

# MAINE STATE LEGISLATURE

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Senate Legislative Record

One Hundred and Twenty-Third Legislature

State of Maine

Daily Edition

First Special Session  
April 1, 2008 to April 18, 2008

Pages 1760 - 2135

On further motion by same Senator, **TABLED** until Later in Today's Session, pending **ENACTMENT**, in concurrence.

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**ORDERS OF THE DAY**

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

HOUSE REPORTS - from the Committee on **TAXATION** on Resolve, To Provide a Rebate of Diesel Fuel Taxes Paid by Maine's Forest Products Industry (EMERGENCY)  
S.P. 860 L.D. 2228

Majority - **Ought to Pass as Amended by Committee Amendment "A" (S-522)** (8 members)

Minority - **Ought Not to Pass** (5 members)

Tabled - April 4, 2008, by Senator **WESTON** of Waldo

Pending - motion by Senator **STRIMLING** of Cumberland to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report

(In Senate, March 28, 2008, Reports **READ**.)

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

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#379)**

YEAS: Senators: BARTLETT, BENOIT, BRANNIGAN, BROMLEY, BRYANT, COURTNEY, DOW, HOBBS, MARRACHE, MARTIN, MILLS, MITCHELL, NUTTING, PERRY, PLOWMAN, RAYE, ROSEN, ROTUNDO, SCHNEIDER, SHERMAN, SMITH, SNOWE-MELLO, SULLIVAN, WESTON, THE PRESIDENT - BETH G. EDMONDS

NAYS: Senators: BOWMAN, DAMON, DIAMOND, HASTINGS, MCCORMICK, NASS, SAVAGE, STRIMLING, TURNER

ABSENT: Senator: GOOLEY

25 Senators having voted in the affirmative and 9 Senators having voted in the negative, with 1 Senator being absent, the motion by Senator **STRIMLING** of Cumberland to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report, **PREVAILED**.

**READ ONCE.**

Committee Amendment "A" (S-522) **READ**.

On motion by Senator **SCHNEIDER** of Penobscot, Senate Amendment "A" (S-551) to Committee Amendment "A" (S-522) **READ**.

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

Senator **SCHNEIDER:** Thank you, Madame President, men and women of the Senate. This amendment takes the amount of money for this bill to be funded from the budget stabilization fund versus the highway fund. It's also referred to as the Rainy Day or contingency account. I'm hoping that this will help to alleviate some of the concern over the issues that we have that need to be addressed with regard to our roads and bridges. Thank you.

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

Senator **COURTNEY:** Thank you, Madame President. I can't seem to find the amendment. Would you be willing to table this until later in today's session.

On motion by Senator **COURTNEY** of York, **TABLED** until Later in Today's Session, pending the motion by Senator **SCHNEIDER** of Penobscot to **ADOPT** Senate Amendment "A" (S-551) to Committee Amendment "A" (S-522).

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The Chair laid before the Senate the following Tabled and Later (3/31/08) Assigned matter:

Bill "An Act Concerning Technical Changes to the Tax Laws"  
S.P. 823 L.D. 2154  
(C "A" S-508)

Tabled - March 31, 2008, by Senator **PERRY** of Penobscot

Pending - **PASSAGE TO BE ENGROSSED AS AMENDED**

(In Senate, March 31, 2008, **READ A SECOND TIME**.)

On motion by Senator **PERRY** of Penobscot, the Senate **SUSPENDED THE RULES**.

On further motion by same Senator, the Senate **RECONSIDERED** whereby it **ADOPTED** Committee Amendment "A" (S-508).

On further motion by same Senator, Senate Amendment "A" (S-550) to Committee Amendment "A" (S-508) **READ**.

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

Senator **NASS:** Thank you, Madame President. If I might give just 30 seconds of explanation. It's pretty confusing down in the pit on these technical change bills. This one is supported by the tax committee and has to do with Kibby Mountain and the windfarm there. So it's not related to our next battle on technical changes so I urge your support. Thank you.

On motion by Senator **PERRY** of Penobscot, Senate Amendment "A" (S-550) to Committee Amendment "A" (S-508) **ADOPTED**.

Committee Amendment "A" (S-508) as Amended by Senate Amendment "A" (S-550) thereto, **ADOPTED**.

**PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-508) AS AMENDED BY SENATE AMENDMENT "A" (S-550)** thereto.

Sent down for concurrence.

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

SENATE REPORTS - from the Committee on **JUDICIARY** on Bill "An Act To Limit the Compensation of Officers and Directors of Nonprofit Corporations"

S.P. 636 L.D. 1792

Majority - **Ought to Pass as Amended by Committee Amendment "A" (S-532)** (12 members)

Minority - **Ought to Pass as Amended by Committee Amendment "B" (S-533)** (1 member)

Tabled - April 4, 2008, by Senator **NUTTING** of Androscoggin

Pending - motion by Senator **HOBBS** of York to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (S-532)** Report

(In Senate, March 31, 2008, Reports **READ**.)

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

Senator **NUTTING:** Thank you, Madame President, ladies and gentlemen of the Senate. We've done quite a few things today and I thought in order to make it a well rounded day I would try to turn around a 12 to 1 report. I'm the 1. I'm standing in opposition to the pending motion. This is an issue that was brought before the Judiciary Committee by the good Senator from Penobscot, Senator Schneider. This regards, as the title says, the compensation of officers and directors of nonprofit corporations. I've had distributed to your desks, it wasn't quite ready to be distributed before and that is why I tabled it, just the Maine healthcare professional non-profit salaries. I was amazed to see the salaries of these non-profit CEO's. The hospitals in my area of central Maine are aggressively purchasing doctors that will work just for them. They are purchasing other hospitals. They are trying to purchase rural health centers. They are also very aggressively lobbying, as they should, that their reimbursements aren't high enough. That they are owed money from back years, which I am not disagreeing with. The Majority Report says that we are going to address this problem by making their salaries public. I didn't feel that went far enough. Maine Biz has been publishing these salaries now for four years and yet the salaries continue to go up and up and up. The other thing in my research on this bill, I am very impressed that hospitals in Hancock county

and Aroostook county, and the hospital in Farmington seem to be able to manage those fine hospitals by paying CEOs salaries that are much, much less. We're looking at salaries here of \$984,000 and \$747,000 and \$648,000 and \$527,000 to run various hospitals. The original bill said that it would limit their salaries, their compensation to \$250,000. I've increased that to \$300,000, trying to be extra generous I would say. We've got a lot of state general fund money that goes to these hospitals, these non-profit hospitals and I'm just hopeful that this Minority Report that I'm on might help to make sure that that general fund money that goes to these hospitals actually, a larger percentage of it, goes for health care and for paying the nurses and support staff and less of it goes toward paying salaries that really are out of line in my opinion. Thank you.

On further motion by same Senator, 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 Oxford, Senator Hastings.

Senator **HASTINGS:** Thank you, Madame President and members of the Senate. The issue that this bill has highlighted is a real one. I'm going to ask you to support the Majority Report and let me quickly state the difference between the two. The bill that came before us initially asked to limit the salaries for public interest non-profit corporations to \$250,000 a year for its officers and directors. A public interest non-profit was defined as one that received more than 25% of its funding from state and federal government sources. Quite honestly I think the committee does believe that, especially in the healthcare field, salaries for chief executives at our largest hospitals are becoming to most of us what appear to be excessive. I wonder does it require a million dollars to run any hospital in Maine, a million dollar salary? But on the other hand I cannot see our committee or this Body substituting its judgment for those boards of trustees that have made those decisions. You've got to recognize these boards of trustees are made up of some of the brightest and best people in their local communities. They haven't done this lightly, setting these salaries. The problem is, and I think it's a problem in both the for-profit corporations and now it's becoming a problem in the non-profit industry and it's what I call boot-strapping. Compensation committees don't know what to pay their CEO, they don't know what's fair, so the way they start is they start comparing themselves with the next hospital. Everybody starts putting themselves into a pecking order. I don't know what the highest paid salary is in New England, it may be Mass General or something like that, then everybody places their hospital into a range where they say 'well, we're smaller than this one and bigger than that one, so therefore our salary range will be in between those two.' Then, at the end of the year that hospital at the top sees that everybody else has ratcheted up a little bit so they go up and say, 'We were 10% ahead before.' It reaches a point where I believe it goes beyond what is necessary what we should be using public funds to support by way of a salary. I think the boards of trustees are forced into doing this because they do need to acquire the best and most highly skilled people they can. We can't do it with a mandate. I think the only way we can do it is through the court of public opinion and this is a start. This salary information is already available or you wouldn't have this hand-out that you have. But it's pretty hard to find, it's through IRS 990