hard work and the spirit of compromise that the Appropriations Committee did in their hard work. Look, I'm not a geneticist, but I will however say that when you do take a budget and you take a donkey and an elephant and you cross them, what you really end up with is a dog's lunch, and in my humble opinion, this budget is a dog's lunch. I'd like to point out this Legislature's lack of courage in responding to the direct will of the people's initiative from 2004, which directed the state to fund education at 55 percent. I would also like to point out the legislation from 1989, which this Legislature realized that the mandates that we, as a state government, put on municipalities require us to share some percentage of the cost, and in 1989, that was 5 percent of gross revenues from income tax and sales

tax receipts. Under our previous administration, that was reduced and under this current budget, it's further reduced, creating a transfer of our responsibilities to our municipalities and property tax owners. Now, let me tell you something. The property tax is regressive and it's one of the most cruel taxes on the poor. This shift – and it is still a shift, regardless of what we say – we did the best we could. But we are asking our municipalities to raise property taxes that affect the least among us – the indigent, the working poor, those on fixed incomes. Now, I will tell this body, I will tell my constituents, I will tell the State of Maine and I will tell the world that this budget does not reflect the shared values of the citizens in my community. What are those shared values? Hey, it's your responsibility to get up in the morning, lace up your boots and go to work, but you know what? If rain is coming and hay is in the field, we all pitch in together to help you get it in. We all throw a chain in the back of a pickup truck and, you know what, it doesn't matter if you are a Democrat, Republican, Independent, Socialist, Libertarian, whatever. We pull you out of the ditch in February because those are shared values that we have. When you go to the grocery store and one of your neighbors has fallen on hardship, they have a sick child but no health insurance, there has been a death in the family, everybody reaches into their pockets and put what they can in that jar to help their neighbors out. This state is built on shared values of cooperation and mutual self-support and, quite frankly, Mr. Speaker and Men and Women of the House, this budget does not reflect the shared values of the citizens of the State of Maine.

The SPEAKER: The Chair recognizes the Representative from Turner, Representative Timberlake.

Representative **TIMBERLAKE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I stand here before you today to tell you why I'm not going to vote for this budget. This budget, when I was elected I was elected to come over here to make smaller government. This is my third year here and every year here, we've made the budget bigger and bigger and bigger. That isn't what I was elected to do. I think that the Appropriations Committee tried to do a job. I don't agree with the Governor's budget. He raised local taxes. I don't want to raise any taxes. I want smaller government. We have the ability to do it. We haven't done it. We shouldn't continue on the path that we're headed. We're headed for chaos and if we continue with this level, I don't know how we sustain it. The poor working people of Maine, we can't keep raising taxes on them locally and at the state level. We have to take that into consideration. On my next palm card, it's not going to read "Jeff Timberlake voted to raise taxes on the working people, the poor people of Maine." It's not going to read that. I'm not voting for it. I hope you'll join me in voting red on the Governor's budget. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Amherst, Representative Lockman.

Representative **LOCKMAN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise in favor of sustaining this veto. And I urge you, my colleagues, to join me in this effort to chart a better course for the State of Maine. Budgets are about making choices and setting priorities. This budget represents poor choices and misplaced priorities. It represents politics as usual in Augusta, a surrender to the status quo and a dangerous disregard for the challenges facing our state. I cannot go back to my community and tell the people who elected me, the people I work for, that I came to Augusta and I couldn't find any way to reduce the size or cost of state government. I cannot tell them that the only solution is $200 million in tax increases and that Maine people will have to pay 10 percent more every time they shop and 14 percent more every time they go out to eat or take their families to a campground. Mainers are already taxed well above the national average and cannot afford new double-digit tax increases. They have already been hit this year with a federal payroll tax increase that will suck $350 million out of Maine's economy this year. A working couple with $50,000 in wages will be paying close to $1,000 in additional payroll taxes. To say nothing of the impact higher taxes will have on an economy that is already struggling. Meanwhile, Mainers are paying more for groceries, gasoline, and heating oil. Our dollars are buying less and less every day. And now we're going to tell them that they don't give Augusta enough? That they'll keep less of their hard earned money because we legislators just can't stop spending it?

Mainers cannot afford any more state taxes to feed the wasteful, inefficient beast that is Augusta. And even if middleclass Maine taxpayers could afford to pay more, look at all the wrong choices and skewed priorities embodied in this budget. To cite just one: It is chock full of tens of millions of dollars of corporate subsidies and tax breaks for industrial wind, which wouldn't exist if it had to depend on private capital from the dreaded private sector.

At the same time, some of Maine's wealthiest corporations in the so-called nonprofit sector continue to get a free ride at the expense of all the rest of us who pay local property taxes for municipal services. It could very well be that the nonprofit sector is Maine's only growth industry. These tax-exempt corporations can afford to offer generous wages and benefits to their employees, since everyone else in the community pays for their police and fire protection.

To make matters worse, many of these nonprofits – including the labor unions, Maine Equal Justice Partners, and the Maine People's Alliance – are the chief advocates of higher and higher taxes, more and more spending in an ever expanding government. How is it fair that many of these tax-exempt corporations can afford to pay their CEOs hundreds of thousands of dollars a year in salaries and benefits, far above the average income for Maine families, and spend hundreds of thousands of dollars a year to hire lobbyists to line these halls to exert pressure on us to keep the tax dollars flowing. Isn't it about time they started paying their fair share? It's time to stop the freeloading. This budget also cements in place a profoundly broken and dysfunctional welfare system that subsidizes irresponsible behavior. People who work hard and play by the rules will continue to pay for their neighbors' bad choices. And this isn't about scorning those on welfare or Medicaid. It's about ensuring that these programs serve those truly in need and serve them well.

The social safety net has been stretched to the breaking point because so many able-bodied freeloaders have jumped in. Maine's safety net has become a hammock and this budget reflects our unwillingness to fix the system so that those truly in need get help. Misplaced priorities. Your 75-year-old widowed grandmother is on a MaineCare waitlist for home-based care because funding is unavailable. Meanwhile, your 30-year-old able-bodied but unemployed nephew gets Cadillac medical care for free. We will spend $7 million this year and another $7 million next year to provide free transportation to the methadone clinics for able-bodied drug addicts. What's wrong with this picture? Talk to anyone who works in or around a hospital emergency room in Maine and ask them about "frequent fliers." These are the folks who use the ER for minor ailments such as hangovers, pregnancy tests, sore throats, and MaineCare recipients are twice as likely as the uninsured to be frequent fliers. Why is that? Because it's free. No copay, no deductible, no skin in the game.

Misplaced priorities. That is what this budget represents. This budget prioritizes the political class over Maine families, corporate welfare over economic prosperity, government greed over fiscal responsibility. I urge you to reject this budget, to sustain the Chief Executive's veto and come together to produce a fair budget that puts Maine people first. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Scarborough, Representative Sirocki.

Representative **SIROCKI**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise in support of sustaining the veto. The biennial budget is 707 pages long and involves more than $6 billion. I took some quiet time to flip through the pages of this budget and what I found made me uncomfortable enough that I cannot support it. We have a third choice. My vote is not in disrespect for the long hours and efforts of many people, but because at the end of day I find it needs a bit more work. We can continue work on this budget. Proposed tax increases are not insignificant and are often misrepresented as a half percent on sales and a full percent on meals and lodging, but this is incorrect. The state sales tax will increase 10 percent, from 5¢ on the dollar to 5.5¢ on the dollar, and the meals and lodging tax will increase 14.3 percent, from 7¢ on the dollar to 8¢. The majority of my hardworking constituents and those living on fixed incomes are very concerned about these tax increases. As a matter of fact, I received a little pink note in support of my decision today. Maine is a poor, rural state with an already high tax burden. Our fledgling economy is showing healthy signs of growth. Our unemployment numbers have recently dropped again to 6.8 percent. But taking $180 million in tax increases out of our economy will only slow down our recovery. This budget is not short of revenue due to the recent tax cut. As a matter of fact, we are even slightly ahead of projections with the tax cut. The real reason we are struggling is because the federal government has decreased our Medicaid federal match by hundreds of millions of dollars. This budget has been balanced by pushing millions of dollars from one fiscal year into the next fiscal year by one day, and by balancing the budget with $70 million in as of yet unidentified savings. In my mind, these amount to budget gimmicks, and it dedicates spending for such things as corporate subsidies, tens of millions of dollars in funding. I have confidence that we can right size this $6 billion budget and not raise taxes by reexamining and reprioritizing the budget proposals. Again, we have a third choice; let's roll up our sleeves and sit down. I hope you will join me in sustaining the veto. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from China, Representative Cotta.

Representative **COTTA**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I will be supporting the override of this veto and the speakers before me have made some very good points, but really, when you come down to the bottom line, you can't let this quest for perfect be the enemy of good. There are things in this budget I don't like, but collectively it's a document that both sides have gotten together, the Appropriations Committee did a great job on it. Is it perfect? No. Do I like every part of it? No. My challenge is and I hope that the veto is overridden for the continuation of state government, but more importantly I would like to challenge those agencies, commissioners and directors, that when this budget passes, don't look at it as a starting point. Look at it as a ceiling. Find those efficiencies. Find those savings. I support that budget and I hold out the hope, as dim as it may be, that we can do better in practice and in principle. Thank you.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Chipman.

Representative **CHIPMAN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I think the moral of the story with this budget is that we should not pass things that we can't pay for. I voted against the budget two weeks ago for several reasons. I represent a community that for every $3 we send to Augusta, we get $1 back and under this budget, we're losing another $5 million in revenue sharing. It's not a good situation. But I think the elephant in a room is the way things started out with this budget, is that we had $4 million in income tax cuts that were passed last year with no way to pay for them. We passed these cuts, we delayed the implementation for a year and then when a year went by and it was time to come up with the revenue to pay for these cuts, the money wasn't there, so we started out with a $400 million deficit that we had to find a way to fill in order to have a balanced budget. Just imagine, and these cuts were passed by members on one side of the aisle that really wanted to cut the income tax and it's a great idea to cut the income tax and be able to go back to our districts and say we passed the largest tax cut in Maine history; it sounds great, except there wasn't a way to pay for it. And I guess I would just throw out the analogy that if colleagues on the other side of the aisle were to pass a plan that called for $400 million in new spending and in new services but delayed that by one year, and then a year goes by and there isn't the money to pay for it, and then they draw a line in the sand and say "Well, we're not willing to touch those services, we have to find a way to pay for them, we're not willing to renegotiate that," what kind of a dilemma would we be in? A very similar situation to the dilemma we started out with this budget. So now we're having to raise sales taxes and raise the meals and lodging taxes and all kinds of things that don't make any sense to a lot of us to do with the way our economy is to pay for these income tax cuts. You know, we're in a really tough spot right now, Mr. Speaker. We don't have a lot of time left to renegotiate the budget. Nobody wants to see a state shutdown. A lot of work went into developing the budget. We don't have a lot of options and unfortunately we passed something that we had no way to pay for and now we're in this bind and somehow we have to find a way to go forward. Thank you.

The SPEAKER: The Chair recognizes the Representative from Glenburn, Representative Guerin.

Representative **GUERIN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. It's always good to be back in our districts and to be able to talk to the folks who pay the bills here, the Maine taxpayers. This morning, I stopped at the Levant Corner Store and asked the people that gather there for their morning coffee, "Shall I vote to raise your property tax, your restaurant tax, your hotel tax and your newspaper tax, in a year where we have not reformed welfare and have voted to continue to fund methadone clinics and free cab rides to those who go to the clinics that are for-profit clinics in Maine?" The folks back home told me "Do not raise our taxes." I will be voting against these tax increases today.

The SPEAKER: The Chair recognizes the Representative from Winthrop, Representative Hickman.

Representative **HICKMAN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise first to share with you an email I received from a citizen of the great State of Maine who does not live in my district. He writes:

"While I am not a constituent from your district, I respectfully request that you vote in favor of overriding the chief executive's veto of the state budget. I have read his veto message and disagree with his premise that this budget hurts the elderly who

are on fixed incomes. I am retired, living on a fixed income, and increases in lodging and meals taxes will not affect me, since I cannot afford to stay overnight and I cannot afford to eat out. The chief executive's proposal to eliminate revenue sharing to the towns would have affected me much more as I do own real estate. As for the education initiative he spoke of, I feel businesses that require specialized training for their operations should consider the costs of training as a cost of doing business, just as the trucking industry considers fines for overweight vehicles a cost of doing business. (At least they did until the fines were raised to a level that provided meaningful enforcement.)

"Shutting down state government will hurt the poor and elderly more than the chief executive realizes as the state employees who operate the Emergency Food Assistance Program, TEFAP, will certainly not be considered vital employees. I know the food pantries and soup kitchens rely on TEFAP to keep them stocked. Since you call yourself the son of a wise woman, I am certain you will agree with me that shutting down state government will cause a lot of trauma to those who rely on state services and the economy supported by state employee paychecks." (End of email.)

Constituents of mine have emailed me en masse in the last week. A few have even approached me in the halls, begging me with tears in their eyes, to vote to override this veto. I do not like this budget. I voted against it on initial passage. So much has changed since then. Too much of what happens here in Augusta troubles me deeply. I'm an organic farmer. I must hold fast to my principles. I must likewise be pragmatic. For if I'm not, my labor will not bear fruit. Today, I will vote to override the veto because hard-working state employees – and all the people who live in or visit Maine, who rely upon their vital services in these challenging times, the public servants that we do not elect but who are as important as those of us lucky to be elected – they do not deserve to have the work they perform for the people interrupted, for a single day, do not deserve to have their paychecks cut off, for a single day, do not deserve the painful uncertainty of what will follow, not for a single day. A government shut down simply will not happen with any help from me. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Belgrade, Representative Keschl.

Representative **KESCHL**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise to speak in support of overriding the Governor's veto. As a Republican member of the Appropriations Committee, at times, I found it very difficult to raise my hand to vote in favor of many of the amendments that were offered to the Governor's budget proposal, as I am sure is the case with many of the Democratic members of the committee. However, I was sent to Augusta, as were we all, to ensure that, as their elected Representatives, we conducted the people's business. The people's business. Furthermore, the people expect us that we do this without being totally bound to positions that our political parties may advocate. We all ran on basic philosophical principles that are very important to us. I understand this and like each of you, I do my best to adhere to my principles and work to do the people's work within them. However, we live in a world of colors. Nothing is black or white, even for those of us, like me, who are colorblind. Frequently, as we conduct the people's business, we face the need to compromise in the best interest of the people. This is what members of the Appropriations Committee face all the time and we, as legislators, face in this chamber every day, and it is the reason why I voted in favor of many of the issues in this budget that I might not have supported if I had to vote on these single issues alone. Difficult, yes, but necessary in order to ensure that our government continues to serve the people. Therefore, I urge you to vote in support of the people and to vote to override the Governor's veto. Thank you.

The SPEAKER: The Chair recognizes the Representative from York, Representative McGowan.

Representative **McGOWAN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. One of my goals as a new legislator has been to stay new as long as possible so that I would notice and observe what goes on in this system, what goes on in this culture, and so as I sit here and listen to this debate, I have to admit I'm shocked. The shock is a system in which committees get appointed, that they have fair representation from each party and each side, and they work for months and they work through the night to represent your principles and values and beliefs, and they vote unanimously on a budget, and then you turn around and betray that trust and betray their hard work and say that you know better than they do after all the work they've done. I am shocked. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Rotundo.

Representative **ROTUNDO**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I understand many of the concerns of my colleagues who have already spoken against this budget. There isn't a member in this chamber who couldn't find fault with some aspect of this budget – Democrats, Republicans, Independents alike – yet it's a true compromise. In divided government, we cannot demand all or nothing. The compromise budget we passed is responsible. It restores $125 million in cuts to our cities and towns, it puts $37 million back into our public school classrooms, and ensures that critical funds are there to help our seniors and people with disabilities pay for their care in medicine. By overriding this veto, we will mitigate an enormous cost shift to our property taxpayers and will prevent a government shutdown. The bipartisan budget would serve the people of Maine well and a government shutdown would not occur. A government shutdown will not serve anyone. The people of Maine send us here to work together to solve problems and that's what this budget does, as the government avoids a government shutdown. A state shutdown would disrupt the state's tourism industry going into the height of its season. It would disrupt park, beach and ferry services. It could also undercut food and safety inspections, payments to nursing homes and to hospitals. A shutdown could also result in a downgrade of the state's credit rating and imperil interest rates for the liquor revenue bonds that would be issued to pay the hospitals. This is a fair and responsible budget that will keep government open, and that will serve the people of Maine well. I urge you to vote to override this veto. Thank you.

The SPEAKER: The Chair recognizes the Representative from Hancock, Representative Malaby.

Representative **MALABY**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I just wanted to rise for a moment, correct a few things that I think I'd heard. The good legislator from Portland, Representative Chipman, spoke to a $400 million tax cut enacted by the previous Legislature. In point of fact, the previous Legislature cut the tax rate from 8.5 to 7.95 percent. They also enacted conformity to the federal code in terms of exemptions and deductions, and the practical reality is if you look at our fiscal situation, our income tax is the only thing that has gone up. Income tax collections have gone up, so it is not a tax cut that has created a problem. The reality is, in 2010, the federal government paid about 75 percent of our Medicaid costs. Right now, as of October 1, it will be 61.55 percent. On a $2.4 billion budget, the State of Maine has been stuck with a

very, very large bill. No one likes where we are, no one, but that is the reality so vote your conscience.

The SPEAKER: The Chair recognizes the Representative from Bethel, Representative Crockett.

Representative **CROCKETT**: Thank you, Mr. Speaker. Mr. Speaker, Distinguished Members of the House. To date, I have voted against this budget twice. I dislike tax increases, always have. The problem is the alternative, the Governor's plan, was a greater tax increase to my rural areas. I can't believe I find myself in the position of flipping a vote in favor of overriding, but the problem is the people of my district sent me here to try to be a level head, to try to keep the state from shutting down. A state shutdown is a failure for all of us. There is no question about that. So if the alternative, being June 26 and next week being July 1, I'm either voting for a budget that I don't necessarily love but I know a lot of work and a lot of compromise went into, or I can vote for a government shutdown and that's what the people back home perceive this vote as, and in that case, I think we have to support the override. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Morrill, Representative Pease.

Representative **PEASE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I urge you to join me in voting with an override. It's a very difficult decision, but I based it on a number of things. I think that we've done pretty good work here. We've kept the tax cuts of the 125th in place. We've worked a real good omnibus bill. We've done a lot of good work. The problem I have with this is a total wipeout of revenue sharing in one year. Although I disagree with revenue sharing and don't believe the state should be in that business, I don't think it's fair to my towns, the seven that I represent, that they went to town meeting in March without a plan. The other thing that I want to support is I want to support the merit increases for the state employees. That's not a big issue, it's not a big dollar amount, but I, as a businessman, believe in one philosophy and I'm not a pro union person. But I believe in a philosophy that if you offer a job to someone with certain benefits, you don't take those benefits away and suspend them. The merit increase does not cost the State of Maine a lot of money, but it is something we took away. It's something we owe, just like we owed the hospitals, so we need to keep that in place.

With that in mind, I want to just tell you one quick story. I stop at a little diner sometimes on Route 3 coming out from Morrill in the morning and there is a waitress there named Mel. Mel's been around restaurants I don't know how many years and, as you can see, I don't miss many meals in a restaurant. I said to Mel a week ago, I said, "Mel, I really need some feedback." I said, "What do you prefer, a half a percent sales tax increase or more on your real estate?" She said, "It's like this. When I have to come up with my $1,700 a year to pay my real estate tax, it's going to be darn difficult to come up with another $150/$200 a year. But if I get nickeled and dimed a nickel here, $0.20 there, $0.30 there, I don't notice it. If you've got to go with one, I'd much rather you went with that half a cent." And that's the way I'm leaning.

The other part of it is I own two restaurants. I own two McDonald's restaurants. I remember when we went from a 5 to a 7 percent meals and lodging tax. I remember being a member of the Maine Restaurant Association and people telling us it was going to be devastating to the industry. I did not hear one customer, not one, talk about the increase in that tax. However, when we did away with smoking in our restaurants, I heard of over 300 customers, because we kept track of it, and we lost business for about six months until people came back, so I don't see that one as an issue at all. Thank you.

The SPEAKER: The Chair recognizes the Representative from Pittsfield, Representative Short.

Representative **SHORT**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I believe in a lot of ways that we missed the boat in this session, especially when it comes to job creation and becoming a more business friendly state. The revenue that would be produced from more jobs and more businesses certainly would assure us that we wouldn't have to be in the position that we're in here today in the future. I see this budget as a starting point. Hopefully, the seriousness of the position that we find ourselves in today will help us prevent this situation from occurring again in two years. I'm in hopes that over the next two-year period that we can work together in the creation of more jobs and bringing more businesses to the State of Maine. I will be voting in favor of the override simply because I understand the seriousness of this position. Thank you very much, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Wells, Representative Chase.

Representative **CHASE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the Chamber. This has been a tough call for those of us on Appropriations and if any of you here think that any of the decisions we made were simple along the way, think again, because they weren't. Day in and day out, hour by hour, week by week, month by month, we went through the process of determining what should be paid for, what shouldn't, what should be in the budget, what shouldn't be in the budget. These weren't easy decisions. Is it a good budget? No, I'll tell you it isn't, but it's probably the lesser of evils. That's what I'm going to tell you it is. Along the way, one of the areas that we looked at when we realized that there just wasn't enough funds to go around was a choice between property taxes, sales taxes, and meals and lodging taxes. Really, that's what we were looking at, at the end. The way that I looked at it and I assume others on the committee did, but I know it is how I settled it, meals and lodging and the sales tax are temporary. They end in two years. More than that, they are optional. They are on items that you can probably choose to purchase or if it's a big item, maybe put off for a year and a half or two years, until the sales tax goes down. Eating out in my family has always been a luxury. So those are choices that you can make, whether or not you want to eat out. But property taxes aren't an option and when you don't pay your property taxes, you lose your home. That was probably the deciding factor for me when we were looking at the budget. Lose your home or provide a temporary resolve for the funding problem on optional taxes. Now, we've had this discussion a week and a half ago. We already did all of this. We already voted. We voted and we passed a budget. We passed it in here twice, we passed it down the hall twice, and it was done and here we are back again. Now, for me, I believe in the process. I absolutely believe in the process. We voted it once. I voted; we passed it. I will vote today green again because I believe in the process, because voting red is absolutely nothing less than chaos. Thank you.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Everybody in this chamber got painted into this corner by our CEO on the second floor and we got hung out to dry. If we passed his budget, our elderly in this state, which we have more per capita than any other state, would find themselves out in the street, out of their house because they couldn't afford to pay their real estate taxes. That's what his budget would have done for the elderly. Our state police haven't had a raise in five years. If we turn around

and let him get away with this veto now, our state police that haven't had a raise in five years will have to continue working to follow their oath to protect the people of Maine and not get paid for it. I don't think anybody in this chamber, whether you are for it or against it, have to be a rocket scientist to know if we let this thing go between now and the vote, it's all over for the State of Maine. I would ask you to follow my light and all the green lights, and let's pass this budget and move on. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Cape Elizabeth, Representative Monaghan-Derrig.

Representative **MONAGHAN-DERRIG**: Thank you, Mr. Speaker. I am going to be as brief as possible. I just wanted to second another story similar to the good Representative from Morrill. I have worked in tourism for a very long time, also in exhibition management, and as far as the lodging tax, I can tell you 99 percent of any event planner that wants to come to Maine, wants to come to Maine. They are not going to be threatened by an increase in meals and lodging, and if they were, it's very possible the hotels, the bigger hotels I should probably say, will just throw in another room. I worked for two years on a huge soccer tournament. For two years, my department had the task of placing hotels, the soccer players and their families, from hotels ranging from Kittery to Augusta. We filled over 51 hotel rooms. Over 15,000 players and their families stayed here for four days. Not one registration consultant or family member complained about the current lodging tax. In fact, some of them wanted to opt out of some of the hotels they wanted to stay because they wanted to stay in a resort near the beach. They paid $250 to opt out for this penalty. I just want to repeat again. The lodging aspect is not a threat to event planners. We are still the lowest in New England and I ask you to take that into consideration when you press your button. Thank you.

The SPEAKER: The Chair recognizes the Representative from Jay, Representative Gilbert.

Representative **GILBERT**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Failure to override the veto will result in a state shutdown. I believe that Representative Treat and I are the only House members who lived through the shutdown of 1991. She was in the Legislature and I was a state employee. Although there may have been a state trooper or two now in the House who was deemed essential, the essential employees were exempted from the shutdown and continued to work. Examples of essential employees were state police, corrections officers, workers at Dorothea Dix and Riverview because of the AMHI Consent Decree from the courts, and UI workers. That's unemployment insurance workers.

Most other state workers were locked out. There are some examples of negative results of a state shutdown. Closing state parks will negatively affect tourism. People looking to get driver's licenses will be turned away. No vehicle inspections, if the shutdown goes into August. No state services such as responses to concerns or questions from the general public or from municipal and/or county government and school districts. Look at the departments that report to your committees. Most of them are staffed with nonessential workers and they will be locked out. They will not be available for legislators, nor for those whom legislators claim to represent. It doesn't end there. Private companies and their workers will be affected as well. For example, retailers, restaurants and others looking to be licensed and/or inspected. Constructions companies, truck drivers, heavy equipment operators, flaggers and others depending on contracts associated with work on Maine's highways will come to a halt. Work on state roads is required to be supervised by state engineers. Those engineers are nonessential workers. All work stops and those private sector workers become unemployment. The ripple effect continues through Maine's economy.

Additionally, a state shutdown means that all nonessential state employees will be locked out. They will file for unemployment and they will qualify for unemployment benefits and they will be paid UI benefits for the length of the shutdown. Remember, the state is self-insured in regards to UI, as are all government entities, including public schools. Being self-insured means the state is exempt from paying unemployment insurance, though when a claimant is allotted UI, the state needs to reimburse monies for all benefits paid out dollar for dollar to Maine's Unemployment Trust Fund. Folks, we are talking hundreds of thousands of dollars that will need to be included in a new state budget, depending on the length of the shutdown. I ask you to really give some thought to your most important vote on this budget. This is not a game. Many people will be in a world of pain, including your constituents, if you vote to sustain the veto. Please, please vote to override.

The SPEAKER: The Chair recognizes the Representative from Augusta, Representative Wilson.

Representative **WILSON**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, good morning. I wanted to rise quickly just to share a couple of things in my viewpoint and how I arrived at the decision that I arrived at today. First off, I think that we can virtually all agree that we dislike this budget for one reason or another. But my decision was made based off of a couple of things. First off, the Chief Executive's budget that was proposed would have led to a massive shift in taxes to the property tax, and I don't think that's the right way to go. I received a number of phone calls from elderly folks, specifically. I received one just yesterday from a woman who is in her 80s, who said to me that she just could not face another property tax increase. They are living off a fixed income and I think that if we are going to shift taxes some place, it shouldn't be to the property tax. I think that it will lead to people losing their homes and when somebody is retired, that's often times the only investment that they have remaining. That's unfortunate. So that was one of the things that weighed on my mind, when coming and making this decision today.

Secondly, I have a lot of state employees in my district. I probably have arguably more than anybody else in any other district. A couple of things that I want to say is these people are working very hard for us. While some may not share that view with me, I happen to believe that. They haven't had a pay raise or longevity increase for about five years now. I think that's unfortunate. Some people think that that's fine, that they were overpaid to begin with. I would argue that that's not the case. I recently toured the dispatch center here in central Maine, here in Augusta, at the request of some of my constituents. These people are short staffed right now to the point where they are working sometimes 18-hour days. That's unsatisfactory. These are the people that when you pick up the phone and call 911, they are there for you. They have to always be there and if they cannot recruit or retain individuals because their pay is so low and because they haven't had a pay increase for five years, then who is going to be there when there is nobody there, when you call 911 and it rings and rings and rings? This is just one example of a number throughout state government. This budget is far from perfect. I acknowledge that, most of you acknowledge that, but it does include longevity increases and I think that's important. Five years is an awfully long time to go. We are seeing county governments paying more. We are seeing municipal governments paying more. We need to do something more for the state employees as well. While that may not be

popular is this caucus, I will stand here today and tell you that I believe that it's the right thing to do. I just wanted to share those two stories with you and let you know that today I will be voting to override the Governor's veto, but it wasn't an easy decision for me to make, but I feel that for me and my constituents in my district, it is the right decision. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Orrington, Representative Campbell.

Representative **CAMPBELL**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. Contrary to my other segues into my floor speeches, I've been here before and the difference between now and 1992 was that, in 1992, we had a budget proposed to us which had a $1 billion hole. The previous budget was $3.125 billion and the budget that was before us was over $4 billion. It was interesting because in the deliberations just before my vote, the Governor then, McKernan, said, "You know, Dick. This is all about revenues." Same as now. It's all about revenues. He said, "I remember a short time ago when we couldn't find enough places to spend the money." So revenue comes in two difference forms: higher taxes or a strong economy. I'm thinking that Maine could benefit from a very strong economy.

Now, today, many people have mentioned that this is not a budget that anybody likes. True, this isn't a budget that anybody likes. I truly appreciate the process. Appropriations, on both sides of the aisle, has worked very, very, very hard to get a consensus budget. Different from then, now, we have divided government. All of my terms, except the first one, we were in a true minority. A true minority works in different ways. You just do the best you can, you come to consensus and that's the budget. The Legislature and the second floor really are in concert from the very start. In this case, in January, the second floor presented us on the third floor with a budget, a budget that no one liked – no one, I'll bet including the Governor – but it was balanced. It created a big stir, but it began all of us thinking differently – the municipalities, the school districts, we all started thinking differently. The point is we have no money and we have no economy. We all have stories about people who have come to us and say, "I can't hire anymore. I do a lot of oil changes, but this contractor has one truck instead of seven." It's going on all around us and if we don't do the right thing now, we're going off a cliff. I believe we're not going to go off that cliff, whether we sustain this veto or we override this veto.

I think, we, as a Legislature, and leadership has missed an opportunity. We knew right off that downstairs was going to veto this budget, so we really have almost muscled each other into this corner. I don't believe that it's time to give up. I think everybody can come together here and create a budget that will move Maine in a direction of a strong economy and people who are taken care of. No one, no one, no one wants a shutdown. I believe that that is true. I believe also that there isn't going to be a shutdown because we do have a lot of time. We have huge talent. Appropriations have combed through this over and over and over, and they know all the pieces of this budget. We have a truly experienced member of the administration in Sawin Millett that could help us do this. I believe that leadership can come together in the short time that we have to get together and pass a budget without tax increases and without increased spending. I believe that we should reject this budget, sustain the veto and get to work. We have the time. We have the talent. Now all we have to do is find out if we have the will.

The SPEAKER: The Chair recognizes the Representative from Augusta, Representative Pouliot.

Representative **POULIOT**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I rise to speak in support of overriding the Chief Executive's veto. Let's be real. I do not like the idea of paying higher taxes whatsoever; however, the idea of shutting down state government is much more distasteful to me. The Appropriations Committee has been working diligently to put together a balanced budget as required by the State of Maine Constitution, and I think it is incumbent upon us to support this work. This is not a question about whether any one of us likes the budget personally. It's a question of whether supporting the budget is the right thing to do. I think supporting the budget is the right thing to do. Not many in this body want a state shutdown. Republicans do not want to lose the income tax reduction that we fought so hard for in the 125th and a partial restoration of revenue sharing was important to many of us to help avoid higher property taxes. My job is to represent my constituents, not my own personal interests. I have a lot of state employees in my district who work hard to provide for their families. The idea of putting these people out of work because we cannot agree to compromise is something that I cannot support.

Also, the budget softens the blow to local governments by preserving 65 percent of revenue sharing that goes to support our towns and cities, which will help keep property taxes down. However, the reduction to 65 percent, I think, is an acknowledgement that everyone needs to share in the right sizing of government, including municipalities. If you were to poll the average Maine citizen with the following, would you rather pay a temporary half-cent more on sales tax and 1 cent more on meals and lodging, or put several thousand hardworking Mainers out of work, pay more in property taxes and go back to 8.5 percent on income tax, I think many would say they would pay the temporary increase in sales, meals and lodging. This budget is a compromise and, in my book, compromise is not a dirty word. Thank you.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Jorgensen.

Representative **JORGENSEN**: Thank you, Mr. Speaker. Mr. Speaker, Colleagues of the House. This is a very hard budget. I have lived with this budget now for six months. I have spent days with it, I have slept with it, I have eaten meals with it, I have argued with it. It has been a very intense relationship, and even then, I certainly don't love it. I don't think I even really like it, but I think it's a fair and basic budget. It's a budget that's come a tremendous distance from the document we received back in January, a document that even the administration admitted that it wasn't proud of. Over the past five months, the Appropriations Committee has gone through every single line in it. We have had to make some very difficult decisions. My city gets clobbered by this budget. I'd like to have done more for our cities and towns. I feel we had to make some very awful choices regarding vulnerable populations here in the oldest state in the country and I feel we had to let go of some very important things that the rest of our caucus was pushing hard for, during what was a very difficult and protected negotiation, and while I can't speak for my colleagues across the aisle, I know that they had to make similarly tough choices all over the place. This was not easy and that's how we came out with something that ultimately turned out to be unanimous. We all moved a little off our positions and found a compromise that, while really truly hard to love, is possible to live with. So I ask that when you think about this budget and think about the parts of it that bother you, and I assure you that everyone has parts that bother them, think about how few alternatives exist right now, right here. There is no other budget. We are not going to find another one in four days. There is no continuing resolution. There is, in the words of my

esteemed colleague from Wells, only chaos if we fail to override this veto. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Mapleton, Representative Willette.

Representative **WILLETTE**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I stand today in support of the Governor's veto because Augusta, and Maine, we have a spending problem. We don't have a revenue problem. Two weeks ago, I voted against this budget because it's bad for rural Maine and I originally wasn't intending on speaking this morning, until I got two calls from two farmers in my district and they reminded me of a quote from John F. Kennedy, that "The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays freight both ways." As I went door to door across my district last election cycle, I met many of the farmers in my district and watched all the creative ways they bring their equipment together and a sales tax hike on a $200,000 or $300,000 tractor is a major, major expense on a business that is such a huge part of our rural Maine economy.

This budget also hurts the elderly. We've heard that the budget helps the elderly, but the budget also hurts the elderly. These folks are on fixed incomes. Increasing the meals and lodging tax on these folks, if you think that's not going to hurt the elderly, I invite you to the Presque Isle McDonald's any Thursday at noon time. It's the elderly's hangout. They bring people from the nursing home there to eat lunch once a week and have a great time to socialize. These people are on fixed incomes and it is going to hurt their bottom line and this is a great opportunity for them to socialize. I just really cannot support a budget that increases taxes in a time when government is continuing to grow, when we are still one of the most taxed states in the nation. We need to take a look. The Chief Executive has given us an opportunity in his veto message to stop a shutdown, no one wants a shutdown, and have us take another look at this. I urge you to support the Governor's veto. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Dexter, Representative Wallace.

Representative **WALLACE**: Thank you, Mr. Speaker. Mr. Speaker, Fellow Colleagues of the House. This is a very difficult vote for me. I spent this weekend at a blood drive in Dexter and to the person, to the man and woman, every one as they come out that door, they said, "Veto this budget." Every one of them. It was shocking. They were teachers, they were working people, they were elderly, and I went home and I started thinking, you know, why does everyone that I talk to feel the same way? We just voted in this assembly to raise minimum wage and yet now we're going to step out and raise the taxes on that minimum wage? How much are they gaining? I live on a fixed income. Last year, I got a raise on my Social Security and, almost instantly, it was wiped out by increases in my medical. I don't know, maybe some of the people in this House, maybe they are wealthy enough not to feel an increase. Maybe they are wealthy enough not to feel an increase in their real estate taxes at home. I know I'm not and that's what's going to happen. The elderly, the fixed income, the low income, this is what this budget is going to hurt and I don't care what anybody says. This is what this budget is going to hurt. If you can't feel that, if you can't realize just what this is, I'm sorry for you. I know how hard the Appropriations work. They worked very hard, long hours, long nights, but raising taxes was not the way to solve it. Cuts were major cuts across the board. A 1.5 cut in all services by the state would have covered all your tax increases. That wouldn't have hurt very few people. It would not have hurt your elderly. It would not have hurt your low income. It would not have hurt your fixed income. A 1.5 cut across the board would have raised enough money to take care of all of the problems in this budget. Think about that. How quick can that be done? That can be done tomorrow. They can go back into their committee, kill the increases and say, "We cut across the board." It's done. There is no shutdown. There is nothing. Just stop and think about it. I mean, it's not a major thing. Take my word for it. We can vote yes on this budget and we will take our beatings, but there is a way to solve it. Please do that. Thank you.

Under suspension of the rules, members were allowed to remove their jackets.

The SPEAKER: The Chair recognizes the Representative from Chelsea, Representative Sanderson.

Representative **SANDERSON**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. As the good Representative from Augusta, Representative Pouliot said, compromise is not a dirty word. It's actually a good word and that's often how we get our best work done because there is a total blend of folks throughout the state, folks with different thoughts, different ideas on how we should get to a solution and through the art of compromise, that's how we bring all of those ideas together. Property tax increases, sales tax increases, no matter which way you go in this budget, there is tax increases. How you go, who knows? What's the better way, who knows?

There are two cut pieces in this budget that I find of particular concern. If I am going to vote for a budget to raise taxes, if I am going to vote for a budget to make cuts, I really want to know what they are, I really want the details so I can make my vote based on the details and knowledge, and logic and knowledge, and then face the music either way. There is a $40 million initiative in here to find exemptions and take a look at those. Well, you must have an idea of what these exemptions are. Are they tax exemptions to low and middle income that are going to be done away with? Are they for small business? I don't know. Who are they going to apply to? I don't know. Forty million is a lot of money. I'd like to know. There is a $30 million initiative for cuts and efficiencies throughout state government. That's a lot of money. What department does that apply to? I don't know. What employees does this apply to? I don't know. We just debated a bill where $7 million a year represented 93 new employees for the Department of Health and Human Services. How many employees does $30 million affect? We don't know.

I just had a great conversation with a woman from my district outside in the halls before we came in today and she is a representative of the union. She told me that this is often how her members do this. They say they want some cuts and they direct their board to do so. But there is a big difference. That is the members directing the board to cut themselves. In this case, I would be voting blindly to cut them without knowing what the ramifications are, without knowing what the details are. Now most in here know that I am a proponent to reduce government spending, to create efficiencies, to make our government smaller. I would like very much to jump on board and say, yes, let's cut state government by $30 million, but I can't do that because I just don't know the details. I'm not going to vote blind. I would rather know exactly what I'm voting for, make the hard choices, make that yes vote than ever go back to the people of this state and say, I'm sorry, I didn't know. That's why I will be voting to sustain the veto on this budget. Thank you.

The SPEAKER: The Chair recognizes the Representative from North Yarmouth, Representative Graham.

Representative **GRAHAM**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This is not about being a Democrat. This is not about being a Republican. This is about being a Mainer. I had to rise to speak of the strong work the State and Local Government Committee did this session. I was proud of the unanimous recommendation to restore longevity pay and close to unanimous on merit pay because, as my good colleagues from Augusta have noted, it's been almost five years since state employees have had any raise whatsoever. It was a fine example of bipartisan work. It was so strong that the committee insisted on sending a letter to the Appropriations Committee to further reinforce their work. I know that many have bemoaned the fact that bipartisanship has not been here. Well, I am here to say that it has. I think it is time we come together, work together and override this veto. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Arundel, Representative Parry.

Representative **PARRY**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I wasn't going to get up and speak, but after listening to everyone, I rise totally conflicted on this vote we're about to make because I didn't like the Governor's original bill and there are parts of this budget that I don't like either. It was very disturbing that when some priorities were set in this budget, that some on the Appropriations Committee chose to add more money to Clean Elections and Representatives welfare for politicians. I was also very upset because I come from a fairly high taxed area and in this budget, our most vulnerable homeowners are going to get a huge property tax increase. I want everybody that is going to vote and I may go along with them and I'm going to have to explain it how, to our most vulnerable, to the people of our district that are over 70 years old that currently get the full amount on the Circuit Breaker program, how we're raising their property tax $1,200, and the people under 70, that get the max, we're raising their property tax $1,300, all the while we're putting more money into welfare for politicians. That does not sound like very good prioritizing of our spending. I voted against the budget a week and a half or so ago mainly for this reason.

We've heard a lot of talk about tax increases which I am totally against, but I am also against the shifting to the towns. I wrote, in all my campaign literature, because the former Chief Executive and the former Legislature kept using the property taxpayer as their ATM machine, which really bothered me. I think some towns and cities can cut their budgets. I think other towns and cities had already cut their budgets to the bone trying to make up for increases in education spending in their communities. This vote, for me, is very difficult because, number one, I don't think it would be good for the state to shut government down. On the other hand, we will all need to go back to our constituents and tell them that we passed a budget that added money for us to run for office, but cut the money for the people who are most vulnerable in our communities and raised their property tax by taking away the Circuit Breaker program. And I really think that we need to think long and hard on this decision we make and it's going to be difficult for all of us, no matter what the decision is, to go back to our constituents. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Bowdoinham, Representative Berry.

Representative **BERRY**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I've spoken previously on this budget to say that it is, in my view, a responsible alternative and reflects tremendous bipartisan, in fact unanimous, work by the Appropriations Committee that avoids a property tax hike and puts us on a path to funding education 55 percent. And it does many other praiseworthy things, but I won't dwell on or repeat the speech I gave earlier. I rise simply to spell out in a somewhat clearer way, through the headlines of 1991, the chaos referred to by the Representative of Wells with which we flirt, if we fail to override the budget veto today.

Nineteen ninety-one, *Bangor Daily News*: "State employees berate governor, legislators." Excerpt: "During the day, Democrats and Republicans took turns blaming each other for a breakdown in negotiations... All day long and into the evening, car and truck horns blared out the frustrations of the state employees and a 'tent city' of protesters grew in Capitol Park. Chanting, clapping state workers jeered lawmakers arriving for their afternoon session. About 10,000 non-emergency state employees, who had been shut out of work four days last week, again were idled..." It goes on. "On Wall Street the rating agencies were getting anxious. State Treasurer Sam Shapiro, who met Thursday with top executives of Moody's Investor Service, said he was informed that the stalemate was 'testing the limits of Moody's confidence in the state.'" Standard & Poor's had already at that time dropped the state's AAA rating by half a notch.

Another headline, Mr. Speaker, from the *Ellsworth American*: "Budget Impasse Cripples State." An excerpt: "Until Tuesday afternoon, district attorneys throughout the state were not being paid, nor were they considered essential..." effectively closing the courts. "For those area motorists whose car registration and driver's license [that] expired on June 30, the shutdown of the motor vehicle registry could not have come at a worse time. They now face the prospect of leaving their cars behind or driving without proper documentation and facing possible summons to court when it reopens. 'I am sure there are a number of people who woke up yesterday and realized they now had expired licenses and registrations,' said Sheriff Bill Clark [on] Tuesday." Meanwhile "On Swan's Island..." – Downeast as well – "Louise Martin remained at her post at the ferry service terminal despite the fact that there is no money to pay her for her work." These were some of the choices that people had to make.

A third headline, Mr. Speaker: "State shutdown enters third day" from the *Press Herald*. In Biddeford: "Courts turned away people who showed up for hearings or to pay fines. One of those told to come back another day was a Virginia man who paid $500 to fly to Maine for a mediation session in District Court..." The clerk is quoted as saying, "He was extremely angry and frustrated... It was one of those things – who do you get mad at?" I think we all know the answer to that, Mr. Speaker. In Buxton: "Thelma Shepard, 80 [years old], traveled 1½ hours from her home to the Maine Veterans Memorial Cemetery in Augusta to place flowers at her husband's grave, only to find the gate locked [on] Tuesday. 'I couldn't believe it,' said Shepard. 'I was terribly disappointed I couldn't get in there.'"

Another headline, Mr. Speaker, from the *Ellsworth American*: "Children Were Lost In Shuffle." An excerpt: "Caseworkers for abused and neglected children began processing hundreds of new referrals last week as the Maine Foster Parents Association called for a moratorium on new foster home placements in the wake of state shutdowns." This is a real tragedy, Mr. Speaker, and I encourage people to read more about it.

Kennebec Journal: "Shutdown could have hurt car dealers, banks." "The extended shutdown of Maine state government pinched banks, lawyers, insurance companies and car dealers which do business regularly with the Secretary of State." And the article continues.

Another headline from the *Journal Tribune:* "State role considered in death of Mass. man." "POPHAM BEACH (AP) — The director of parks and recreation said [that] he would not

speculate whether the death of a 65-year-old Massachusetts man could have been averted if a state park had been fully staffed."

Kennebec Journal: "Workers' protest rampant." "Scores of idled state employees stormed the offices of Republican Gov. John McKernan and his budget-blocking legislative allies Monday, while questions over issuing welfare and unemployment checks highlighted the disruption and confusion of Monday's government shutdown."

Journal Tribune: "The longer it lasts, the worse it gets." "It could be the vacation from hell for many tourists to Maine if state government doesn't get back in business soon. Road-killed animals [would] lie on roads longer. Backed up toilets at state parks won't get fixed. Bars may run out of liquor with no place to reorder."

Just a handful more and this is only a taste, Mr. Speaker. *Kennebec Journal*: "Work piles up at state offices." 'It's a crime what they're doing to those people, to the public.'" "AUGUSTA — A backlog of work is growing for closed state agencies, affecting developers waiting for construction permits, child-abuse investigations, even people seeking deer-hunting licenses."

Headline number 10, from the *Bangor Daily News*: "It's a nuclear meltdown in Augusta."

Headline number 11, from the *Kennebec Journal*: "Forget politics, shutdown is 'real' for state workers." And this excerpt: "Debbie Morton of Manchester said a late paycheck could delay paying the light bill again. 'If we don't get no check by next week, it won't get paid. We need groceries,' said Morton, an employee at the Workers' Compensation Commission. She and her husband, an injured carpenter...were in the State House with their three young children, also trying to get the attention of lawmakers. 'It's getting so that even the car payment is getting behind,' she said. Other women said all this may force them to go on welfare. 'Essentially, I want the governor to know and anyone else in the Legislature, I'm a mother of two and I have to support my children,' a woman said as her 2- and 5-year-old...spun around her. 'I can't support anybody unless I get paid.'"

From the *Press Herald:* "Rest-stop squalor underscores crisis in nearby Augusta." "A rest stop on Interstate 95 north of Augusta became a not-so-tidy symbol of the state shutdown [over] the weekend, greeting motorists with overflowing toilets and heaps of trash blowing through the parking lot."

I will close with this one from the *Press Herald*: "Taverns facing fifthless Fourth." "Managers of some taverns said Tuesday that the shutdown of state government could leave them without liquor to sell during the long Fourth of July weekend, one of the busiest of the summer." Obviously, this particular concern is not likely to take shape in the same way, but it certainly could impact paying our hospitals if we fail to pass a budget here today.

Mr. Speaker, I urge this body to accept a responsible alternative, to accept that two-thirds of a loaf of revenue sharing is better than none, to accept the compromise, responsible work by our unanimous Appropriations Committee. I think there are certainly things that we can agree on and disagree on here today about this budget, but at the end of the day, I want to thank the Appropriations Committee for really defying what many said in making predictions about this Legislature. They really have done what many said was impossible, so I want to thank all the members of the committee and I want to especially thank the Representative from Wells and the Representative from Newport for their work across the aisle with us, with the Representative from Lewiston. I want to thank you, Mr. Speaker, for your leadership, and I hope here today that we can pass the budget and not spend the next days or weeks of our lives and the lives of the people of Maine and the visitors to the people of Maine in the ways just described. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Boland.

Representative **BOLAND**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I just wanted to explain that I voted against approving this budget before out of my concern for people who are paying too much for things that don't have the value that they should have, and yet I'm only one person and I respect the majority of the hard work of the Appropriations Committee. But I would ask that, in listening to all of the debate about who should pay for what and how much, there really haven't been good questions about why we are paying so much for what we are paying for. Of course, I often speak about health care and that's one of the big ones. But every time that we fail to ask why things are costing so much rather than whether or not we should pay for them, we move further into this kind of predicament we always find ourselves in. So I would say although that realization has grown over the years, that when we fail to stand up to things that harm us, whether it's products, chemicals, pesticides, extravagant insurance costs and all that, when we fail to stand against those big, powerful, profitable industries that ask us to go their way instead of ways that we think are maybe more sensible, we contribute to the problem of trying to deal with a budget. So I would just ask that, going forward, we are doing the best that we can today with what we have before us, but we don't know from our own personal experiences, often times, how much pain people are suffering. We have good health insurance, for instance. We are able to come up and go back and forth to Augusta. We are able to have these discussions and so many people are left out of those opportunities. So I would just ask that, in the future, we try harder to ask why the costs are so high. Thank you.

The SPEAKER: The Chair recognizes the Representative from Newport, Representative Fredette.

Representative **FREDETTE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. When I buy a car, I go into the dealership with a set price I am willing to offer and the dealership has their sticker price. The dealer will come down from their price, to some extent, and if I want them to come down more, I am going to have to give a little too. If I stick stubbornly to my initial position and don't budge, I end up without buying the car. If Democrats and Republicans stick stubbornly to their initial positions, no tax hikes, no spending cuts, then we end up without a budget. I understand how strongly many in our caucus feel about the tax increases in this budget. If I, alone, were writing this budget, it would look far different and would contain no tax increases, but just as in the car dealership, there are two parties to this negotiation, not one. Compromise is one of the most revered and most reviled words in American politics. We do the word a disservice by oversimplifying it, however. When something must be done, for example, a budget, compromise is necessary. However, when there is an optional proposal on the table, such as a bill to defund charter schools or roll back workers' compensation reforms, compromise is not necessarily required. If somebody introduced a measure to eliminate fraud detection procedures in our welfare system, I wouldn't feel a need to compromise. I would simply oppose it. We see lawmakers in Washington, D.C., pick the wrong battles all too often. We see gridlock led, in the last five years, to continuing budget resolutions at the federal level. When there is no balanced budget requirement, there is no need to compromise. Congress can have all the tax cuts and spending increases it wants, but Maine does not have that corrosive luxury. Our

constitutional balanced budget requirement creates a zero sum game where revenues have to balance with outlays and only by compromise can both sides come to an agreement. If there were a viable alternate, a path to inject more Republican values into this budget, I would consider it. The Chief Executive's proposal to sustain this veto, enacting a continuing budget resolution and further negotiate with the majority party is not realistic. Those who could bring a continuing resolution to the floor have taken the advice of the Attorney General that such a measure is unconstitutional. The choice we have is a shutdown or a budget compromise. The time for negotiation has passed. There is no Plan B. Let me repeat. There is no Plan B nor have I been approached with a Plan B.

If I, alone, had the task of writing this budget, I would not support tax increases, neither the increases proposed in the original budget nor the current budget. I would leave out some of the spending increases in the current proposal and enact more cuts to state government. But again, the majority party would not agree to that, just as I would not agree to a rollback of the 2011 income tax cuts. We have to meet in the middle if we want a budget. As Republicans, we got some good things. We saved our cuts to the income tax, which are far greater and more permanent than the temporary sales tax increases currently proposed in the budget. By retaining roughly one-third of the originally proposed cuts to revenue sharing, we stated that no level of government may be immune from fiscal responsibility. We have ensured that charter schools will receive the funding that they need and that DHHS must find savings. Let us also consider what would happen if we failed to enact this budget. A state shutdown means that until further notice, there is nowhere to report an incident of child abuse. There would be thousands of Mainers and their families going without a paycheck for weeks or possibly months. Small businesses would feel the ripple effect when they can least afford it. Our state parks would close just at a time when thousands of tourists are coming to our state. Hospitals would go without payments that they were promised and would be forced to skim on health care. Dairy farmers would go without the assistance that they were promised by a hardworking, bipartisan collaboration of lawmakers.

I would like to add one last thing. The Republican Party was successful when we had a big welcoming tent. The level of visceral I have witnessed and the circular firing squads I have seen among Republicans cannot stand. With our vote for this budget, we are not endorsing tax increases. We are endorsing compromise, an indispensable requirement of government that has been endorsed by many great Republicans. Ronald Reagan agreed to a nearly $100 billion tax increase in 1982 as part of a deal with Democrats to cut the deficit. Governor John McKernan agreed to a $300 million tax increase as part of the deal with Democrats to enact workers' compensation reform and end a state government shutdown. And our current state Chief Executive proposed tax increases in his own budget, which his own budget officer called a budget of desperation. These are all true Republicans and they all pushed for lower taxes and limited government as a rule throughout their careers. Most would say they came out ahead in the long term. At the end of the day, we do not have one-party rule, but we must have a budget. Mr. Speaker, I will be voting and supporting the Appropriations Committee budget. Thank you.

After reconsideration, the House proceeded to vote on the question, 'Shall this Bill become a law notwithstanding the objections of the Governor?' A roll call was taken.

The SPEAKER: The pending question before the House is 'Shall this Bill become a law notwithstanding the objections of the Governor?' All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 398V

YEA - Beaudoin, Beavers, Beck, Berry, Black, Boland, Bolduc, Briggs, Brooks, Campbell J, Carey, Casavant, Cassidy, Chapman, Chase, Chenette, Chipman, Clark, Cooper, Cotta, Crockett, Daughtry, DeChant, Devin, Dickerson, Dill, Dion, Doak, Dorney, Evangelos, Farnsworth, Fitzpatrick, Fowle, Fredette, Frey, Gattine, Gideon, Gilbert, Gillway, Goode, Graham, Grant, Hamann, Harlow, Hayes, Herbig, Hickman, Hobbins, Hubbell, Jorgensen, Kaenrath, Keschl, Kruger, Kumiega, Kusiak, Lajoie, Libby N, Longstaff, Luchini, MacDonald S, MacDonald W, Maker, Malaby, Marean, Marks, Mason, Mastraccio, McCabe, McElwee, McGowan, McLean, Monaghan-Derrig, Moonen, Moriarty, Morrison, Nadeau A, Nadeau C, Nelson, Noon, Pease, Peoples, Peterson, Plante, Pouliot, Powers, Priest, Pringle, Rankin, Rochelo, Rotundo, Russell, Rykerson, Sanborn, Saucier, Saxton, Schneck, Shaw, Short, Stanley, Stuckey, Theriault, Tipping-Spitz, Treat, Tyler, Verow, Villa, Volk, Weaver, Welsh, Werts, Wilson, Winchenbach, Winsor, Mr. Speaker.

NAY - Ayotte, Beaulieu, Bennett, Campbell R, Crafts, Cray, Davis, Dunphy, Espling, Gifford, Guerin, Harvell, Jackson, Johnson D, Johnson P, Jones, Kinney, Knight, Libby A, Lockman, Long, McClellan, Newendyke, Nutting, Parry, Peavey Haskell, Reed, Sanderson, Sirocki, Timberlake, Turner, Wallace, Willette, Wood.

ABSENT - Duprey, Kent, Kornfield.

Yes, 114; No, 34; Absent, 3; Excused, 0.

114 having voted in the affirmative and 34 voted in the negative, with 3 being absent, and accordingly the Veto was **NOT SUSTAINED**. Sent for concurrence.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH** with the exception of matters being held.

The Following Communication: (H.C. 225)

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0001

June 21, 2013

The 126th Legislature of the State of Maine
State House
Augusta, Maine

Dear Honorable Members of the 126th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 598, "Resolve, Directing All Relevant Agencies of State Government To Work in Concert with a Plan To End and Prevent Homelessness To Ensure That Resources Are Available To End Homelessness in the State."

I very much appreciate the intent of this bill – ending homelessness in our State is an objective we all share. The challenges are ones I know all too well. That is why I have volunteered with shelters and assistance agencies throughout my life, and why I am so dedicated to the Clubhouse model that is taking root throughout Maine and the country.

This bill is returned solely because I do not know how my agencies will be able to comply with this law. Attempting to "align their budgets" is going to require Legislative action and I do not know how to assess compliance with this law. The last thing I want is for agencies to be considered lawbreakers because of