

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD
OF THE
One Hundred And Fifteenth Legislature
OF THE
State Of Maine

VOLUME I

FIRST REGULAR SESSION

House of Representatives
December 5, 1990 to May 16, 1991

Regulation pursuant to Joint Rule 24.)

Ordered Printed.
Sent up for Concurrence.

Education

Bill "An Act to Provide Due Process in Employment Decisions Affecting Public School Principals" (H.P. 190) (L.D. 283) (Presented by Representative NORTON of Winthrop) (Cosponsored by Senator LUDWIG of Aroostook, Representative MURPHY of Berwick and Representative MORRISON of Bangor)

Ordered Printed.
Sent up for Concurrence.

Human Resources

Bill "An Act to Allow Minors to Make Anatomical Gifts" (H.P. 186) (L.D. 279) (Presented by Representative GOULD of Greenville) (Cosponsored by Representative TRACY of Rome)

Ordered Printed.
Sent up for Concurrence.

State and Local Government

RESOLUTION, Proposing an Amendment to the Constitution of Maine to Require That Local Units of Government Be Reimbursed for the Costs Incurred in Executing State-mandated Programs (H.P. 188) (L.D. 281) (Presented by Representative FOSS of Yarmouth) (Cosponsored by Representative SMALL of Bath, Representative REED of Falmouth and Senator CAHILL of Sagadahoc)

Ordered Printed.
Sent up for Concurrence.

Taxation

Bill "An Act to Increase the Progressivity of the Maine Sales Tax Code" (H.P. 189) (L.D. 282) (Presented by Representative NADEAU of Saco) (Cosponsored by Representative HOGLUND of Portland, Representative CASHMAN of Old Town and Senator GAUVREAU of Androscoggin)

Ordered Printed.
Sent up for Concurrence.

Transportation

Bill "An Act to Change the Registration Year for Camp Trailers" (H.P. 187) (L.D. 280) (Presented by Representative CLARK of Millinocket)

Ordered Printed.

Sent up for Concurrence.

ORDERS

REPORTS OF COMMITTEES

Unanimous Ought Not to Pass

Representative CHONKO from the Committee on **Appropriations and Financial Affairs** on Bill "An Act Making Additional Appropriations from the General Fund and Allocations from Other Funds for the Expenditures of State Government for the Fiscal Year Ending June 30, 1991" (EMERGENCY) (H.P. 80) (L.D. 108) reporting **"Ought Not to Pass"**

Was placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

At this point, Speaker Martin appointed Representative Gwadosky of Fairfield to act as Speaker pro tem.

The House was called to order by the Speaker pro tem.

Divided Report

Majority Report of the Committee on **Appropriations and Financial Affairs** reporting **"Ought to Pass"** pursuant to Joint Order H.P. 51 on Bill "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government for the Fiscal Year Ending June 30, 1991 and to Change Certain Provisions of the Law" (EMERGENCY) (H.P. 192) (L.D. 274)

Signed:

Senators: BRANNIGAN of Cumberland
PEARSON of Penobscot

Representatives: POULIOT of Lewiston
MICHAUD of East Millinocket
CARROLL of Gray
MARTIN of Eagle Lake
PARADIS of Frenchville
RYDELL of Brunswick
CHONKO of Topsham

Minority Report of the same Committee reporting **"Ought to Pass"** pursuant to Joint Order H.P. 51 on Bill "An Act to Make Additional Appropriations from the General Fund and Allocations from Other Funds for the Expenditures of State Government for the Fiscal Year Ending June 30, 1991" (EMERGENCY) (H.P. 193) (L.D. 275)

Signed:

Senator: FOSTER of Hancock

Representatives: REED of Falmouth
FOSS of Yarmouth
MacBRIDE of Presque Isle

Reports were read.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, Men and Women of the House: I move acceptance of the Majority "Ought to Pass" Report.

Very briefly, I would like to begin with a little history of how and why we are here today.

June 1988 began a decline in projections of revenues and it was almost continuous until June of 1990. As you know, in March of 1989, a budget was presented by the Governor which we adopted with various adjustments of \$500 million more than the previous biennium. At the same time, the legislature became concerned that projections were over-optimistic.

The legislature contracted with the accounting firm of Peat, Marwick to assist in creating revenue projections and adjusting tax rates. In June of 1989, the Governor revised the budget figures downward by about \$60 million. In early December of 1989, we got the results of Peat, Marwick accounting firm's study and announced that another \$67 million was not going to come in for the remainder of the biennium.

In January of 1990, the Governor signed a financial order mandating \$67 million worth of cuts over the first six months of 1990. In early January of 1990, the Appropriations Committee was informed by the Commissioner of Finance that the budget shortfall would be roughly \$100 million. At the end of January, the Governor announced the shortfall would be \$210 million, which meant that the original projections of \$500 million more were actually short \$270 million.

In early February of 1990, the Governor released the proposed balanced budget and then, of course, the streams of provisions came from the Commissioner of Finance to the Appropriations Committee through the end of March 1990.

Finally, the members of both parties of the Appropriations Committee said to the Commissioner, "Don't bring us anymore changes, we are giving you a budget." The legislature adopted that budget in April of 1990. At the same time, we asked the Governor to consider the possibility of calling us back into Special Session if the revenues continued to change. That, as you know, did not happen. The election came and went in November and then we found ourselves where we are today.

The job of the Appropriations Committee was not, and I hope our role today is not an attempt to throw blame because, frankly, that is another story. I think that has to be revisited at some point because there ought to be an ability of all state government in all states to be certain of some revenue figures and how to project and how to deal with them. Whether we have that ability or not today doesn't make much difference. We have the deficit, we have the problem.

What then took place was that we had a mandation of 15 percent cuts throughout state government including aid to education. There was a proposal to do some other things, which included borrowing from

the Retirement Fund and a number of other things which I will talk about, things which we believe (at least I think most people believe) were not the right thing to do.

On January 2, 1991, the Governor stated his position and basically he said that the legislature would have to act and if it did not, he would seek to act. As you know, what took place then was that the budget was prepared and presented to the legislature and, as other members of the Appropriations Committee have indicated, it became at that point, a legislative budget.

I need to begin by telling you, and this may be a shock to some, but what you have before you today is not a Democratic budget — I repeat, it is not a Democratic budget — it is a budget that was put together over some 30-odd days. Until a couple of nights ago at eight o'clock when we broke off, we were down to about five items between the two parties. At this point, I want to state those now so you know what we agreed to do. One item was \$640,000 for Community Mental Health Services. State law says that if you take money away that is in the budget from AMHI and BMHI, the legislature "shall", not "may", not should, it says "shall" take savings and put it in Community Mental Health. That figure was \$640,000, so we from the Majority Party felt that that commitment should be carried out.

Second, the position of the Majority Party was to do away with the Office of Volunteerism. We felt that that could be, at this point in time, postponed for a couple of years and put back on the books.

Third, the Majority Party felt that we could postpone school assessments for one year.

Fourth, we had a discussion or debate over the issue of the Seed Potato Board and where that ought to be placed.

Fifth was the amount of money to be given to Maine Health Care.

Sixth, the Representative from Yarmouth, Representative Foss, had her personal concern about PUC assessments and transferring the budget on assessments.

Finally was the issue of reorganization, which was something that the Majority Party wanted.

So, after we broke off that night, here is what we did with those issues. The Majority Report before you contains the \$640,000 for Mental Health Community Services.

We knew that the Governor wanted the Office of Volunteerism so we put it into the budget.

School assessments — over the objections of members of the Majority in Appropriations, we swallowed and put it back into the budget.

The Potato Seed Board language did not change from what had been in the last proposal.

The Maine Health Care proposal (as I recall it) from the Minority Party was \$4 million. We agreed at that time to \$6 million. I repeat, at that time, because it will become an issue down the road later in this debate.

Regarding the PUC, we put it on assessment. That, members of the House, is where we broke off and the result of where we are today. If I were to bet or to guess or to assume, we are basically down, (all having been said that night — to caving in to Volunteerism, School Assessment, we accepted the Governor's position) to two issues, Maine Health Care and reorganization. That's where we were a couple of night ago and that is why I say to you that it is not

a Democratic budget. At that point in time, until we broke off, we had mutually agreed that we would support the positions of one another on all the changes that were, as I recall, about two pages long where we had had discussions and objections and I could go through those that were between the two parties. We had narrowed them down from those two pages, both sides agreeing to things that others wanted, and finally breaking it down to those seven or so items and, from my position, to the remaining two. I think that it is critical that that be said before we begin because I think there have been some misconceptions.

I also want to tell you a couple of other basic misconceptions before we continue to explain the budget. Someone, somewhere, for some reason, indicated that one of the reasons that I was in favor of reorganization, especially DECD and State Planning was that I wanted to see the Governor have to post (for the first time) Mr. Silkman. That rumor was said in the course of our discussions and negotiations. I will tell you what I said there privately because I think it ought to be public. I indicated that I had no problems with Mr. Silkman, that I would inform Mr. Silkman that I would personally support him for his confirmation if he were to be posted, that I felt he was qualified, and I had no personal problems. As a matter of fact, even though we have made up since then, he had more of my support than the previous State Planning Director, who happened to have been appointed by a Democrat.

I also will tell you that some members of my own caucus were even skeptical of what it was I was doing so one in particular went to get the Record of when the Office of State Planning was created. Lo and behold, the Record will show that I voted against the creation of that office by a vote of 8 to 2 when I was a member of the State Committee. I want to put that one away and I hope that it is not raised again.

I want to thank the Representative from Waldo, Representative Whitcomb, in having xeroxed my name larger than life in a KJ editorial. A former member of this body used to say, "If an editorial agrees with you, print a thousand copies and distribute it; if it doesn't, remember it is the opinion of one man." Guess what? It is the opinion of one person of the Kennebec Journal but it is also wrong. It is too bad that editorial writers can't pick up the telephone and ask but that is pretty typical of this particular editorial writer because you see, halfway down (and I have mine in yellow because I wanted to highlight it) it says, "Then make two payments in July as the next fiscal year opens." That is not the case at all, not the case at all, because if that were to happen, it would in effect do what the Minority budget does — steal from the next biennium. If this were true, it would mean that there would be 13 payments in the next fiscal year so, at that point, you would be \$45 million behind. That doesn't make much sense and I think most accountants and people who can add would probably figure that out too. No, there would be 12 payments next year and 12 payments forever. There would never be a change. Keeping in mind to avoid any loss of money to the municipalities, the Majority Report contains about a million dollars that would go for the interest on the cost of paying the repayment schedule in this year so there is no loss to the municipalities there as well.

I must admit though that I am really pleased to see the Representative from Yarmouth, Representative Foss's concern about those paying towns and non-paying towns because, as you know, Yarmouth is not one of those who receives much money from the state for education. The loss is for those of us who get all the state money because the school subsidy, as you know, doesn't apply to about 100 towns in Maine. Those hundred towns that are represented by those of you in this room that don't get any state money ought to be jumping for joy because, if you take that logic, you are in effect doing something to us but that you haven't been able to do yet. Let's put that one aside.

Moving the date by one day (and I want to explain again) is very simple. It is like if your house mortgage is due on the 30th of the month, you go to the bank and say to the bank manager (by the way, I have done it) "My money sort of comes in at the beginning of the month — do you mind if we move this to the 4th or the 1st of the month?" He says, "Yes, no problem." Let me ask all of you — if you do that, do you now owe 13 payments for next year? No, you owe 12. Can you ever do it again? No. It is the same in reverse of what the Governor made us do last year when the insurance tax money was going to come to us on July 1st. You may remember that the Appropriations Committee moved the date to June 30th so it would be in the fiscal years that we are in now. We can't do it again, those are things that are referred to by accountants as a "one-time fix." They have other words for it but that is how it works. I think it is critical that we remember that.

Remember what the Minority Reports contains is the tax that is in the budget document that is before you. The telecommunication tax is in the document for funding next year's budget so that tax is moved up into this fiscal year. The tax generated \$12 million you don't have next year because you can only play this game once. Once you have played it, it is all over.

What does the Majority Report do? The Majority Report eliminates program cuts proposed by the Governor that would have resulted in loss of federal funds and increase use in costs of programs. The Majority Report restores the General Aid to Education of \$2.7 million and it restores the AFDC money. While I am on that point, the Minority Report does not do that. For those of you who know anything about municipal government know that if you cut that, you know where people are going — General Assistance. By the way, there is more money left over now in the Minority Report because they are going to need it because they have cut AFDC.

Remember, all this General Assistance money on the local level is not matchable by the federal government at all. For every dollar in General Assistance, it is state bucks. Every dollar — Medicaid, AFDC, and other related programs is a two and three to one match from Washington. I am not very bright but I do know that, when the federal government wants to pay something, let's not turn it around because we are not going to see it again.

In the Majority Report, we have restored \$40,000 to Maine Maritime and \$80,000 to the Maine Technical College System. We restored \$1 million to the Judicial Branch because we felt very strongly that we didn't want services cut to our constituents.

What I am going to do now is a little different but I thought it would be appropriate. What the

members of the Majority Party tried to do throughout the last three or four weeks was to ask members of the committee to try to give them a certain area and become a "better expert" than trying to let everyone focus on every area. So for the next few minutes, what I would like to do is ask your permission to let the Democratic members of Appropriations make their presentation on the various sections and then I would ask after that is done that we from the Majority Party let the Minority Party make their presentation and then we will get into questions and debate that needs to follow.

Members of the legislature, I feel as a closing comment that the Majority Report represents the majority of this body, regardless of party, because I can guarantee you (and some of you know me well) that if this were a Democratic package, it would be a lot different than it is in here. If it were to be just Democrats who feel the way they do, you would not have in this package the restoring of a position for the Commissioner of Education, school assessment, the Office of Volunteerism because we did not approach it from that direction. I could go on and on. I ask members of this House not to approach it from that direction either because the Governor has said to us, "It is not my budget anymore, it is yours." Well, it is here now and if we fail to act, it is your responsibility and my responsibility. If we don't pass this budget, then it will fall on you and I. I think today it is appropriate that it is Ground Hog Day.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Brunswick, Representative Rydell.

Representative RYDELL: Mr. Speaker, Men and Women of the House: I want to talk to you today about the health care components of the budget proposals. I think they affect every one of us very, very clearly. I hope that in a few moments you will understand that as well as I do.

You will all recall the package that was passed on July 1, 1989 and you all will recall that that package included taxes to pay for a new health care package that included several components. We passed taxes that none of us were thrilled about but we needed those taxes to pay for health care that is absolutely essential to Maine citizens. We needed to protect hospitals that were in difficult financial situations, needed to protect access to health care for Maine citizens all over our state. Those taxes included increasing the taxes on cigarettes, increasing the tax on liquor in bars and restaurants, adding a tax on the sale of pleasure boats and also a lodging tax that has yet to go into effect. Those taxes have been collected since October of 1989. In fiscal year 1990, they brought in \$5.6 million in anticipation of this program. In fiscal year 1991, they are estimated to raise \$10.5 million. According to the tax office, the collections are running right on schedule so \$16.1 million will be collected in these two fiscal years for a program that in the Minority Report is almost completely eliminated.

The health care package contained some very carefully put together components — health insurance for up to 22,000 uninsured adults and children in Maine, health insurance that none of us want to be without. It also contained assistance to hospitals experiencing high levels of bad debts through the establishment of a Hospital Uncompensated Care Fund through a recognition that there are many people in our state who cannot pay for hospital care because

their incomes are so low, have no insurance, and that the rest of us were helping to pay for their costs — cost shifting, a direct tax on other payers, most of whom are employers who are paying for health insurance.

We also included assistance to local communities, particularly in rural areas. They could apply for community health grants to provide preventive and primary care to Maine's lower income citizens that would help them to avoid costly illnesses later on and help to ensure that our community health system in our rural areas would be kept intact. We also increased fees to medical providers, primarily physicians.

In our Majority proposal, we recognize that a number of things have happened since that package was passed. First of all, there have been applicants at a faster rate and the cost to those applicants has been higher than projected last year. Why? Because for many years these people did not have access to health care. The kind of illnesses that they have are expensive and they are destructive to the health of the individual and to the family. In the beginning of this program it is true that the cost projections are higher than last year but last year we were asked to redo the projections and the working group that worked on this package went back to the Department of Human Services and asked for new figures. We got new figures. We got new figures that recommended the deappropriation of millions of dollars from the health care package and the diverting of those millions of dollars to help the budget shortfall last year. The working group used figures from the Department of Human Services and we presented those figures to the Appropriations Committee. The Appropriations Committee recommended the deappropriation. It turns out, men and women of the House, that we needed those dollars, we need those tax dollars raised for the health care package to be kept in a health care package.

We proposed increasing from last year's projection the amount available to the health care package, keeping well within tax dollars that are being raised to the health care package. We have to remember that persons in this state who are under the federal poverty level are entitled to hospital care without charge if they can't pay, so these people will continue to get hospital care if there is no Maine Health Program. Again, the cost will be shifted to other payers, employers, many of whom are struggling to continue to provide health insurance. The cost will be shifted to anyone who pays that bill out of his or her own pocket.

Approximately a quarter of our hospital bills are not for care that we receive, that money goes to help pay for the care of people that do not have insurance, do not have money to pay the charges that they run up in a hospital. We call this cost shifting. Without the components of the Maine Health Program, that direct tax will continue and will undoubtedly increase.

The Hospital Uncompensated Care Fund was designed to go to hospitals all over this state — the hospital in Greenville is scheduled to receive \$53,000, the hospital in Blue Hill, \$160,000, the hospital in Calais, \$175,000, the hospital in Presque Isle, \$250,000 and I could go on and on until we reach the amount of approximately \$2 million for this year alone to be divided amongst those hospitals whose uncompensated care, whose charity and bad debt

care is among the highest in the state.

There are other important components regarding health care in this package, the Medically Needy Program, which has been helping low income people, primarily elderly people, in our state whose incomes do not qualify them for the Medicaid Program but whose medical expenses far outstrip their ability to pay. For example, we have many elderly citizens living in nursing homes around our state whose pensions are slightly above the Medicaid level. These people have spent down their assets but they continue to receive a pension or some income that is a little above the Medicaid level, making them ineligible for the Medicaid Program. Our Medically Needy Program is helping these people to get the nursing home care that they need. Eliminating that program will eliminate those people from being able to receive that nursing home care.

The package of the Minority proposes allowing those people who are in the nursing homes as of yesterday to continue there. What about the people who go to nursing homes today or tomorrow or three or four months from now? That Medically Needy Program also helps Maine families who have tremendously high medical costs because of a devastating illness, once they have spent their assets down to a very low level, they can apply (if they still have high medical costs for chronic diseases or for a devastating illness) and receive through the Medically Needy Program their costs paid for. They don't need to lose their homes, they don't need to go into bankruptcy because we in this state have said that we will help them.

We also have people, particularly elderly people, who no longer need acute hospital care but they are in the hospital and are awaiting a nursing home bed but there isn't one available today or maybe for the next few days. Up to now, we have been paying hospitals (not at the acute care rate) to allow those people to stay in the hospital awaiting a nursing home bed. What will happen to those people who will no longer be able to stay in the hospital unless they can pay? Will the hospitals continue to keep them and, hence, increase their uncompensated care, increase the charges to everyone else? Will those people be thrown out of hospitals? I don't know. I think we need that program.

Again, it is true that applications are running at a faster than projected rate last year. It is also true that we still have enough money in the tax account collected for this program to continue all of those on the program. It is also true that we have agreed to put a halt to new adult applications so that we can review the program and make recommendations for continuing the program after the end of this fiscal year. As of April 1st, we will have federal funds for the children on the program. We are awaiting word from Congress as to whether there will be a federal demonstration program for adults on the program. We have no need to throw people off the program who are currently receiving medical care, who currently have insurance and will continue to have insurance through the Maine Health Program, if we allow the Maine Health Program to continue and offer those kinds of benefits.

We in this state hold that health care is right for all people. Over the years, we have enacted programs and appropriated funds to do that. I don't believe that the members of the Maine House of Representatives want to see Maine people thrown out

of nursing homes, thrown out of hospitals, not able to receive care at the same time that the one component that is continued is the one that raised the fees of doctors. I believe it is important to raise the fees of doctors for Medicaid patients but it is also important to allow those persons who do not have access to the Medicaid Program and who desperately need these other programs to be able to continue.

I would also like to point out that the Medicaid cuts will equal \$12 million over the next year for hospitals if the Minority Report is accepted. That will be another shortfall, another tax of \$2 million, and at least \$16 to \$20 million added to charges. The burden will be especially heavy on the small hospitals and it will be a clear tax on our businesses and on our individual Maine citizens. So, I hope as you evaluate this package, you will think about the impact on your hospitals, the impact on your businesses in your districts and on the individuals in your districts, many of whom are barely able to afford their hospital and medical costs now. What will they do as those costs increase over the next year?

The SPEAKER PRO TEM: The Chair recognizes the Representative from East Millinocket, Representative Michaud.

Representative MICHAUD: Mr. Speaker, Ladies and Gentlemen of the House: I have heard, not only in this legislative body, but throughout my district, about the size of state government and it is time for state government to downsize. I agree with that general philosophy but I think it is important when you do downsize government that you do it in a manner that does not directly affect the people of the State of Maine.

The Majority Report does have a provision in there that does take that initial step. It was brought up in the Appropriations Committee about our natural resources agency. To do that, it would take a lot more time than what we had so we did not go that route.

There is language as far as reorganization for the Department of Human Services but it does not spell it out in the bill. I think when you deal with that agency, it is going to take a long time to do it and do it in a proper manner.

The Speaker was correct when he mentioned about the State Planning Office, I did go back and check the Record and he did vote against it when it was first created.

Basically what the Majority Party had done to start downsizing state government and still provide services that are currently there is we abolished the State Planning Office and combined those functions with the Department of Economic and Community Development. We created two different bureaus in DECD, which is the Bureau of Land Use and Natural Resources. Currently under that bureau, there are three divisions. The first division is the Land Use Planning Division, which is better known as Growth Management. We did not make any changes in the function of these divisions. There is a Natural Resources Division, which was currently under the State Planning Office and we moved that over to the Bureau of Land Use and Natural Resources. Currently under DECD, there is a Community Development — the block grants — that division is under the Bureau of Land Use and Natural Resources. These three divisions we put under the Bureau of Land Use and

Natural Resources because they deal with communities, they deal with the natural resources area so it made logical sense to put them underneath that specific bureau.

We also redesigned the Bureau of Development. Under that bureau, we have an energy division. You have to remember that, right now, DECD has some energy policy and State Planning also has energy policy and we combined them under the Energy Division, which I think makes logical sense.

There is also a Bureau of Development Division and under that division, we put in the Tourism Bureau and also the International Commerce Bureau and I think it makes a lot of sense to put those both under the Business Development.

Then we established an Economic Policy Division, which used to be under the State Planning Office and we moved that over under the Bureau of Development.

Representative Carroll will go into greater detail about this but in the Community Service Block Grant, we established an Office of Community Services within DECD, which I believe also makes some sense. With this move, for the rest of this year, we can save state government \$94,114 without affecting any services to the people of the State of Maine. It is a good first step in the right direction to downsize state government and I think it is a good step as far as looking at other agencies. I think we can do it without hurting the services and, hopefully, you will join me in supporting the Majority Report.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Gray, Representative Carroll.

Representative CARROLL: Mr. Speaker, Ladies and Gentlemen of the House: I would like to clarify a couple of things on reorganization before I go into the Department of Corrections. First of all, the Division of Community Services before the whole downturn in the economy and the budget problems hit the state, movement was afoot to make some changes there. The Commodity Food Program was being moved to Agriculture. The Weatherization Program was being moved over to the Maine State Housing Authority and what was actually going to be left was a couple of small programs in the administrative structure of that division. We just continued to move a couple of those programs back, as Representative Michaud said, to DECD, over to State Housing and eliminate that structure.

A major step toward reorganization and we have heard a lot that it is time to downsize state government and we all agree with that, I think. Everybody in the Majority Report, everybody in the legislature and around the state thinks it is time to streamline state government and the time to begin is now.

The Majority Report does make a major step toward reorganizing and streamlining state government and state services in two of the most broad and far-reaching and expensive departments and that is the Department of Mental Health and Mental Retardation and the Department of Human Services. We'll be combining those two departments and some sections of the Department of Corrections, DECD, and education into a newly created Department of Families and Children. We will be making the other new department the Department of Health and Rehabilitation, bringing together various bureaus and agencies of state government into one so you don't have to call five possible agencies to deal with children's issue or deal with three or four agencies

dealing with rehabilitation services — they are all going to be located in one department under one roof.

Our Majority Report puts that mechanism into place immediately. With the legislature, outside help, and the Executive Branch, that timetable starts May 1st to do that reorganization. That report comes back to the legislature in the committee of jurisdiction by December 15th so we begin acting on that and confirming that so these new departments can take place and we can save some money in state government and streamline services July 1, 1992. So we have taken some major steps — we are not just going to study and study and study, we are going to begin that process in this fiscal year to get some savings in the next biennium.

The other areas of significant changes between our report and the other report is in the Department of Corrections. We have made a commitment to make some reductions in various departments that didn't hurt services and programs to those people who needed them. The forgotten department in that is the Department of Corrections. Our report maintains 20 probation and parole officers to maintain the oversight and the supervision of those people who are on parole and probation, to make sure they maintain their status, continue to work as productive members of society. Our report also restores all positions at the Maine Youth Center, which would include the teachers, the vocational trades instructors, the program directors, the psychiatrists, the psychologists, all those programs, all those educational services for the youth who happen to be in trouble. If we don't get them now when they are young, we are going to have them through the system forever.

The Majority Report maintains programs at the Maine Correctional Center in Windham. It keeps the vocational trade instructors, it keeps the program directors for the Sexual Offender Program, to work with those people so when their time is up, they are back into society with a vocational trade and they have had their problems addressed and, hopefully, remedied while incarcerated.

We maintain our positions at other smaller institutions so we won't have to be transferring inmates to the now already overcrowded state prison and correctional center in Windham.

We also maintain funding for the community service contracts of correction people, those programs that work well as diversionary programs and to keep people out of there and to maintain the integrity of our correctional system. I think we effectively, in the Majority Report, maintain areas that will maintain alternative sentencing and not create severe long-term correctional problems throughout society.

I, as others, would urge you to support the Majority Report.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Thomaston, Representative Mayo.

Representative MAYO: Mr. Speaker, Ladies and Gentlemen of the House: Although I am not a member of the Appropriations Committee, I thought I would rise today since the name of accountant was invoked this afternoon and try to provide some clarification to the funding sources that you see in the Majority Report and also one of the funding sources that is agreed to in both reports.

First of all, let's be sure we understand what the change in General Purpose Aid is. It is a

one-time, one day adjustment to when the General Purpose Aid checks will be sent. The check that was to be sent on June 30, 1991 will now be sent on July 1, 1991, one day later. The Speaker made a statement and said accountants would say something different — I will read to you what the accountants say. Accountants, by the way, are from Maine School Management as they drafted the language.

"Within seven days after the fiscal year, providing that if a balance of state subsidy for fiscal year is to be paid after the end of that fiscal year, the final payment made will be recorded as "Accounts Receivable" due from the state in that fiscal year. Everybody got that, right? What it really means is that those school districts will be allowed to accrue back to this fiscal year, that payment that they receive one day later. It is very similar to an accrual that occurred last May of \$20 million to balance May's books last year. It is also similar to the provision that is made in the Minority Report on the telecommunications tax.

I want to speak briefly about a major difference in the Majority Report than the Minority Report in terms of language. There are no monies involved in this yet but there is language involved and that language is important. The Majority Report and the Minority Report makes a transfer from the State Retirement System of \$49.1 million. There is a surplus in three separate accounts in the Retirement System, the largest of which is in the Disability Retirement Account. This surplus has occurred because the actuary, who decided how much the state and the state employees should be paying in to the disability account six years ago, made a guess. That is what actuaries do, they guess. He was too conservative in his estimates and his guess so, therefore, an overpayment has been made in this account, the surplus, if you will. A lot of people are confused as to how there could be a surplus in one account in the retirement fund when they have heard so much, especially from me of late, about the deficit for the unfunded liability in the other. That is because these accounts have different purposes, they are funded differently and they are separate. All the funds of the Maine State Retirement System are invested by the Board of Trustees of the Retirement System. In fact, those funds may be co-mingled but the accounting of those funds is maintained separately so they can be clearly delineated and clearly divided and payments can be made and checked periodically. Actuaries check their figures periodically. The Actuary did a study recently and he saw that that fund had been funded, I believe, to a 167 percent of what was necessary.

Even removing those funds, ladies and gentlemen, will have that fund funded more than is necessary. I believe it will still be funded in excess of 130 percent of what is necessary so you don't need to be concerned that we are putting those funds in jeopardy because there are, in terms of the Actuary's figures of today, a surplus in those accounts.

As I said, the transfers will occur for the Maine State Retirement System's Board of Trustees. If you look at the budget documents as I did, both the Majority and Minority Report, you may get a little alarmed because the account that is deappropriated is the Teacher Retirement Account. That is where.....

The SPEAKER PRO TEM: The Chair recognizes the

Representative from Limestone, Representative Pines, and would inquire as to what purpose she arises?.

Representative PINES: What document is before us?

The SPEAKER PRO TEM: The pending motion is acceptance of the Majority Report.

Representative PINES: Thank you. I thought I heard a lot of discussion about the reports.

Representative MAYO: I will refer to the Majority Report.

The SPEAKER PRO TEM: The Chair would caution all members to keep their comments in regards to the discussion before us in regards to the pending motion which is acceptance of the Majority Report.

Representative MAYO: Thank you Mr. Speaker and to the Representative from Limestone, Representative Pines.

In the Majority Report, there is a transfer that brings \$49.1 million. The end effect of that will be that the surplus in those accounts will be transferred out of those accounts. Instead of the Retirement System writing out a check and mailing it over here, they are going to transfer it over to the Teachers Retirement Account and will, therefore, make the appropriate transfer out of that account over to here so the retirement account will stay the same. The Disability Account will be adjusted so it reflects more accurately the appropriation or the monies that should be there. Let me say that again — even though the amounts are being transferred in the Majority Report out of the Teachers Retirement Account, they will be replaced by agreement by the Maine State Retirement System's Board of Trustees by a transfer from those surplus accounts.

The major difference between the Majority Report and the Minority Report is the language that has been put in and I would like to read, as I read in the debate a few weeks ago, the Constitution of the State of Maine, Article IX, Section 18. "All of the assets, and proceeds or income therefrom, of the Maine State Retirement System or any successor system and all contributions and payments made to the system to provide for retirement and related benefits shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes." The language that is in the Majority Report will add teeth to the Constitution. The language that is in the Majority Report adds the following language: "Funds" (not to the Constitution, but to the state statute) "that have been appropriated must be considered assets of the State Retirement System. Therefore, if the legislature votes and appropriates funds to the State Retirement System and the statutes regard the appropriations as an asset, the word asset could be construed under Article IX, Section 18, to mean that money and, therefore, cannot be taken, once appropriated."

As I said on the floor of this House before, there was a way around the Constitution that I felt violated the intent of the Constitution so this will clarify, in my opinion, the intent of the Constitution.

The second section of the language is an amendment to the financial order powers given to the Executive of this state when he takes his authority to curtail allotments in an emergency situation. The language says, "The Governor may not curtail or withhold funds appropriated or allocated for the Maine State Retirement System." In other words,

those funds, which are sacred in all of our minds, I believe, cannot be touched when the state has to, again at some point of time, balance its budget. Those cuts that have to be made have to be made outside of that because those are trust funds and should not be part of the discussion. All other funds of state government, of course, is where those cuts should come from.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Waldo, Representative Whitcomb.

Representative WHITCOMB: Mr. Speaker, Men and Women of the House: The reason I rise is that I understood from a discussion that you and I had at the rostrum before this began that we were going to have, as you told me, less than five minute presentations by members of your caucus from the Appropriations Committee to discuss elements in your package. I do not describe what has occurred up to this point as being that, especially with the last speaker that stood, who I did not yet understand was appointed to the Appropriations Committee. If you are afraid of debating this, that is all right but there are Republicans who feel that it is appropriate for them to respond to some of the accusations that have been made.

The SPEAKER PRO TEM: The Chair would respond to the Representative from Waldo, Representative Whitcomb, by informing him as Representative Pines has so accurately pointed out, the discussion of the Minority Report under our past rules and our precedent, are not allowed during discussion of the Majority Report, which is currently before this body. The understanding of leadership prior to this function that the Majority Party would make a presentation of the elements of their package and then as the presiding officer has indicated to you Representative Whitcomb, that he would like to allow the members of the Minority Party an opportunity to present their package as well. As you know, with the Majority Report on the floor and a motion made to accept the Majority Report, a discussion on the Minority Report would not be allowed. It is my understanding that a motion may be made to allow members of the Minority to allow their report to be discussed.

The Chair recognizes the Representative from Brunswick, Representative Rydell.

Representative RYDELL: Mr. Speaker, Men and Women of the House: In the Majority Report, we have one important additional appropriation dealing with Community Mental Health Services. The Representative from Eagle Lake mentioned that the money that we are able to save from the institutions of AMHI and BMHI is transferred to the Community Mental Health Services. We also left intact the current Community Mental Health Services Fund with very, very small deappropriations. We left intact the encumbered amount that are necessary for our local Community Health Services to be able to continue to provide those services from now until the end of the fiscal year.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Corinth, Representative Strout.

Representative STROUT: Mr. Speaker, I would like to pose a question to the Chair.

If I heard your comments prior to the previous speaker, what I heard you say was that the Majority Report could be discussed but the Minority Report would not be able to be discussed without somebody requesting it? Did I hear you say that?

The SPEAKER PRO TEM: The Chair would inform the Representative from Corinth, Representative Strout, by saying the Minority Report could be discussed if the Representative who made the motion to accept the Majority Report, Representative Martin, wishes to withdraw his motion to allow the Minority Party as a courtesy to discuss the Minority Report.

Representative STROUT: Mr. Speaker, I guess I would not entertain that request but I would ask that the Minority Party would be able to discuss the Majority Report that is before us, if they so wish.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, Members of the House: If I didn't make myself clear at the very beginning, what I intended to do after the Majority Report had presented its case to you, was withdraw my motion to accept the Majority Report and let somebody from the minority move their own budget and then they can present their budget. I think this will allow both sides an opportunity to fully explain their budget without any problem at all. This, I think, is the simplest way to get out of this very complicated problem dealing with the budget that we have. We have, I believe at this point, just two more that need to add comments and then we will be doing just that.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Corinth, Representative Strout.

Representative STROUT: Mr. Speaker, I would pose a further question. I believe the members of this House should be able to debate the Majority Report as a Minority Party. What I am saying is, I don't believe it is necessary for the Speaker to withdraw his motion. My request would be that I see no reason why any member of this House could not discuss the Majority Report as soon as the Appropriation Committee members of the Majority Party are finished. What I am saying, I as a member of this House, should be allowed as a Minority Party member, to discuss the Majority Report if I so desire.

The SPEAKER PRO TEM: The Chair does not disagree with that explanation.

The Chair recognizes the Representative from Frenchville, Representative Paradis.

Representative PARADIS: Mr. Speaker, Ladies and Gentlemen of the House: As a result of the Education Department's Executive Order, the January General Purpose Aid check went out late and shortfunded. Needless to say, this has caused stress and concern because this is the middle of the fiscal year.

The Majority Report would return the \$2.5 million the DPA withheld from our school systems.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, I would like to pose a question through the Chair to the Representative from Yarmouth, Representative Foss.

Would you prefer to continue at this point or would she rather I withdraw my motion so she could then proceed on the Minority Report?

The SPEAKER PRO TEM: The Representative from Eagle Lake, Representative Martin, has posed a question through the Chair to the Representative from Yarmouth, Representative Foss, who may respond if she so desires.

The Chair recognizes that Representative.

Representative FOSS: Mr. Speaker, when I rose and asked for recognition before, that was my very question. We just want to simply explain our side of

this budget issue. I would just as soon do it under the present motion.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, Members of the House: I think it would give greater latitude to every one and we can come back to the Majority Report if we want to but, at this time, I withdraw my motion to accept the Majority Report to allow the Representative from Yarmouth, Representative Foss, to make her motion.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Yarmouth, Representative Foss.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: I move acceptance of the Minority Report.

Before I make some general comments and specific comments, I do want to make one correction in what the Speaker said in his opening comments. His depiction of the final list of open issues during negotiations is accurate minus one very important issue, which was the source of funding for the other issues which were pending, revenue sources. As you know from our Minority Report, we did not accept the funding source and I will explain in my comments why.

I do want to start out though by briefly discussing the history of the appropriation process from my perspective. This is my fifth year on the committee and we have had philosophical differences, heated arguments but we have always had respect for each other's opinions.

The death of Don Carter affected us all. We had been like a family and oftentimes we spent more time together than we do with our families at certain parts of the year. Don was always gentlemanly and respectful of the opinions of others and he never belittled another member of the committee. The Speaker in his role as temporary chairman has left his indelible finger prints on the Majority Report as we expected and as many of us who represent different districts, the Aroostook County programs have been virtually restored but people he doesn't like or who even dare to be Republicans have been targeted. Somehow, we may even have expected that but, more importantly from my perspective, the committee process has suffered. I say with a great deal of pride, and I have told many of my constituents that the Appropriations Committee may be the last bastion of bipartisan spirit in this building where members of both parties have come together in a spirit of compromise, respect, and comradery to find solutions to serve the best interests of all of our citizens. I was proud of that process but I am not now. That process has been seriously damaged during the past month. Republican members, even some members of the public who came before us to testify, have been subjected to insults and bullying. The Commissioners were instructed to leave the room, and we have never, in my experience until just recently, played dirty in that committee. What saddens me is that we may never be able to recapture that bipartisan strength that we had. With that being said, I want to give you my version, my description, of how I view this problem.

For the period from January to June, as you all know, we must find spending cuts and borrowing or refinancing proposals that cover over \$160 million in needs. If we do not begin now to reduce the scope of state programs, the problem will be enormous for the next two years. Even the most liberal legislator who would vote for any and all tax increases, and I don't

think there are many in this House, could not pass enough new taxes to solve that problem.

We must simply reduce the size of programs to create a government that Maine people can afford. Unfortunately, those expensive programs are in very critical areas. The cost of Human Service programs and expenses in Corrections account for a major portion of our budget and those cuts are not easy. But unless there are some changes in the accessibility in the benefit levels of social programs, substantial tax increases will be required for the next several years to cover their costs. Unless there are some changes in funding for prisons in the Community Corrections policy, we will never be able to afford the ballooning needs in that area.

State spending grew at an enormous pace during the booming economy of the 1980's and I participated in that and I take responsibility for that. I sponsored ASPIRE and I still think it is a good program. It is disappointing that we have to cut it back to a degree but we are paying the price of that spending now. Just to keep pace with the cost of operating state government at existing levels, we would need over \$4 billion for the next two year period starting July 1st. However, with the downturn of the economy, tax collections for that same period are expected to total only a little over \$3 billion. To fill that gap of almost a billion dollars, it would require a family of four to pay an average of \$2,500 more in taxes during that period. We know that most citizens could never afford that kind of increase. Therefore, we must begin now to prepare for that problem.

I would like to briefly outline the major differences from my perspective between the two reports. Downsizing the cost of entitlement programs that could eventually bankrupt Maine, and as I said earlier these cuts do not come easily, the Maine Health Care Program has a budget now and appropriations of a little over \$6 million. It started in October and right now \$7.1 million more is necessary to keep that program going. That is over and above the original \$6 million appropriation and that program just started in October. The cost projections for that program which were developed by the Round Table Group, which was a bipartisan group reflecting a lot of input from a lot of different sources, were severely underestimated and this program is reeling out of control. The enrollment is way beyond expectations. One critical issue is that the original enrollment projections showed it would be about 55 percent adults and 45 percent children. Actually, 71 percent are adults and 29 percent children. While we agree that the children's coverage should continue, we all agree that is good preventive medicine, we cannot agree that it can continue right now for the adults.

Even the Majority Report includes a study due by April 1st to understand fully what this program would cost and I would suggest to you, with the economy the way it is and our other needs, it is very difficult to buy into a program that has already doubled its original appropriation. I hope that you will remember that many of the taxpayers who are paying for this program, because of layoffs or reductions in salaries, now find themselves unable to afford health insurance. Economic difficulties have hurt everyone and we cannot forget the taxpayers who pay for these programs. I want to remind you that 90 percent of our taxpayers, either singly or jointly, earn under

\$50,000. That includes many, many dual working families. Government can no longer afford to be all things to all people.

The next area I would like to discuss were the differences in the AFDC account. This is another painful cut but I want you to know that Maine is only one of four states nationally that allows clients to fill the gap between the maximum payment and the standard of need with both child support and income. I don't know if you all know but 75 percent of the AFDC clients, their benefits would not be touched by our proposal if the gap were eliminated. When the economy was healthy, we all agreed to the gap proposal when the money was there but times have changed, however. Eliminating that gap, which is in the Minority Report, would still leave Maine the 17th most generous state in the country in AFDC benefits and would begin to start making this program affordable in the next biennium. So we can protect the benefits to the 75 percent who do not have outside income.

I want to speak briefly about the restructuring proposal also. I want you to know they don't save much money and you have heard much rhetoric about cutting 700 positions more. You should know that those positions are currently vacant and unfunded. To me, the restructuring proposals are just smoke and mirrors designed to create.....

The SPEAKER PRO TEM: The Chair recognizes the Representative from Thomaston, Representative Mayo, and would inquire as to what purpose the Representative arises?

Representative MAYO: Mr. Speaker, a point of inquiry as to parliamentary procedure?

I believe the Representative from Yarmouth, Representative Foss, is referring to the Majority Report, which was pointed out to this Representative earlier, is in violation of the rules.

The SPEAKER PRO TEM: The Chair would caution all members to attempt (and it is difficult) to confine remarks to the pending reports that are before us. I know that is difficult at times, but in a sense of fairness, I think that would work best for informational purposes.

Representative FOSS: Mr. Speaker, would it be appropriate for me to withdraw my motion and move the Majority Report?

The SPEAKER PRO TEM: The Representative may choose to do whatever she chooses to do with whatever motion.

Representative FOSS: Mr. Speaker, I withdraw my motion and I move the Majority Report.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, I move acceptance of the Majority Report.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Yarmouth, Representative Foss.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: I am not speaking about the Majority Report. There is a proposal in the Majority Report that creates a Department of Families. This issue is near and dear to me. I have sponsored an Office of Children. I am presently on two task forces studying this issue. Unfortunately, I haven't been able to attend the last two months because I have been elsewhere for the last month. The Majority Report, in one single piece of paper, abolishes the Department of Human Services and the Department of Mental Health and Mental Retardation and creates two

new departments effective in the future. The specifics of that are on Page 259 in the Majority Report and the Department of Children basically is a "fill in the blank" proposal. We haven't waited for the results of the two task forces and funding sources continue to be unresolved. It is much too premature to consider that.

We support an immediate review of all branches of government. We have the language as in the Majority Report — that means Executive Branch, Judicial Branch, Legislative Branch, along with all the constitutional officers to look for long-term restructuring ideas we can implement in July after review by the appropriate legislative committees and with some thought behind them. We do not believe these changes make sense in an emergency bill.

The Public Utilities Commission — to save about \$61,000 in cuts out of a budget of about \$24 million, the Executive Director of the PUC recommended shifting a million new dollars to the ratepayers of the State of Maine. People tell me that this is not a big issue. I happen to believe in progressive taxation and this is a blatant shift for a progressive tax structure to a very regressive tax structure. After all, many low income and elderly taxpayers don't pay income tax but they do pay utility rates and they will be picking up that cost.

I would like to now speak about the legislative budget. In the legislative budget in the Majority Report, there is not one layoff, there is one retirement, and I think members of this body should know that as of July 1st of this fiscal year, there was a \$2.5 million surplus in the legislative account. Despite the fact that last spring, we had to address a \$210 million shortfall and ask every state agency to release any money it absolutely did not need, the legislature met its target cut mostly by using the surplus. We think more should be cut.

I would like to speak about good faith bargaining. It has been suggested to a member of my caucus that we did not bargain in good faith. I told the Chairs of the Committee two weeks ago we were drafting minority language because there were major areas of disagreement but we never stopped working toward one budget. In my experience here, one never knows when a bill will be pulled out of committee and I am glad we did some preparation but until the issue of revenue source for any negotiations did not materialize to the satisfaction of both sides, we are working on one budget.

I would like to speak also about the proposal in the Majority Report to shift June's GPA payments, school subsidy, to the next fiscal year. In contrary to some of the comments the Speaker has made, I am very concerned about education. My background is as a school committee member and regardless of the amount of money that my community receives, education continues to be a top priority. I think it creates the illusion by moving that into this fiscal year that somehow we have \$44 million dollars more available. It also should be of concern to teachers. During negotiations, it was originally proposed that half of that would be used to cover new spending, half of \$44 million is \$22 million. The other half would go into the "Rainy Day Fund." The Majority Report puts \$6 million into "Rainy Day", not \$22 million and where does the other money go? I would suggest to you that it went to other spending proposals.

I mentioned earlier the concern that teachers

might have and really question the state's ability to pay that bill in July, which the Majority Report states they have until July 7th to pay. I have some credibility on that issue because I sponsored the infamous deferment of payments to the Retirement System and the overriding concern that teachers brought to me was not that they believed their benefits would be hurt but they were afraid that the state would not repay. Where was the commitment to repay? My suggestion to you is that we have cleaned the cupboard bare and I worry about our cash flow in July and it is not a proposal that I support.

On the Retirement System, I would like to go on Record saying that I find it ironic that we heard for months about their underfunded status and never once were we told about the \$50 million surplus in other lines. My question is and it has been confusing because the newspapers have reported that 13 payments would be paid in FY92, which does concern me, because the hole becomes bigger. My superintendent said, "When will you ever make me whole for FY91? I will forever have 11 payments in my system." I don't know. Isn't that just another problem for the next fiscal year?

It seems to me that we need a change in the mind set, we must define our resources and then set our priorities within them rather than finding the priorities before figuring out how we can pay for them. The private sector in Maine has been experiencing the same effects of the economic downturn as the public sector but workers in the private sector have been faced with layoffs, with wage reductions, other serious consequences (like picking up more of the costs of their health insurance), businesses have failed, more and more in the last few weeks — the public sector must now share in those same reductions because Maine people cannot afford to pay for a government beyond their means. Although it is very difficult and unpopular to make decisions that reduce the state programs, those decisions must be made. They must be made on a fair and equitable basis and they must be made now.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, Men and Women of the House: In order to prevent further confusion and making sure that everyone has an opportunity to decide whatever side of the issue they want, I move for the remainder of the debate that House Rule 27a be suspended.

The SPEAKER PRO TEM: The Representative from Eagle Lake, Representative Martin, has moved that House Rule 27a be suspended.

The Chair recognizes the Representative from Waldo, Representative Whitcomb.

Representative WHITCOMB: Mr. Speaker, Men and Women of the House: I rise just for a point of information. One of us is new in leadership — would you mind explaining what that rule does?

The SPEAKER PRO TEM: The Chair would inform the Representative that House Rule 27a would allow for appropriate discussion on either report for the balance of this debate.

Subsequently, House Rule 27a was suspended.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Saco, Representative Nadeau.

Representative NADEAU: Mr. Speaker, Ladies and Gentlemen of the House: I make my following comments for the benefit of the media as well as for you ladies and gentlemen. I am very, very pleased to say

that the Appropriations Committee essentially said to the Taxation Committee, "Thanks for your willingness to help but no thanks we don't need you right now." There is no tax increase in this budget.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Lewiston, Representative Pouliot.

Representative POULIOT: Mr. Speaker, Ladies and Gentlemen of the House: I will be very brief. I would just like to go back to some of the comments that were made by the Representative from Yarmouth, Representative Foss. I, for one, being on the Appropriations Committee, do not recall where any Republican or a Republican was targeted by any one of my party. I don't recall that.

I don't even recall anyone being asked to leave the room. If the Speaker was harsh at any time, (that I recall) I think he had every right to be. If you sat in that committee, day in and day out, in some of the wee hours of the morning and had members come to you who were supposed to have answers and you ask questions and no one seems to have the answers — one answers one way, another person answers another way — after awhile, it did become frustrating so if that is what the kind lady was leading to, I would agree. I think the Speaker had every right to.

I think you must also remember, for those who are not on the Appropriations Committee, that the Speaker took us through some new areas that we had not chartered before and I think he showed us new areas where questions should be asked. I think the Commissioners themselves were caught off guard. If that is frustrating, all I can say is that, for me, the Speaker represented the people of this state and that was the charge for which he was charged with, to represent the people of the state, regardless if he stepped on Democrats or Republicans or Independents. For me, he did the job for which he was charged.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Falmouth, Representative Reed.

Representative REED: Mr. Speaker, Men and Women of the House: I beg only your brief indulgence. The fact that there are two reports indicates that there are differences of opinion on issues. I accept that and I think we all do because that is the way this process works. I would also say that I believe that those are genuine differences of opinion. Many of my colleagues on the committee have already spoken eloquently about areas of expertise that they have studied and I believe that our differences are genuine.

I would just like to make two or three brief comments as to the primary reasons that I am a signer of the Minority Report. In my opinion, one of the general differences is that the Majority Report tends to have less reductions in spending, how one can take the fact sheets that we have and categorize numbers in certain ways and I am not technically competent to do that nor will I attempt to do it. I do think, in my opinion, there is a financial impact difference but that is not the key reason in my view as to why I am a signer of the Minority Report.

I have two comments and I only want to share them with you. In my opinion, there are many items in the Majority Report that suggests significant sweeping functional changes in government and that may not be bad. In fact, I suspect it's well over due. My concern with those and the time frame and the process by which they have been implemented is that they may be premature. Any entity, be it public or private enterprise, when you propose to make major and

sweeping changes, there is normally a process by which that is done. You do something called functional analysis to determine the results that are required and then you do a lengthy process of evaluation as to how best to achieve it. In my opinion, that is not provided for adequately.

One other and perhaps the primary reason for my decision to sign the Minority Report is a process oriented more than substance oriented and I want to explain that comment to you. It deals with a major component of the Majority Report, its funding source. We all know what it is, whether it is right or not I will not debate because we have differences, but I want to explain to you, however, how I came to understand it and how I had to deal with it.

At one point, when the day and evenings have run together in my mind and you will excuse me for that, I think it may have been Wednesday evening, the two chairs of the Appropriations Committee came to the room where the Minority members were meeting and said, "We would like to reveal to you our source of funding but we ask that you give us your word that you will not disclose it." I did that and I honored that commitment because I hold my integrity here in your eyes very dear. So, I honored that request and I did not discuss that funding source with anyone other than the people that were in that room at that time. As we all know, that funding source involves educators and educational administrators and municipal officials of all of our towns. I was not able at that time to discuss with those men and women the potential impact, good or bad, that that proposal might have. I expected that, at some point, I would be granted that opportunity but that was not the case. The committee was eventually called to order, the funding source that I have spoken to you about was divulged to the public and then, within a matter of a few minutes, we were requested to vote on a very significant issue. I had not been given the opportunity to discuss with those people that I just spoke to you about, whether or not it was in fact an appropriate beneficial idea or whether it had negative aspects. I will stand before you today and tell you that I am not a municipal official, as some are in this body, I am not a professional educator and I am not an accountant, I do not have the expertise in which to render judgments without seeking assistance. I didn't have the time to do that.

I just want to close with one more comment and it is not specifically directed to the report and I hope you will indulge me as I make it. As I came in earlier today, an event took place which I think characterizes the last few days at least and I just want to share that with you. A member of the Majority Party whom I have come to know came up to me as I walked to my desk and said, "Is it true, did you lie?" Ladies and gentlemen of the House, that hurt a great deal. We went on to discuss it and the substance of the question dealt with whether or not the Minority members of the Appropriations Committee had acted in ill-faith and had somehow secretly plotted or been untruthful or deceitful and I want to tell you that that was never my intent, it is not my understanding of the intent of my colleagues in the Minority but as I said to this friend of mine, and I believe we are still friends, I think it is somewhat presumptuous to believe that in any negotiation process there may be resolution or there may be division. If there is to be division, we all know

that the matter will go forward expeditiously and it is simply unrealistic to expect either side, preparing for division, to be able to prepare a document of this size in a matter of hours. So my response to her and my statement to you is, were we working on our ideas and committing them to paper beyond a certain point? Yes we were. Does that make me a liar? I don't think so.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Presque Isle, Representative MacBride.

Representative MACBRIDE: Mr. Speaker, Ladies and Gentlemen of the House: I think we have discussed most of the items that were on Speaker Martin's list on which we disagree. However, there is one item that no one has discussed yet but which was on his list as a point of disagreement and that was the Seed Potato Board. In one of our strategy sessions very late at night when we were working and there were a lot of people around the table and we were working on millions of dollars in talking about all of these programs that you have heard discussed today, someone made the remark, "You know, it may be the Seed Potato Board that will sink this budget." That is one of the issues that has remained a bone of contention and I would just like to explain that to you.

All of us on the Appropriations Committee agree that a study should be done of the seed potato industry and operation in Maine. There is no doubt about that. We operate two experimental farms, one in Masardis and one in Homestead, Florida. We grow experimental varieties of potatoes, we develop varieties that are grown and analysed and so forth.

The Majority Report wants to transfer the Seed Potato Board to the University of Maine Agricultural Experiment Station as of July 1st. They also want to study the board. It makes no sense at all to disrupt the board and move that board until the study is completed. If the study indicates that the board should move somewhere else, so be it, but why disrupt it now? In addition to all of that, the University doesn't want it. Dr. Wallace Dunham, the Experiment State Director, says that the University System could not handle the financial burden for they were going to be seeing some very serious budget decisions at the University this year. Dave Laveway, who is the Director of the Maine Potato Board said, "We are not sure if the University is the right place for the Seed Board since it has some regulatory functions it is responsible for and the University has never been in a regulatory mode. It would be a new territory for them."

The Minority Report keeps the Seed Potato Board where it presently is and has always been. It proposes a study and then a decision will be made what to do with that board. It seems to me that that makes good sense, to keep a board where it is and let it stay until after the study is done and then we can take care of it. If you move that board to an entirely new situation now, nobody really is going to know what they are going to be doing. That has been a bone of contention and I do feel strongly about keeping the board just the way it is.

Another point I would like to make in regard to furloughs. Yesterday when the employees were here, some of the state employees came up and talked to me. They said, "I hope you are going to support the Majority Report so we won't have furloughs." I said, "No, I am not." We went on to discuss that and I made the point to them that, of course you don't want

a furlough, nobody does. You don't want to lose that money but when it comes right down to the point that we might not have enough money and might have to cut jobs, then isn't the furlough preferable? They agreed that it was but then they went on and said, "You know, one of the things that is difficult for us to understand is there are a lot of us who would like to take voluntary furloughs. I have gone to my supervisor and I have asked to take a voluntary furlough but they won't let me. They think I am too valuable in my job and they just won't let me go." They did mention that and they said, "I wish you would go back to your group and ask if something couldn't be done about those voluntary furloughs so we could take them."

Another point I would like to leave you with is on AFDC. We do propose to become a rateable, reduction state. We are only one of four states nationally that allows clients to fill the gap between the maximum payment and the standard of need with both child support and income. For those Maine citizens who fill the entire gap, their AFDC benefits is the 6th highest in the United States. Currently, there are approximately 60,000 Maine people on AFDC. Becoming rateable would maintain all AFDC recipients at the same level, 17th in the U.S.A. Remember Maine is 38th in per capita income so I hope you will keep all of those other figures, in addition to mine, in your mind tonight.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Portland, Representative Manning.

Representative MANNING: Mr. Speaker, Ladies and Gentlemen of the House: I understand the concerns of the Representative from Presque Isle about the Seed Potato Board and I think that is an important issue. However, I would like to pose a question to the same Representative from Presque Isle — how, in her report, does she justify kicking 400 people out of nursing homes with this particular piece of legislation? Which is more important, the Seed Potato Board in Presque Isle or the elderly people (or maybe not even the elderly) in this state and conceivably an additional 1300 later in the next two years, if this proposal goes through in the Minority, — is that important to the Representative from Presque Isle?

The SPEAKER PRO TEM: The Representative from Portland, Representative Manning, has posed a question through the Chair to the Representative from Presque Isle, Representative MacBride, who may respond if she so desires.

The Chair recognizes that Representative.

Representative MACBRIDE: Mr. Speaker, Ladies and Gentlemen of the House: In response to the question from the gentleman from Portland — I don't like it at all. I don't like a lot of these things that we have to do. I think it is great when we have lots of money coming in and we can do all of these things. The programs that we have in state government are good, all of these programs benefit someone. I think that is important, but when you don't have the money, there are things that you have to do. Those things that you mentioned in the nursing home, Representative Manning, those do cost a lot of money — the issue we were talking about was the Maine Potato Seed Board which has a very small fiscal note. That is really a matter of philosophy, which something else, it is not a matter of dollars.

I am very concerned about the people in nursing homes, people everywhere. We are going to try to do

the best we can for them but I think there just has to be changes that can be made. We cannot be all things to all people in state government. Frankly, that is what we have been. We are going to have to find other solutions that are less costly.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: I do want to respond and, hopefully, put the Maine Potato Seed Board behind us.

First of all, the Maine Potato Seed Board is located in my legislative district. I would say all but one of the employees reside in Representative MacBride's legislative district. I would point out that the cost of the seed board is \$1 million a year for 100 acres of potatoes. It grows seed potatoes. I know what it is, I have been one of those pleading before the Appropriations Committee for the last few years to add money to the account, to transfer money from one account to the other, from dedicated to undedicated, so the farmers wouldn't have to pay through the nose for a barrel of seed potatoes. I know because I made the request.

We own state vans, they pick up people in Presque Isle, bring them to work one hour and then take them back the other way — state vans, state money, state everything. There is a problem. I understand Mr. Laveway's comments because he would like it. He appeared before the Performance Audit Committee and he suggested that the seed board be transferred to his organization so I know all about what is going on in Aroostook County. Don't kid yourself, this is probably the most expensive gift you have given to Aroostook County and one that I wonder about and its eventual final cost to the citizens of Maine.

I have a series of questions I would like to pose to the Minority. The Minority Report shifts the regulation of dams — you know those controlled water levels? It shifts that responsibility to the municipalities. I don't know whether the municipalities can afford it but I happen to represent a lot of towns who don't have municipalities. I would ask the question, what happens to the lakes, ponds and pilements that have a dam in the unorganized territories of Maine.

You may want to take notes because I have a series of questions. The second question is, what happens to the funding of congregate housing for Biddeford and Fort Kent? Both projects are open and will that money be paid? I don't see it in the Minority Report.

Third, the Governor's proposal on co-pay for the elderly was increased from 50 cents to \$2 and I would ask what the Minority Report does with co-pay for Maine's elderly?

I am impressed by reducing mandates but what does that do to the collective bargaining that is already in place?

Fourth, the Majority Report contains a prohibition preventing the legislature and the Governor from tampering or raiding the State Retirement Fund. Is this language contained in the Minority Report?

Some of you here are trustees of hospitals and I would ask, (in the Minority Report) who pays for the roughly \$20 to \$25 million dollar shift on hospitals to hospitals in this document? Let me illustrate. Medicaid is \$12 million, shortfall \$2 million, the hospital tax is \$2 million, Maine Health Program—Medically Needy is roughly \$6 million — who

is going to pick up on hospitals the \$20 to \$25 million dollars in the shift? I would ask the Minority representatives on the Appropriations Committee to talk about that and tell us.

The Majority Report keeps all of the personnel at Buck's Harbor and Charleston. The Governor's recommendation is that both facilities be closed in the next biennium and that the downsizing begin now. Am I to assume that because the downsizing has begun in Charleston and Buck's Harbor in this Minority Report that they are taking the position that those two facilities will be closed next time?

Before I sit down, there are two corrections I want to make, one is that Representative Foss from Yarmouth is correct, I did not talk about funding source as a difference between us, since we never knew their funding source at any time until yesterday morning. I didn't see that as a difference.

Finally, I think members of the House who are not accustomed to dealing with social issues (especially some of the programming) and I think we ought to talk about that for a moment and that is that gap that you heard about this afternoon. What is gap? It is not gaap, it is gap, one is for accountants and this is gap in AFDC. There are nine states that have gap, not four, and in New England, five of the six have it. The only one that does not have it is Vermont and they have a higher level of payment than we do. Our neighbor that all of us like to compare to saying, "We don't want to be like them." You have all heard that, you have said it, especially those who live along the border — you don't want to be like them, they have the gap and they have about \$100 a month higher payments than we do. We say, "They are the worst." We better not say that in that regard, that's for sure.

Gap basically is a difference between the amount that someone needs to live on versus what we give them. Here is one of my fears, forgetting all the social issues that goes with it, but here is one of my fears — the gap is the money that is collected from the absentee parent by the state or by the courts and it goes to the state for payment. The state becomes a conduit that is roughly \$5 million, that is the amount that is going to be kept here. Remember that about 90 percent of the people who have children that the state is collecting money for pays so voluntarily. We have to haul ten percent of them into court and assess payments against them. What do you think will happen to the average father once he knows that not one penny will go to his children? The state will keep it all. How many of them are going to volunteer at that point? They will say, "The state is going to keep my money? They won't get one dime. They want to take me, let them come after me." That is one of my big concerns, forgetting the social issues. I am fearful that before we try to collect the \$5 million, we will spend half of it in court with attorneys and you know how I love that crowd. That is what is going to happen and I will tell you — Democrat or Republican in this room — just think that one through. If you knew that your money that you were giving in the hopes that your children would get some of it at but not one dime is going to go to them, if it were me, I wouldn't do it voluntarily. The state could, by gosh, get the money any way that they could. So that is unrelated to programs and everything else, that is the direction that I came from on that one. I think if you think that one through a little bit, it will be

understandable.

Finally in AFDC, the other thing which made me go the way I did was that the State of Maine has only verbal approval to make cuts. You know what I mean by that? By federal law, we cannot go below the 1988 Family Federal Act. By doing what is proposed in this bill, we would be dangerously close. Commissioner Ives has requested a waiver and verbally it was given. That was two months ago, I understand. From what we were told, it has not been received in writing. If they reject it, what you have here means you have a deficit automatically because I was one of those who proposed a cut of an amount in the account. He came back and said, "I might not be able to do that." I said, "Well, let's fund it the way it is supposed to be."

In the Majority Report, it contains language that orders the Commissioner of Human Services to go to the federal government to request ways of how to cut AFDC. If we want to do it, let's do it, but let's do it legally, forgetting our position on the issue. So in my opinion, this bill is flawed in that regard. AFDC, as a result, is incorrectly stated here so that if the waiver is not granted, the \$1.7 million difference or whatever the figure happens to be between the Majority and Minority Report, is zero. Therefore, we are in deficit so I hope that clears up that issue and I would ask the Representatives of the Minority on the Appropriations Committee to respond to the questions that I have posed.

The SPEAKER PRO TEM: The Representative from Eagle Lake, Representative Martin, has posed a series of questions through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Yarmouth, Representative Foss.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: I think I have all the notes — on the dam safety issue, there is a proposed cut by General Parks of \$3,753 and he indicated to us that the functions could still be provided. Perhaps the Speaker has more information from the Unorganized Territories but that is the information that we were provided. It was a reduction in "All Other."

On congregate housing, it was our information and I don't know the specific examples of Biddeford and Fort Kent, I haven't heard those mentioned before but there was a surplus in that account from delay in construction.

As far as co-pay for the elderly, the Minority members in the committee did not agree to increasing the co-pay. We have the same position.

I do not understand the question on mandates in relationship to collective bargaining. I would appreciate some clarification.

As far as the prohibition on raiding (not my word) the Retirement Fund, we have language in ours that puts an audit on the fund and I think we should look seriously at the surplus of \$50 million the actuary allowed to accrue over a several year period. So therefore, if you bar moving money from that, you can even bar yourself from taking surplus dollars.

As far as Charleston and Buck's Harbor, as the Speaker well knows, the proposal in Corrections restores some of the probation and parole in some of the Youth Center positions. I think it was the third or fourth plan that was developed for us by Don Allen.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Lisbon, Representative Jalbert.

Representative JALBERT: As everyone knows, I have been very concerned about the State Retirement System. This involves thousands of state employees, thousands of teachers and everybody in this body. I was stunned last December when a proposal was made to borrow over \$80 million from the State Retirement System. At the time, I thought it was ill-conceived and poor planning. As you know, we had a hearing, it was defeated. That was something that needed to be done.

Thanks to the late Don Carter, who I think is sorely missed, he being very sharp in the insurance field and he talked to me about it before he passed away and I noticed that in the State Retirement System there were three accounts. When the money is invested into the State Retirement System, it is put into three accounts, the retirement system, the disability account and the life insurance. As a result of the legislature for the last six years, we have cut down on the raid on the State Retirement System as far as disability is concerned. It took a lot of work, we took a lot of flack.

I don't propose to be an expert on the Maine State Retirement System but I have been on that committee for six years and prior to that I was working as a member of the State Highway Commission of the Department of Transportation. For 30 years, I was involved in every negotiation for these new benefits so I think I know what I am talking about.

At the time we changed the disability issue, I knew that there might be an overpayment of premiums. Everybody knows that in the insurance field. If you have payments and premiums and the claims do not come up to what is anticipated, you get dividends. That is common knowledge. In this particular case, Representative Carter noticed that the payments into the Disability Account, which is one of the three accounts in the Retirement System, was way over the claims. The reason for that is, that when we clamped down on this run on the Disability Account, it went way down. Many employees, rather than fight to get their disability, went to Workers' Compensation, etc. Nothing could be proven until it was actually studied. I felt very pleased and elated two or three weeks ago when the Retirement System came back and said they had something to the tune of \$52 million over. I said, "Thank God." This might be one of the answers.

I have people approach me day after day and I try to explain to them what it is. It is not borrowing but unfortunately, ladies and gentlemen of the House, many members of the Minority Party including some of the leadership, the only answer they can give me when I tried to explain to them, is that this is no different from what we tried to do in December. That has nothing to do with it. This is not a borrowing from the plan. This is actually an over-surplus because the Retirement System was being overly conservative, which I think they should have been, so the claims went down. We do have that amount, which will be transferred from the Disability Account to the Retirement Account. What I am saying is, if the members of the Minority Party are so adamant in not wanting to listen — in the six years that I have been here, I think I have tried to be honest and open with everybody, to the chagrin sometimes of my own party, but I am sick and tired of trying to explain to people who will not listen.

I want to know what guarantee we have in the Minority Report that we are not going to put up with

this in a year or two. Every morning we have to get up and wonder what else they are going to do. When will they accept the fact that someone came forward and tried to help and say, "Here is \$52 million that the state will not have to pay into the Retirement System because this is what was done." I would like to have an answer on that. What guarantee do we have that the State Retirement System will not get raided in the future?

The SPEAKER PRO TEM: The Representative from Lisbon, Representative Jalbert, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Augusta, Representative Paradis.

Representative PARADIS: Mr. Speaker, Men and Women of the House: I don't rise to answer the question of Representative Jalbert. I would defer, Mr. Speaker, if there is someone on the Minority who wanted to stand and answer the question of the good Representative because I have two questions that deal with parts of the Appropriations but they deal with the Judicial Department and the Attorney General's Office. I would defer at this time until the next speaker is recognized in this chamber.

The SPEAKER PRO TEM: The Chair thanks the Representative and recognizes the Representative from Falmouth, Representative Reed.

Representative REED: Mr. Speaker, Men and Women of the House: I am not sure that Representative Jalbert was truly asking a question that may have been rhetorical but I would say, in my opinion, this legislature or any other deliberative body is unable and probably should not be able to provide guarantees about the future. However, one might characterize past proposals that have been before this body as immaterial or how one might characterize future, necessary actions is subjective. I am sure that that is not the kind of answer that Representative Jalbert wanted. I assure him that on a one-to-one basis, I in no way meant to demean his question nor lessen its significance but I don't believe that Representative or any of us can guarantee what will occur to us or what action we might be required to take to respond to it in the future. I certainly cannot.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Lisbon, Representative Jalbert.

Representative JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: I would like to respond to the good Representative from Falmouth. What I am asking is, will the Minority Party admit that this \$52 million that somebody found in the Retirement System and came forward with it is a good thing and not just a political ploy?

The SPEAKER PRO TEM: The Representative from Lisbon, Representative Jalbert, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Presque Isle, Representative MacBride.

Representative MACBRIDE: Mr. Speaker, Ladies and Gentlemen of the House: I think it is wonderful that we found it. We were all delighted to have it but one of the things that bothers me tremendously is how that accounting error or whatever it was could have occurred or how that surplus could have laid there and we didn't know anything about it. I just don't understand that and have never really had an explanation for it. Possibly it is one of those things that happen that there isn't an explanation

for but I think that is a concern and I think probably, in the future, there does need to be an audit. It certainly did come along at a time when it was needed.

I also want to continue the Potato Seed Board a little bit before we leave that issue. That is an expensive program but we weren't talking about the program, all we were talking about is where the board was going to reside and about the study. The study is going to cost about \$4,000 and I think we felt it was a whole lot better, a whole lot less disruptive to leave the board right where it is now until that study is completed.

The program is expensive, we all know that, and that is one of the reasons we want to study it, to see how our money can be used most wisely.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Augusta, Representative Paradis.

Representative PARADIS: Mr. Speaker, Men and Women of the House: I will not ask rhetorical questions, instead I want to have this chamber focus on two sections of the Appropriations Act, the Minority Report, L.D. 275, page 7, dealing with the Attorney General's Office because I think that is extremely important to the future of this state and the quality of life in this state. I won't ask questions because I don't think we are going to get the type of answers here tonight that the people of the state deserve.

I will tell you, however, what has happened with the deappropriation of \$505,000 in the Attorney General's Office. There are 32 positions that come from the General Fund in the Attorney General's Office. If you take away the Attorney General and the Chief Deputy Attorney General, there are 30. This deappropriation will take care of those 30 Assistant Attorneys General in this state. We are going to stop prosecuting homicides, we are going to stop prosecuting consumer fraud, we are going to stop writing opinions and making appeals to the Supreme Judicial Court on behalf of the state and we are going to stop environmental prosecution in this state. When you take those 30 Assistant Attorneys General away, that will only leave several in the business professional department to regulate our professional board, it will only leave several in the Department of Human Services who are federally funded to regulate what the Speaker has called the lack of payment and lack of enforcement on the part of absent fathers. It will leave only a couple of others that come purely from the federal budget into this state to enforce certain federal laws that the State of Maine has agreed to enforce on the state level. This will gut the Attorney General's Department.

In the Majority Report on page 7, it calls for a deappropriation of six Assistant Attorneys General and \$121,000. There is a big difference between \$121,000 and \$505,000. It is unbelievable that we can say that we asking every department to take proportionate cuts and because the Attorney General happens to be a Democrat, that our entire future prosecution in this state is in jeopardy tonight. If anyone who signed that Report wants to tell me with a straight face that we shouldn't be prosecuting environmental fraud, the 38 or so homicides that occur every year, consumer fraud, those businesses that don't live up to their contracts and violate state law, not the warranty but the state law, I wish it could happen tonight.

One other area and that is in the judicial

budget. I am not an attorney, my livelihood is not made by defending lawyers and judges in this state and I think you know me well enough to believe me when I say that. There is a \$600,000 deappropriation out of the indigent defense account of the judicial department. It says, "Provides for the deappropriation of funds by reducing the hourly fee for indigent defense from \$40 to \$30 and discontinuing the appointment of counsel in certain Class D and E cases." There are two parts, indigent defense, reduce what the lawyers get, they are appointed by the court and if they do any defense of criminal work, they have to accept these appointments. It doesn't pay the overhead at \$40, it won't pay the overhead at \$30, it won't hurt me at all, I don't practice law, either legally or illegally in this state. There is a problem, there is no statutory changes recommended but are necessary to implement a certain less requirement of indigent counsel because the Sixth Amendment to the Constitution states that any time you are going to put someone in jail, the state, (Maine) you and I, have to provide a lawyer for them. We are the only country in the world that does it but it is part of our Bill of Rights. It is sacred and this is the 200th Anniversary of the Bill of Rights, 1991.

Certain Class D and E cases — let's talk about those certain Class D and E cases and how they work. The court mentioned three of them and I take it that the Minority Report would have three of them in mind, (1) night hunting — that doesn't bother me. I hunt very little during the day and I don't hunt at night so that is not going to bother me very much. If you want to change the statute, put my name as a cosponsor.

Habitual offender — you are considered a habitual offender in this state if you commit six infractions or other cases within a four year period of time. There are certain habitual offender violations that are traffic violations that don't bother me too much but if they involve alcohol and the next one does, the mandatory minimum two day jail sentence for a first time OUI offender that has more than a 15 percent alcohol level in their blood, that is almost twice the legal limit of being drunk on the highway — if we do what this Minority Report recommends, we are going to turn the clock back on our OUI prosecution in this state to 1974, not 1981 when we started getting tough, but 1974. What this will mean is that anyone in this state who wants to drink and drive, no matter how drunk they are, will never go to jail that first time. We will slap them on the hand, we will call it driving to endanger, plea bargain, get themselves a good lawyer, go to the Assistant District Attorney and say, "I will take the \$350 fine, I will lose my license for three months or six months and I will go right back to the bar next weekend." That is what it means. If you don't have that minimum mandatory requirement of jail, it means nothing. Don't believe me, go home and ask people that you respect. Ask Marilyn Robb from the Mothers Against Drunk Drivers. Get on the phone, it is a local call, call Readfield, to Mr. David Keene who lost his son a year and a half ago to a third time OUI driver. He hadn't learned his lesson the first and second time, he was driving without a license because he had just committed his second OUI and he killed a young boy for his third OUI. I can't see how anyone who believes that we ought to go after drunk drivers would sign that report. If you want to

contradict me, I invite anyone who signed that Report to get up and so do it now.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Presque Isle, Representative MacBride.

Representative MACBRIDE: Mr. Speaker, Ladies and Gentlemen of the House: I can't seem to find the designation in the budget document but the D and E crimes were not in our budget unless inadvertently when we didn't have a chance to deal with the draft and that did get in because we were checking that out and I was one of them on doing the checking.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Augusta, Representative Paradis.

Representative PARADIS: Mr. Speaker, Men and Women of the House: I would like to instruct my good Representative and former seatmate on the Judiciary Committee that it is contained in her Report on page 40 and it is on line 41 beginning with "indigent defense" and it calls for \$600,000 from the Judicial Department and has a paragraph that states what will be done to remove \$600,000 from the indigent defense. It is very clear.

I would hope that that type of answer would be explained more than "Well, we didn't put in any statutory changes." You are going to have to come to the Judiciary Committee on Tuesday and request changes in those laws and you are not going to get them from this member.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Bath, Representative Holt.

Representative HOLT: Mr. Speaker, Men and Women of the House: I feel sorry that I have a need to ask my good friend, the Honorable Representative from Presque Isle — what will happen to those people under the Minority Report who will not be able to go into a nursing home? I have some first-hand experience to the crying need for nursing homes. Where will those people those people go?

The SPEAKER PRO TEM: The Representative from Bath, Representative Holt, has posed a question through the Chair to the Representative from Presque Isle, Representative MacBride, who may respond if she so desires.

The Chair recognizes that Representative.

Representative MACBRIDE: Mr. Speaker, Ladies and Gentlemen of the House: I agree that that is a real concern and I think as we have fewer and fewer dollars that families are just going to have to begin to take more responsibility for their loved ones or somewhere we are going to have to find more money. Hopefully, the economy will turn around, but until it does, there are going to be some hard choices that will have to be made.

On the indigent cases, I have really got to check my notes but I distinctly remember we decreased the fees from \$40 to \$30 for attorneys. I come from a whole family of attorneys so I understand just how they feel. However, I did feel that they have to take their share of the cuts along with everyone else. I do have to check out that section on the D and E Crimes because I felt that had been removed. That is all I can say now.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Rockland, Representative Melendy.

Representative MELENDY: Mr. Speaker, I would like to pose a question through the Chair to the Representative from Yarmouth, Representative Foss.

Earlier in your debate, you said something that I believe needs clarification. You said that the

Majority Report places \$6 million in a Rainy Day Fund, not \$22 million. I looked at the Minority Report and I don't see anything in the Rainy Day Fund — could I have that clarified, please?

The SPEAKER PRO TEM: The Representative from Rockland, Representative Melendy, has posed a question through the Chair to the Representative from Yarmouth, Representative Foss, who may respond if she so desires.

The Chair recognizes that Representative.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: If I said Minority, I didn't mean that, we did not put anything in the Rainy Day Fund. In negotiations, when the proposal to move the school subsidy payment into July and it was put on the Table, it was suggested that half of that would be used for spending proposals and half would go into the Rainy Day Fund. Half of \$44 million is \$22 million. In the Majority Report, \$6 million ended up in the Rainy Day Fund, not \$22 million. We have nothing in the Rainy Day Fund in ours.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Brunswick, Representative Clark.

Representative CLARK: Mr. Speaker, Ladies and Gentlemen of the House: When our current Governor was sworn in four years ago, I remember very clearly (because I was a new legislator at that time) his talking about the importance of making Maine a state where everyone could live and work and raise a family. Clearly those of you who have known me over those years know that, for me, the effort has been on the ability to raise a family.

There are two families that live in my district and live in your district that I would like to talk about for a few minutes today.

The first is a family of five, a family that has a single parent and probably it is the mother. Let's assume for a moment that this family does have a couple of teenagers. This family of five, under the current payment system, under AFDC, would receive a grand total of \$569, that is a little over \$110 per household member to live on for one entire month. Let's assume that this is a family who knows that they can't live on this but, for some reason, the mother is unable to work, perhaps because one of the younger children needs special care or perhaps not but let's assume that those two teenagers, in an attempt to help this family, go to work. Between them, they earn \$250 a month. Right now, under the status quo and under the Majority Report, that family would be allowed to keep that \$250 bringing them to a grand total of \$819 a month to live on. I don't know about you, ladies and gentlemen of the House, but my 20 year old daughter just went to work and she is going to earn more than that in a month but she thinks she still needs to live at home, not with her four kids, but just herself. That is what we will do if we adopt the Minority Report. Again, let me stress that that family of five will receive \$569 from the state or we can subtract that \$250 that those two teenagers make so the family will still receive \$569 for a family of five.

I ask you to think about the more typical AFDC family and that is a family of three. Currently and under the Majority Report and in the Minority Report, that family will receive \$453 a month. Again, about \$140 per family member. However, let's assume that this is a family where the absent parent is paying child support. Let's even say that he is making enough from his job to pay \$200 a month of child

support and let me tell you as a Divorce Media that is not an unusual amount to pay for two children. So right now, the family is receiving a total of \$653, one dollar over the standard of Maine. If, in fact, we adopt the Minority Report, what will happen is the absent parent will still send that \$200 a month to the state, \$50 of that will go to his children and now let me tell you what will happen to the other \$150. One hundred dollars (approximately) of that money will go directly to the federal government and we will keep the grand total of \$50 to implement the General Fund. Now again, we are talking about a place to live and raise a family — think about whether you could be alone with two children on \$503 a month and whether you would like to go tell your constituent who is making this \$200 a month payment that almost a hundred dollars of that is going directly to the federal government.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Corinth, Representative Strout.

Representative STROUT: Mr. Speaker, Men and Women of the House: I thank you. You have heard the previous gentlelady give her version of these two case families. Let me tell you a couple of things that she hasn't told you. I agree with her 100 percent on what she is saying but I want to give you a comparison on an AFDC family of five and a family of five working members. The frustrating part about the way the process works is that she didn't tell you about the other benefits that that AFDC family gets. How much is that family getting in food stamps? How much is that family getting in fuel assistance? How much of that insurance are they paying? That is that side.

Now let me give you the side of a family of five in my district that may be, just may be, working for minimum wage. They earn \$919 a month but because they don't get those benefits, they are not eligible to come in and draw on General Assistance from me as an administrator but that family of five that is getting the \$569 is eligible for \$300 or so in General Assistance. Why? Because there is a gap.

I have argued for years that we ought to be able to use those benefits to help us on the local level. We can't do that and what the frustrating part of that is that those people who are out there working that don't get any more total dollars for the month can't get any assistance. That is the problem I have. I agree with the gentlelady in what she is saying.

It is hard for those people to live on that amount of money but I have people that work and earn \$919 a month that have to pay insurance. They have got to buy gas to get to work so there is a problem with the AFDC program but the only thing I ask, when anybody gets up here and explains that, please God tell us the whole story so we can compare because they are getting benefits.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Orono, Representative O'Dea.

Representative O'DEA: Mr. Speaker, Men and Women of the House: Representative Foss and others, including her Governor, are very fond of saying, "A government Maine taxpayers can afford." I would suggest to them that our first responsibility as elected officials and also as people is not to Maine taxpayers but rather to Maine people, all Maine people. That means, not just those with good jobs or any jobs, for those who are making it, but also for those who are without jobs and the elderly and the

young and those who are without the benefit of health insurance. None of us in this room go without health care and none of us go without health insurance. We would not want to have one of our elderly parents in a situation where they were denied health care because they couldn't afford it.

It was interesting and enlightening to hear my good friend from Corinth, Representative Strout, mention that family of five because the reality is that that family of five doesn't have any insurance and if it wasn't for the Maine Health Care Plan, they wouldn't be able to provide even a basic level of health care for their children to say nothing of the parents.

Representative MacBride said earlier when asked about the 400 or so elderly who would be tossed out on to the street, if the Minority Report were to be accepted, made a remark that was reminiscent, I think, of the leader of another time, Marie Antoinette. I can understand, though not forgive, that sort of remark coming from a person who represents one of the few affluent hamlets around the state but, for the life of me, I can't understand that coming from the member who represents a district in Aroostook County.

As some of you may know, I used to live in Aroostook County, my mother still lives there, and for many years was a nursing home nurse and is now an administrator at the Maine Veterans Home in Caribou. Over the years, I have spent a good deal of time in nursing homes around the state and I can tell you, as I am sure you all know, that there are a lot of people in there who don't have families and they don't have a lot of money to fall back on. If you turn them out on the streets, then you are doing the most inconceivable injustice that you can ever imagine. It would be a true tragedy for this state to roll these people out into the street where they have nothing and there are, believe me, a lot of people out there who have nothing outside of their nursing home.

Mr. Speaker, I would ask respectfully through the Chair that a proponent of this Minority Report rise and tell this body how they can justify the suspension of these benefits to these 400 people — what would they do with them? Mr. Speaker, I would also ask that we have some sort of answer or response that goes beyond, let their families take care of them or let them eat cake or something like that, because it is not acceptable.

The SPEAKER PRO TEM: The Representative from Orono, Representative O'Dea, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Waldo, Representative Whitcomb.

Representative WHITCOMB: Mr. Speaker, Men and Women of the House: I have been waiting for some time to take the opportunity to respond to a series of questions that actually began when the Speaker stood close to three hours ago and made some general remarks in regard to the process.

It has occurred to me in the last minutes that we have sort of taken a curious twist. We were told as we were asked to approach the rostrum yesterday that there were a series of questions that the members of the Majority Party had that they wished to pose to the members of the Minority Party, prepared questions. Of course, in the last two hours I have been hearing those prepared questions. We appreciate

the inquisitiveness as to the minute details of our proposal. We did not come in with prepared questions, we have a number of questions obviously about a lot of issues and perhaps if we took a few minutes we could think of some and try to grill a few of your folks, if that is the desire.

I would like to sort of change the focus a little bit. It seemed to me that the first speaker suggested that what we had as a Minority Report was not a Democrat package. The suggestion to me was that members of the Majority Party were not proud of what was in there. I guess there are a couple who disagree with that. Perhaps that is the question I should pose. I saw the mike rise quickly from the good Representative from Thomaston so I assume a quick response to that question.

It was said, if I recall, that that bill was not what the Majority Party wanted. Let's have an answer to that question at some point as we sit through those other prepared questions.

I want to go back to a couple of comments that were made initially about the process because we began with comments to the effect that went back to the gubernatorial campaign and back before that and back to the process of last year as we started to downsize state government, back before that as we began to worry about where the economy was going and I guess what I want to do with this comment is to say that we are all a party to the shortfall that state government faces in Maine and across the nation.

As the Minority and particularly the three Minority members of the Appropriations Committee are responding to very pointed questions and the pain of having to reduce state government, I will say to you, it appears to me that the Majority Party is not willing yet to face the reality of reducing state government. That has stemmed from the first day that that issue was brought to the attention of the Majority Party.

Let me quote to you the response that was hinted in the Speaker's remarks, the good Representative from Eagle Lake, when he suggested that there was a hiding or a lack of acknowledgment of shortfalls in state government, that there was a suggestion that it was the Administration's fault and problem that we were beginning to have to look at the consequences of revenue reductions. I will quote the Representative from Fairfield in a June 8, 1989 Lewiston Sun newspaper article. He said then, "We think the money is there." He goes on to say, "The Administration's announcement is talking about a manufactured crisis." It seems to me from that statement to this day that there is an unwillingness to acknowledge that we, like 28 other states from one list I have seen and probably more, must downsize state government. Everyone has a different idea as to how that should be done. I, like all of you, acknowledge that, but for the life of me, I cannot understand how those of you and those of us who voted against the plan that the Governor initially proposed, that simply deferred payments to the Retirement Fund because it so upset teachers, can now come forward with a plan that takes the money that should be paid in June so that school districts, school districts particularly that are high receivers like mine and some others in northern Maine and rural Maine, and say in your report that you will not get your money until July or sometime.

I would like to comment for a minute about a piece of paper that was apparently circulated in your

caucus yesterday. It is entitled "Change in GPA Check Dates." You know, when anything is written around this place, it is assumed to be factual. There is a correction you need to make in that piece of paper and it is the key point in this discussion about taking GPA money. In the middle column under what you propose as Commissioner Bither's order, the second from the last entry says, "On 6/30/90, \$4.4 million would be paid." The next column over says, "Under the Democrats plan, payment would be on July 1." The incorrect statement here is the 6/30/91. The Commissioner's order was very specific in saying that the June payment would be on June 19 so our school districts could close their books for the fiscal year and have the money at the end of June to pay the teachers. I can understand how that was overlooked but I have requested personally of the Commissioner and have received a paper trail that documents that that was in her order.

The Democrats plan suggests, in fact it specifies, that there will not be the money for school districts, like mine in particular that is practically out of cash at this point in time, to pay their teachers in the last two weeks in June. It just will not be there.

We are going to spend that money to do the kind of things that you tell us we need to do, those kind of painful cuts that we cannot make in your plan. We are going to spend all but about \$6 million as Representative Foss has tried to tell us. Then miraculously, on July 1st, we are going to have enough money to make a \$44 million dollar payment to our school districts and make them whole again. That is interesting. If I recall some of the criticism and comments from the past campaign, it seemed to me that the state was terribly cash poor in early July.

The good Representative from Lisbon is wanting the Minority Party to guarantee that things will not be done to the Retirement System again. My request to the Majority Party is to guarantee that suddenly \$44 million is going to appear after we have spent it between now and June. We are taking this money, restoring the cuts in a budget between now and June 30th and it is going to be there on July 1st. I don't regret personally this process that we have gone through in the last six months. There have been unpleasant moments — obviously, Republicans on the Appropriations Committee feel that it has been a little bit like an Iraqi cabinet meeting but we found \$49 million that we didn't know we had, which frankly for all of us has made this process much more bearable. We are at a point where we have to face the difficult decision, a series of difficult decisions, another scheme to put off payments to our local school districts that threatens the payments to school teachers and gets us nowhere.

I began to wonder, in fact I was asked a few minutes before the "great secret" was let out, "Why is it a secret? Why doesn't anyone want to own up to this thing?" I saw the press ask the Governor the same thing. He had been briefed as to what the plan was — why? Why wait until ten-thirty at night, too late even for the late evening news to announce the plan? I guess my conclusion was that it was an opportunity after it had been thought up, and I have my suspicions as to how it came about, in fact we were shown it, it came from Commissioner Bither's original order, so why was it such a secret? Then it began to dawn on me and I am making an assumption here that it was a chance to put the ducks in order,

what I like to call the Augusta ducks. It was a chance to check with the MTA, Maine School Management and Maine Municipal, three groups that have been talked about as or sort of suggested that they approve of this. I asked the representative from the Maine Teachers Association just minutes after the announcement was made, "What do the teachers think of this?" He said, "The Maine Teachers Association is for it." He was a former member of this body and I think a great deal of him. I said, "Have you asked the teachers?" He said, "Well, no we haven't asked a teacher yet but the Augusta ducks says it is okay." There is a member of this body who is on the Maine Municipal Association's Legislative Advisory Board, who spoke previously today — the board that I sort of think makes the policy that decides what Maine Municipal approves. He said, "Well, they meet later this week." Has Maine so-called organization of municipal officials approved of the plan? It doesn't appear that way to me. He says not, at least he hasn't heard from the Augusta representative. The Augusta ducks say, "Well, we can live with this, I think." That is the response.

Maine School Management — there has been a speed line go out to school superintendents saying, "This is okay, call your representative, it is okay." I had one representative in my area that called in and said, "No way in whatever." Several representatives from various districts came up to me and said, "My superintendent called in and said they got the speed line and something was supposed to be okay down there, you know, get the budget thing behind us." How does the decision making process go here? Is it the Augusta ducks that speak for these organizations? Are folks out there in the countryside telling us to cut the size of government spending? I wonder.

I get up every morning to go to work, partially to make a living, partially because we are part of a small business that needs the help and partially to get back to reality. I understand what it is like to have to get out there in the cold, get my toes stepped on once in awhile, be out there when it is 20 below zero. Waldo has temperatures that are somewhat like Aroostook County, not exactly an amiable position to have but it was cold out there this morning for the people who have to work in Waldo and all the other towns and they are grappling every day — how do we make it? Not just on the farm, but in the businesses, those people who are working for jobs that haven't had a pay raise. They make enough money so they are not eligible for this or that or something else. Where do they go? They are telling me and I think they are telling many of you to cut government spending. That is not easy, that is never painless. I don't care who comes up with a plan, one of us is smart enough to think of a criticism and that is what this process is all about. You criticize our plan, we criticize yours, eventually we will reach agreement. Even if we don't, the Governor's order is cutting government spending, not in an exactly perfect way, but it is being cut.

This body has got to agree to cutting government spending, not taking money that was going to be paid for General Purpose Aid. We agreed, all except for three of us, not to take teacher retirement contributions. As you well know, it was not a borrowing from the Retirement Fund, we can't constitutionally do that, we threw that one out but we have got to get down to reality.

I will close this unfortunate extension of our long afternoon and evening by a comment that comes back to me from a song that was in the sixties, "It is for each of us to decide which is real and which is an illusion." I submit to you that the Majority Report is an illusion that simply postpones the inevitable reduction of state government.

Representative Martin was granted permission to speak a third time.

Representative MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: The Representative from Waldo began his comments by referring to my opening remarks. I made it clear then and I want to make it clear again that what I said tonight was not the time to try to establish blame to determine what happened. That time has to come but the time is not tonight. The time tonight is to deal with the issue of the state fiscal crisis.

I must tell you members of the House, representing a minority that used to be laughed at on the floor of this House, that I do not appreciate references to any minorities at any time, any place. I would hope that the Representative from Waldo, in the future, would deal with his own ethnic background rather than anyone else's.

I feel very strongly that what we have before us tonight is a document that can make it possible for it to work. I understand the frustrations of the Minority Party members of the Appropriations Committee tonight. You also must remember the frustration of the Majority Party on the Appropriations Committee in getting information through this process. That too must be dealt with but it cannot be done tonight.

There are things that must be said, however, to lay out where we are tonight. First, to the reference of dams — in the Minority Report is in fact the language which does away with the jurisdiction of the Department of Environmental Protection and the Department of Defense. For your information I have located it (since I asked the question) on page 126 and 127 of the Minority Report so if you live in the Unorganized Territories, if this passes, you have a problem.

The Public Advocate, of course, remains eliminated.

Let's talk about cutting costs of government. I heard so often tonight and this afternoon from the members of the Appropriations Committee Minority position that I started to believe that they believed what they were saying. We talk about what is needed. In the Majority Report are prohibitions against additional leases, requesting a study of cars and that all cars and drivers be listed by name come every January. We talk about dealing with employees, we talk about attempting to restrict and then you get almost to believe that all of the cuts in the Majority Report, if you heard the comments, were all vacant positions. First of all, that is not true and I think you probably figured that out all by yourself without me telling you. More importantly, in the Majority Report for the first time in the history of the state, we abolish vacant positions. Now for those of you who are freshman, Republican or Democrat, you wonder what difference does it make? I have been here a few years and watched it all happen and I want to explain it to you.

Every July 1st, when the new budget comes up and goes into effect for the new fiscal year, all those positions are funded that are not filled. They are

funded, they were when we left here two years ago — in state government today, there are 1500 plus unfilled positions, now most of them unfunded. Two-thirds of those are along the General Fund line but a third on the federal line. What has happened to that money? It hasn't been spent because there aren't any employees there. What has happened in the last two years? The Commissioners have transferred the money, i.e., to positions or to programs which they support and have done that by Executive Order through the Commissioner of Finance signed by the Governor. It was going on, by the way, before this Governor was the Governor. My democratic Governor's did it, I didn't like it then. I see Representative Marsh from West Gardiner, he was a bureaucrat you know, they did it over there in his department all the time. Now is the time to stop that because you can restrict the growth of government by just doing that. If they haven't got the money, they can't spend it. They all play the game, keep the positions unfilled, get those dumb legislators to up the slots of money and then we go home, we are out of here. We are only here six months out of the two years when we really deal with the budget. Then they take that money and they divert it. We come back and say, "Gee, I would like to know who is in that position." "Oh, there is no one, it's unfilled." I see other bureaucrats who have been through that too as well, the Representative from Winthrop who was in the Department of Education. The former Commissioner and the present Commissioner have learned how to do that so well it is unbelievable. This Commissioner of Education is the expert at it. Nice person. So what we have done and if you look at our list, look at where they are. That won't be done again. That is the biggest, in my opinion, potential saving in the next two years than this legislature could ever do. So don't give me this business about you are not doing anything to downsize government.

We are eliminating one division completely plus the State Planning Office, all those people go with it, that is the beginning. It doesn't save much this year but let me point out how this works. The Governor's layoff notices show how sometimes this doesn't mean much but his Executive Order we were told would affect 488 — actually it is 425.5, the saving of that for the rest of the biennium is \$2.8 million. That's it gang. Of course some of those are unfilled and the rest of all that are vacant positions so they are whatever but some of them were filled obviously because you are hearing from some of your constituents who have lost their jobs as a result of that Executive Order. But it is a beginning of how to get where we want to get.

Saving government money — you know, I have been here a long time, some of you I am sure would rather I hadn't been here that long, I understand that, but you don't elect me, my constituents do. I suspect that as long as I represent them, I will be fine, but I have heard so many speeches about saving money, about downsizing, about reorganization, about all those things and guess what? They are just that...speeches. I have heard about reorganization in the Department of Human Services now for the last 12 years. You can study that one again and there will be another plan to study the plan. Maine people, frankly, are sick of studies, they want action. This bill has it, it may not be the way you and I like it, but it has it. If it is wrong, — huh, half of the bills that this legislature will be

seeing this year is because we made mistakes in the last two or the Governor made them for us or with us. This is not a partisan question.

I would hope that that is the last we hear about saving money because I know that the people in this legislature work, the staff works unbelievably well for hours which sometimes are unforgivable and what we make them do. You read some of the rhetoric and that's all it is. There are people out there who aren't given the facts except what newspapers choose to give them at any given time and more is made out of it. All I can say to all of you is, if you condemn the legislature, you condemn yourself.

Let me say that if the Minority Office or the Majority Office or my office want to make suggestions in what staff to let go, I can accommodate, there is no problem under the Constitution, I have that ability to grant it. Let me say this, that they work a heck of lot more and harder than some of the members.

You may remember that I asked the Appropriations Committee two years ago to give permission to prevent expenditures from being paid. "Oh that might be a little partisan." If you are here, you're here; if you are not here, you are not here. We all remember a legislator in the last couple of years who was here, I believe, three days during the entire three months but that is beside the fact. It is outside of my control but I wanted to make that point.

Downsizing government is something we feel very strongly about and the Majority Report does that.

One thing I want to point out that has not been said. Actually there was no response to my question and that is the effect on hospitals at home. You all represent hospitals, they are in your districts and some are very small, including one in my own district. If this Majority Report passes, they will be saved. If the Minority Report passes, I can think of a couple right off the top of my head that will go, a hospital in York because I remember going through that two years ago with that one. Another one will be the hospital in Calais, I know the executive director there and I know what I am talking about. There will be the hospital in Fort Kent, the hospital in Houlton and I could go on. What we will have in this state, and I hope that it never comes and we can't let that happen, we have had two closed in the last couple of years, we will be down to four or five hospitals and then we will say to ourselves, "How did that happen?" Let me say to you, if the Minority Report is accepted, that position is accepted, you can all say that you were here when it began. If you cut Medicaid, if you cut the shortfall and you impose a hospital tax on them, the end is occurring in this body.

It is easy, I suppose, because you can vote for this and you won't see the impact for three or four years in some instances and you can say, because you won't be here, that those other legislators did it, I would have done it differently but remember, you will be to blame, no one else.

The Retirement Fund — the Majority Report contains language that makes it very clear that it is against the law. The Minority Report doesn't. You make your own decisions on that one, you know what the final results potentially could be.

Let me close with one other thing. There are some documents going around that may or may not be accurate. Some of it was done hurriedly last night so some of that might not be as accurate as what is

being done today. Let me illustrate one point to you, especially to the Minority Party, but also to the Majority Party — the difference between the spending plan in the Majority Report to the Minority Report, that all the differences that we have talked about here tonight, the difference in dollars is \$16 million. That's it, gang. That is the difference, because you see from the Majority Report, you have to knock out the monies we are putting in the Rainy Day Fund, which obviously the Minority Report does not do, and then there is one other thing that is being counted against the Majority Report but counted as income in the Minority Report, which comes to \$8.5 million, and that is the furlough money. In the Majority Report, the position of the Majority has been, "Governor, if you say you have the authority", which he says he does to do furloughs, "it's your call." We don't like them, we don't think he ought to do them, we think they are in violation of the collective bargaining agreement. You see, what the Minority Report does is that they count the \$8.5 million as savings and then what that does, according to the attorney, is that in effect it says that the legislature has approved furloughs. You see what I am saying to you? What we are saying is, "Governor, if you do do furloughs, it will simply be cash left over at the end of the year" and that is another \$8.5 million. What the Minority Report does is that it takes the money now. By the fact that it takes the money now, the Attorney General's Office and other attorneys have indicated, including MSEA attorneys, that what you are saying is that the legislature is acquiescing to the request of the Governor and that you are agreeing with that so-called furloughs and that is it. Maybe that is the hidden message here by trying to get the legislature (by the back door) to circumvent collective bargaining and put the \$8.5 million in now, I don't know.

I will close simply with a couple of other things. Representative Whitcomb talks about assumptions — when we were talking about how the financial package was put together, apparently the Representative from Waldo wasn't listening to me when I was trying to explain how accounting works nor was he listening to the Representative from Thomaston in reference to gap. By the way, my superintendent called me too. I didn't talk to him directly, he left a message. He is a Republican but we allow them in Aroostook and the St. John Valley. He said he supported it and didn't have any problems with it at all because it wouldn't create any problems for him. I didn't talk with him directly but the message was left in my office. I would hope on the school subsidy issue that any accounting firm, you might even want to go the big 8, the big 6 and ask them, they will tell you the same thing. There are no smoky mirrors, I have never figured out how mirrors smoked, maybe it is smoke and mirrors, but it is neither.

Finally in terms of differences because I think it is important that we all know what it is we are voting on, we all know the impact of health care and all the rest of that but remember we talked about saving money, just a little thing, I hate to pick on my own county but I have had at least 20 letters generated by the same company regarding a lease in Presque Isle. It is back in the Minority Report. It is, I believe, a WEET office. We eliminated a lot of WEET all over the state in the Majority Report, the WEET office substation in Bangor, one in Portland,

one in Lewiston, all of those. This one in Presque Isle, according to the Department of Human Services, has 7 employees. If it were closed, the savings between January 1st and July 1st would be \$24,000 and \$49,000 for the year, for 7 employees. Keeping in mind under the new ASPIRE language that was put in, I believe by both the Majority and the Minority but the difference is probably "shall" and "may." We fought that for four weeks, I don't even know where we ended up in either report at this point. I haven't looked for it but that savings is substantial. Keeping in mind that now they are going to be going to the town offices to do their outreach so they are not going to need an office anymore but that is kept in the Minority Report. I understand, someone is a friend of a friend of a friend of a friend. I understand that but let's be honest and say we don't want to cut costs of government when it involves our friend, someone who has donated to our party and to our Governor. I understand that but let's be up front about it.

There is more but I think you have heard enough from me for awhile. I think if we have not laid it out enough and there are more questions, we would be more than happy to respond.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Thomaston, Representative Mayo.

Representative MAYO: Mr. Speaker, Ladies and Gentlemen of the House: I rise this evening again simply because my name was mentioned earlier in the debate from the Representative from Waldo, Representative Whitcomb and I want an opportunity to respond.

First I would like to respond to his accusation that members of my caucus have to rely, and I believe he was implying upon someone outside this chamber, to prepare questions for them and send them in. I deeply resent that statement or that accusation or that suggestion. Members of my caucus did their homework and that is why they may seem to be prepared because they prepared themselves.

Representative Whitcomb suggested the term of whether or not we were proud of our report. I am very proud of our report but I am more proud of the people in my caucus who put that report together, the hours they spent, the work they did. I would like to give one fine example of that and that is good friend and colleague from Wiscasset, Representative Kilkelly, who seeing this mess and seeing what was going to happen specifically in her area, sat down and did some work and solved the problem with the court systems. The Governor proposed closing some courts — Representative Kilkelly didn't go out into the street and scream, she went to work getting people to work together to solve a problem. We didn't have to do that, thanks to Representative Kilkelly's effort and I am proud of her for that, Representative Whitcomb.

We have heard a lot tonight about different things others than the budget and I think that that is for a calculated reason, to try to divert attention away from the Minority Report, away from the fact that the differences are very small, to something else. If you can't win on the facts, change the argument.

Let's be clear, the Majority Report plan and its effect upon school districts. I will apologize to this House publicly, I am the author of the document that Representative Whitcomb mentioned. I apologize, I did miss that the Commissioner had specified that

the June payment would be made on the 19th, I didn't know that. It does change things a little bit but let's not forget the effect of the Commissioners Order and that is to change the payments from January through May to the end of the month. That is about 50 days of lost interest income for those school districts.

The Majority Report puts in \$880,000 to make up for that. Yes it does cause an accrual to have to occur on the last month for the fiscal year but it puts in \$880,000 to General Purpose Aid to make up for what Commissioner of Education did. The Minority Report does not do that at all. Let's be clear about that. It is only a delay until the next fiscal year, once, it does not hurt the school districts because we allow them to accrue that payment back to balance their books. I would suggest to the Representative from Waldo who tries to suggest here that teachers should be afraid that they won't get their paychecks. I think he is trying to raise fear in people's minds inappropriately. If teachers need to fear because the payments are being delayed, they need to fear the Minority Report more than they do the Majority Report because the delay in checks is a sum total of 50 days, not the 11, if it is from the 19th to the 1st that is in the Majority Report. Let's be clear about that if we are going to talk about making the teachers worry.

I have heard a lot about the legislative budget since I have been a member of this legislature, time and time again. When you need to divert attention from the budget, you talk about the big problems in this state, you talk about the legislative budget. Well ladies and gentlemen of this House, the legislative budget represents one percent of the state's budget, the total legislative budget is \$16 million and represents 10 percent only of this entire crisis. Let's wipe out the entire legislature if you want to have that discussion, \$16 million is offered up. Have we solved the problem? No. We wouldn't even come close to solving the problem. The legislature has made cuts that have been requested by the Administration to the penny, \$1.2 million this year. I believe we are the only part of state government, the legislature, that met its voluntary cost savings projections for personnel when those were put out last year. I believe that is correct. There may be some others that I am not aware of but we met our projections there, we met our projections last year, we met our projections this year. When you can't win on the facts, divert attention to something else.

I don't want to take up any more time here tonight but I want to emphasize the point the Speaker made about the differences between the two budgets. There has been a lot of talk tonight about accountants, accountants usually look at things in two different ways to back check what they have done. I made the same calculation the Speaker made in my own mind as to the difference between these two budgets, going from the bottom to the top and then from the top to the bottom and I wasn't surprised at all when my Speaker, who thinks he is not an accountant but I think he is pretty good at it, came out with the same amount that I had come out with, \$16 million dollars difference. We are told that we are not downsizing state government and the other side is?

The SPEAKER PRO TEM: The Chair recognizes the Representative from Orono, Representative O'Dea.

Representative O'DEA: Mr. Speaker, Ladies and Gentlemen of the House: I would like to ask again that a supporter of the Minority Report respond to the question about what we will do with the 400-odd people who will be out on the street. Could we have a substantive answer, please?

The SPEAKER PRO TEM: The Representative from Orono, O'Dea, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Yarmouth, Representative Foss.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: I have checked that because I know what we instructed the budget to show in the Minority Report and I want to clarify that the money was there. Presently, all people now in nursing homes are protected. No new ones, however, will be added under the Minority plan.

I want to speak to a couple of other issues in reaction to comments by other members of the House. One is on the furlough issue, the amount of \$16 million dollars difference in budgets is misleading. Let me go through the analysis that we feel is accurate and why the \$8.5 million should be included as cutting. In Part A of the budget, the Majority Report cuts just under \$30 million and the Minority cut is \$36.5 million. In Part C through Y, both Reports cut \$5.3 million and the adding in of the personnel package \$8.5 million brings the difference between the two to \$15.1 more cuts in the Minority Report. Go to Part B, which is supplemental or emergency spending, the Majority Report spends \$65.2 million and the Minority Report spends \$62.3 but that is exclusive of the Maine Health Program, which is another \$7.1 million and that total is \$25.1 difference. I did not add another \$6 million to the Majority plan that is going into the Rainy Day Fund because it would be an unfair comparison I think.

I would like to make a couple of points about this difference — we do believe that furlough days are better than more layoffs, that it is more fair than asking state employees to take three furlough days between now and the end of June. It is a hardship but it is better than laying off more state employees. I think more importantly though, the difference whether you see it as \$25 million including the \$8.5 million or \$16 million is the content of that amount of cuts because what that represents are the very programs that we were discussing earlier, the beginning of the downsizing of these programs that we will not be able to afford in the next biennium.

I want to make a very brief comment about the Retirement Fund issue. Representative Mayo is an accountant, I certainly do not profess any experience in that area. However, my superintendent did say to me yesterday that Peat, Marwick insists that the school system in my town keep the monies for summer salaries for teachers in escrow by June 30th, the end of the fiscal year and why isn't the state held to the same standard?

A point I would like to make about the legislative account is that it is easy to make target cuts if you have a surplus. It is much more difficult to make them if you are cutting from existing personnel and existing programs.

I want to mention also one other point which is very minor as far as monetary issues and it has a monetary impact on this budget but again it is a philosophical issue which did divide us and was not

on the Speaker's original list and that was language that is in the Majority Report, not in the Minority, that changes for Katahdin High School alone, the only school in the state, that can now define repairs to roofs, walls and sprinkler systems as construction and, therefore, get funding from the state under School Construction Funding. The law is very clear about this. School Construction Funding is provided for projects which either increase space available to educate the students or build entirely new buildings. In all cases, new educational space is provided for students and I want to remind you that all repairs now are eligible for state support through the normal school funding formula. We did not agree with that exemption for one school. I know there are, as defined in committee, special exceptions because of moving children in and out but I also would like you to know that the same firm that built that school which was not up to standard has built two other schools in the State of Maine, Kennebunk and Fort Fairfield, which has similar structural problems and those school systems repaired their own buildings without that School Construction money. I think it is important to know that there are other language differences.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Brunswick, Representative Rydell.

Representative RYDELL: Mr. Speaker, Ladies and Gentlemen of the House: I want to clarify one point about the Medically Needy Program in the Minority Report. It is true, as the Representative from Yarmouth states, that it does include continuing payment for those persons who are currently on the program. However, we will no longer have Medically Needy Programs; hence we will not be eligible for the federal matching dollars for that program because you can't have it both ways. You have to have a Medically Needy Program in order to qualify. These people will no longer be on a Medically Needy Program; hence we will have to pay for those people with all state dollars. That is similar, of course, as to what will happen when we made the AFDC cuts if the Minority Report were accepted. We would lose our federal match when those families who lose their AFDC payments have to turn to their General Assistance Office. Again, we would lose federal match, we would be forced to support these families with only state and local dollars. I think it is very, very important to emphasize that because we are not a wealthy state, we have always tried to maximize federal dollars, we have tried to find out where we could make our state dollars go further by qualifying for federal dollars. Very often, we get two federal dollars for every state dollar that we spend. We have to be very careful not to reverse that, we cannot afford to put in three state dollars where, once before, we were spending only one and getting two federal dollars. I think that that is a very important point. While the person who is in the nursing home yesterday would remain on the program even though it would be all state dollars, what about the people who move to nursing homes today or tomorrow? February 1st is a very arbitrary date and that is the cut off date in the Minority Report.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Wiscasset, Representative Kilkelly.

Representative KILKELLY: Mr. Speaker, Ladies and Gentlemen of the House: I have three questions to pose to members on the Minority Report in regards to

education. They are prepared questions, I prepared them.

The Minority Report talks about allowing towns and cities to waive state mandates. To read from the Report, "These mandates include but are not limited to minimum pupil/teacher ratios, guidance programs, gifted and talented programs, music and art programs." My question has to do with "not limited to" — does that also include teacher certification, administrative certification, school improvement and the Maine Education Assessment? If so, I have not found what I would assume to be the related staff reduction for the Department of Education because that seems to be what many of those people do?

Also, how much time would schools have to get into compliance once the end of this period happens, which is when the funding is returned? Is there a period of time in which schools would have to get back into compliance?

Also, on the comment that was made by the previous speaker about the legislature being able to make cuts based on surplus — it is also my understanding, correct me if I am wrong, that the Commissioner of Education, in order to make the cuts necessary in that department, had \$5.4 million in surplus from construction and Access General Purpose Aid from a prior year and if it is acceptable for the department to do it, why isn't it acceptable for the legislature to do that?

The SPEAKER PRO TEM: The Representative from Wiscasset, Representative Kilkelly, has posed a series of questions through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Yarmouth, Representative Foss.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: Let me work backwards — the \$5.4 million construction was a surplus but that was certainly not the only cut there. As you well know, the Commissioner of Education was asked by the Governor and by, I think all of us in a bipartisan way, to not affect the General Purpose Aid. If one were to ask for an inequitable cut across state government, that certainly would have been impacted. So there is a little bit of difference as far what she offered up.

On the question of waivers, a little bit of history on the mandate issue, many members of our caucus had suggested at various points the few times that we were able to get together with them, as we have been in committee almost for the past month, that they were hearing from their towns that they needed relief from some of the mandates, both in education areas and other areas, not forgiveness but relief. The language was developed by members of our caucus and with the help of the Commissioners from the various departments, the intent is to seek waivers on those and I would assume, at this point, that a local could seek a waiver on any issue for which the local dollars were not available.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Wiscasset, Representative Kilkelly.

Representative KILKELLY: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose a question to the previous speaker. Is that to say that there is no change then in this provision that it is the current waiver process that was passed by the last legislature that is in effect and that this in fact does not change that?

The SPEAKER PRO TEM: The Representative from Wiscasset, Representative Kilkelly, has posed a question through the Chair to the Representative from Yarmouth, Representative Foss, who may respond if she so desires.

The Chair recognizes that Representative.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: There is a current waiver process. Some of the statutory language in our bill goes beyond that and actually extends the dates. The other programs you mentioned, you suggested that those might not be able to be achieved, could be waived under the current process.

The SPEAKER: The Chair recognizes the Representative from Gray, Representative Carroll.

Representative CARROLL: Mr. Speaker, Men and Women of the House: Let's talk about downsizing state government and let's talk about whether or not those of us on the Majority Report or Minority Report are proud of the work that we did. The last 36 days a number of us have sat down in Room 228 staring at the same picture and have been going back and forth, working very hard, to downsize state government.

I want to tell you that I am a member of that committee and a signer of the Majority Report and I am very proud of our report because I think it goes beyond establishing who is responsible for this crisis that we are in. It defines who is responsible and who has taken a responsible approach to downsizing Maine state government.

The Minority Report is going to report to us as a legislature on April 15th of this year as to some type of restructuring of state government and it will start from that point on.

The Majority Report puts the intent and the purpose of reorganizing major departments of state government into effect on May 15th or May 1st. It then gives the Executive Branch, the Legislative Branch, and those seriously interested in downsizing government, 17 months to come up with a plan and put that plan into effect. If we can't do it in 17 months, if we are not willing to do it in 17 months, I wonder how long before we get serious about downsizing government.

The issue of balancing the budget in spending has been hammered around this room for the last four hours. We have heard it for the last 36 days and there are philosophical differences and I can appreciate that and I respect those differences. I really wonder where we were in December when the issue of the "last resort" for balancing this budget crisis was before us, when we suddenly found and I quote: "\$49 million dollars we didn't know we had." The issue was that we wanted to look at this carefully, we wanted to surgically look at cutting state government and not by doing it with a chainsaw.

I am proud that the Majority Report tries to downsize government by restructuring bureaus, departments and streamlining government for Maine's people by giving Maine people, not only a government that they can afford, but clearly a government that is accessible and that they truly deserve.

I am proud that the Majority Report downsizes government, not by reducing AFDC benefits overnight, by possibly doing away with ASPIRE programs in rural Maine, by taking IFC long-term care beds and nursing home beds away from the people of the State of Maine, the elderly people and the infirmed after February 1, 1991.

I am proud that the Majority Report does not

downsize state government by taking personal needs away from those in long-term care facilities by reducing their allotment by \$5 a month to \$32.

I am proud that the Majority Report downsizes Maine government by not reducing community programs in Human Services, community programs in the Department of Corrections, and community services to Mental Health. I am proud that we did that by not rolling back a 3 percent cost-of-living adjustment to those contract agencies.

I am proud also that we don't shift the burden of this crisis back on to the municipalities in their General Assistance needs, that we fund that program to its fullest.

I am proud also that we fill this gap and downsize state government by looking at the upper echelons of bureaucracy, by doing away with the vision in the Executive Department that is now nothing but a bureaucratic administrative bureau and by not reducing payments to medical providers in this state and denying adults dental care.

I am proud also of the Majority Report because we maintain the Maine Health Program whereby business, labor, and state government work together to fund and make an initial step to make health care affordable and accessible to all of Maine's citizens. \$7.1 million seems to be a very wonderful investment for that purpose — we don't want to cut it off tomorrow or April 1st. Let's get the numbers first, the actual numbers, the real numbers we have been asking for now for 30 days and, hopefully, will have by April 1st.

I am proud also that the Majority Report doesn't try to downsize state government by making the state employees of this state take a furlough program of 3 days, working into a furlough program of 8 days, because that is the only way (if "every" single state employee takes 8 days off, not 3 ladies and gentlemen) how we reach \$8.5 million.

Yes I am proud of our report and we take some major steps in downsizing state government and we do it today. We do it by reorganizing, restructuring, and by looking at how we deliver the services to the people of the State of Maine in a more efficient and effective manner.

I would urge the members of this body to take a look at those issues very carefully, how they affect your constituents, my constituents, and the majority of the people of the State of Maine.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Fryeburg, Representative Hastings.

Representative HASTINGS: Mr. Speaker, Ladies and Gentlemen of the House: First I will tell you that I have been here for four hours. It is a good thing that this didn't happen right after breakfast with all the coffee that one carries around so I am able to sit here and listen to debate, if that is what it is called. Rhetoric is perhaps a better word for I doubt that in years to come, as they read the history of today, that what we have said throughout is great debate but perhaps is more the rhetoric of each of us and our particular leaders.

It is said that when we speak about the poorness of our leadership, the littleness of ourselves, we cast aspersions on each one of us here. We are legislators, we are people representing 1.2 million good men and women in the State of Maine. I don't think any one of us forgets that and yet at times it is easy to get involved in politics, easy to think I am Republican, you're a Democrat, I am a

conservative, you're a liberal, I am a man, you're a woman.

What is going on in my hometown and I suspect in many, many of yours is businesses are closing, people are without work since before Thanksgiving and can't find a job. Friends have had heart attacks because of the stress that they must financially bear in this situation. These are dangerous times, they are not just crisis times, they are dangerous times and we best understand that.

The two Reports that we look at here today clearly the attempt of the two different parties, in part philosophically and part politically, to change the spending of money by this state. The process hasn't worked well. We say it has but it has been acrimonious. Even today it has been inflammatory. This isn't going to settle the budget when we talk here today, it is going to make it harder to settle the budget because of statements that are made here today. Yet, the budget has to be settled because the beginning is now. The most dangerous, the most expensive curse we can put on this state is not facing up to the responsibility of keeping our credit rating where it is. You can talk about every program you want, be it people in nursing homes, people on AFDC or in ASPIRE, but I will tell you that the next generations will yell and scream if we get a single A rating on our bonds. Think different than just in this budget. We have already been warned by certain financial leaders that we risk a downgrade of our current rating, that is going to cost more money. Everything that we borrow, every time that we have a capital expenditure in bond, we have to raise more money so we best downgrade our expenses in a way that doesn't jeopardize that. That lasts for years, it took years to build this state with the grade that it now has in the financial community. We can risk it and lose it overnight.

There is much in the budget that I don't like in both reports but as somebody has said whether it is \$25 or \$16 million, they are pretty close. There has been some earnest give and take but, for one reason or another and regardless of personalities, we have not reached that kind of consensus we need to to make this work. We have an obligation, men and women of this House, to make it work and we are not helping ourselves today. We haven't since about ten minutes of three and I suspect if we sit here until one o'clock in the morning, we do nothing to help ourselves.

As far as I am concerned, both Reports can go down the wash. They are a great starting point but they are never going anywhere from what I hear today. We best consider what we are going to do tomorrow to make it work for Maine.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Vassalboro, Representative Mitchell.

Representative MITCHELL: Mr. Speaker, Men and Women of the House: I hope not to be so pessimistic as Representative Hastings and I hope that many of us are much more than rhetoric. I thought Representative Carroll did a very eloquent job in crystalizing what I have been thinking, as I have indeed listened since we started this debate, because I wanted to learn more about what was in these massive documents from both parties. I think it would be well for us to think for moment that we have to have this kind of debate because nothing defines why we are here more than the budget that we adopt.

It is, indeed, a defining moment.

Men and women of both parties, both Republicans and Democrats, have different views. Some are labeled conservative, some are labeled liberal but we cannot be pigeonholed. It is clear that the stereotype that the Majority Party fights for the working man and the Minority Party fights for businesses is all upside down on some of the issues that are before this body.

I am going to ask you to look at what I am talking about and I am going to take a specific example because, frankly, those who support some of the provisions in the Minority Report champion neither the worker, the poor, or businesses.

I am going to talk for just one minute about health insurance. I am particularly glad that Representative Hastings spoke because we sit together and he knows that we face some very thorny issues on Workers' Compensation Insurance and health insurance, which is a major part of the cost of Workers' Compensation Insurance.

The Minority Report does keep children covered under the Maine Health Care Program and that is good but Representative Foss said that 71 percent were adults and only 29 percent were children. There was an article in the Portland paper that I think you should listen to as you think about who you are really helping when you cut that program.

Representative Strout and I have known him for years and respect him tremendously is concerned when we read about AFDC parents not receiving health insurance. He said, please just for a moment think about working people — well, Representative Strout, I can agree with these facts and figures and I am going to share with you. "Middle-class, working families are about to start paying the costly medical bills of possibly thousands of needy and sick Mainers if we make these cuts. Chronically sick children, gravely ill adults and working poor who have no insurance are not only not going to have the insurance but they are going to be paying the bills because we are going to be scrapping a very important plan." So you won't think that I am making this up, I am quoting from an article in the Portland Press Herald and they are quoting Blue Cross-Blue Shield and please think about this number when you talk about your magnificent savings. "Blue Cross-Blue Shield, Maine's largest health insurer estimates the proposed government cuts will cost consumers, that's you, that's me, that's the working people in Representative Strout's town, \$24 million dollars. Now what kind of savings is that if we are going to place \$24 million more in your health insurance premiums? I would like to inquire of those who support that provision in the Minority Report? Do they believe that their constituents don't already pay too high health insurance bills? I know that mine do.

The Appropriations Committee is going to be looking at another cost there. They also estimate that it is going to cost you another \$100 per person that we insure on the state program because those costs don't go away, they are shifted so I think the first thing we have to do, Representative Hastings, to get somewhere is to look very honestly at our savings. These are not savings, we are passing them on to businesses who have to pay them, we are passing them on to consumers. One small example here, to me, defines what we are talking about so we haven't voted yet, the only people who have voted on this budget

are members of the Appropriations Committee. Now it is time for you and for me, as Representatives of the constituents back home, to think about which one of these Reports, and for goodness sakes we all know what is in both of them, reflects your priorities and why you come to Augusta. I think you will and can vote today on a budget that makes sense for your people back home.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Waterville, Representative Jacques.

Representative JACQUES: Mr. Speaker, Men and Women of the House: I found it most interesting and enlightening when the good Representative from Fryeburg talked about our rating, our financial situation which we see ourselves in, the great economic downturn that we are in — well, it is not a real surprise to me as I am sure it is not to you. This country has been living on a credit card for a decade now and the bills have simply come due.

The people back home that I represent have gone by the point of passing the blame or trying to put the blame on the current situation that we find ourselves in. Clearly, we saw this coming a year and a half ago in Massachusetts, New York, Rhode Island and it worked its way up. It even infiltrated into the great state of New Hampshire who has no taxes. New Hampshire is in deep, deep trouble and they have no taxes so taxes are not what hurt New Hampshire.

Unlike some of you, I spent a little time with the Appropriations Committee as an outsider and it is interesting to me because we have heard a lot of the rhetoric that the Representative speaks of about downsizing government, yet every time a commissioner would step forward and the committee would make suggestions on where they could cut, those commissioners bitterly fought any cuts in the higher level. It is like municipal government, if you told the people in your town you were going to cut the solicitor, the tax assessor, the code enforcement officer, they would say great but tell them you are going to cut the man who picks up their garbage on the side of the road or who plows the roads or who sands and salts the roads and see what they tell you.

We have tried to balance this budget on the backs of the people who do most of the work. Yet these very commissioners whose party advocates downsizing government spoke against most every attempt to reduce the size of the bureaucracy. The people in the State of Maine don't want you to cut the fellow that plows the highways, he doesn't want you to cut the person who is helping him with the landfills — he wants you to cut the bureaucrat behind the spectacles that shuffles paper from morning until night. Ask them, they will tell you. I don't have a problem with that but here is an interesting thing — a department that I am vaguely familiar with, Fisheries and Wildlife Department, Appropriations wanted to cut some people, we were going to cut game wardens, front-line defense whose job it is to protect your preservation and restorations of the fish and wildlife for the state for everyone, not just the people who hunt, trap and fish it, but for everyone — the commissioner's proposal was to get rid of game wardens. I met with the Appropriations Committee and said, "Look, if that is what you want to do, get rid of five investigators, these jobs were created when we had all kinds of money." They are supposed to be out there investigating heinous crimes against the resources. They moved up from from a district game

warden, they originally were not suppose to get more money but get the same as a district warden. They would free up district wardens to do their everyday work, like going to get a lady's cat out of the tree in some of the towns or capture a skunk that got under their garage — lo and behold, the first thing they did was give these investigators more money. Times are tough now and before we lay off game wardens, we should get rid of the five investigators and their Sergeant. They would move down, they would fill open game warden slots, we would save that money and everybody would stay working. Boy, when the commissioner found that out, he was right over here because half of those investigators were his buddies. He worked his way up through the ranks of the warden service. They are friends like you and I are. Nobody wants to cut their friends so he started talking to the Appropriations Committee about how all these investigators were very important. They are working on all these high level investigations — well men and women of the House, that is a crock. They are not working on any high level investigations. Representative Erwin can tell you first-hand an example of what these guys concentrate their efforts on in her hometown. It is a horror story. Clearly, if we want to downsize government, then we are going to have to do that job.

The problem I had was allowing Appropriations in a budget bill, that from the very beginning was told to me was going to get us through these five months because we only have five months left. We weren't called back in June, July, August, September, October or November, we can speculate on that all we want, we just were not, so we have to cram it in the time we have left. My understanding was that we came up with a plan to take care of these services so we would have some breathing room and get rid of fiscal year 1991. That is what I had hoped Appropriations would do.

When you start talking about reorganizing, downsizing, combining and cutting, we were told at a Chairs meeting that most of these things would be referred to the committees who have sweated and toiled to do the things that we have done vis-a-vis Growth Management, Solid Waste, Human Services needs, Corrections, whatever the case might be. I think that is a good idea. If, indeed, you want to downsize government, I can't tell you about all the other departments but in the two that I deal with, in the Fisheries and Wildlife Department, DEP, and Conservation, there are a lot of ways that we can do it. It can be done, it can be done in a manner that people will not lose their jobs immediately, you can realize savings right away and the vital services of the people of the State of Maine want and need won't be hampered to the point that it is going to cause pain. It can be done, believe me. I have some ideas and when the time comes, I am going to share those ideas with my committee.

We have gotten off the path of dealing with the six month budget that we are trying to get passed so people will know whether they work or not. I have got to say that I am truly astounded with the patience and understanding of the state employees in this state who have had to sit back helpless with a feeling of uselessness, watching this process through when they don't know if they are going to pay their bills from day to the next, if they are going to be able to feed their children from one day to the next — I must say that they have a lot more patience and

understanding than this humble Representative from Waterville would have had.

Then we talk about rhetoric and all that — well, we are going to hear that, we have heard that as long as I have been here. Old Louie Jalbert used to say, "It all depends — rhetoric is if you made a speech and the people agreed with you, it was a great speech and if they disagreed with you, you were just espousing political rhetoric." He told me that in 1979 and I never forgot it.

I don't know which one is the best or which one is the worst, I just know that I have not voted for taxes very many times in my career down here, I never voted for a gas tax increase, I have never voted for a liquor tax or a cigarette tax and the only time I did vote for a liquor tax was to help health care in the State of Maine and I got some grief for it. I thought it was important, we needed it, we were told that we needed it — we were told, I believe, if you look back in the Record that there was a crisis in the State of Maine and lo and behold, we delayed it. It wasn't a crisis because we could delay it for six months and pay for other things. Now we are going to use it for something altogether different than what I voted for. I guess I had better be very careful what tax increases I vote for in the future because it doesn't matter how important the program is when you get the tax increase passed, you are going to use it for something else.

Representative Lord said to me, "We've talked four and a half hours and haven't changed a vote." I believe he is right. The difference is that rhetoric has been played on both sides. I read the newspapers to see what is going on and what is said. We have been accused of not trying to solve this problem and we are not going to solve 1992-93 problems tonight, there is no question about that but my understanding was we were going to try to get through the 1991 problem. That will give us five or six months to take care of the 1992-93 problem, which will be a heck of job in itself.

We have two proposals before us today. We have to choose on which one we think is the better. From what I have heard on the floor of this House by both sides involved, it is pretty clear to me that the one that does the job and hurts the least people is the Majority Report. I know you are going to say that I am a Democrat and you are going to vote for the Majority Report. Well, I have voted against Democratic bills before, I voted against my Democratic Governor before but when I did it then, I got a smile from my Republican colleagues who said, "Good job." Now if I vote against the Republican Governor, I get the smile but they say, "Boy, you are a partisan guy." It is not partisan, men and women of the House, to vote for what you think is right. As Representative Martin said, as long as you represent your people back home, you will probably continue to come back here and I am doing what I think is best for the people back home. Take care of the six month problem, then we will see all these ideas. I am anxious, I wait with the greatest of anticipation to see how everybody in this House reacts when the commissioners bring forth their proposals to lay off nine game wardens, to lay off 23 biologists, to shut down the game farm in Gray, to close down yet one more hatchery in this state (we now have half the hatcheries we had 25 years ago), when they talk about laying off fire wardens and fire tower people, when they talk about laying off the

people who monitor water quality, both in the ground and in your lakes, rivers and streams. Then when the people you represent who live on those lakes and pay the highest taxes of anyone in the State of Maine start having their lakes smell like an open sewer and they call you and you call Augusta and they say, "We are sorry, we laid those people off, we can't help you, I am anxious. When someone comes in with a proposal to open up a zinc mine in the middle of your legislative district and possibly contaminate every river and stream and all the ground water in your district and you ask the state for help to make sure that they do it in a proper manner and the state says, "We are sorry, we have laid those people off. We don't have them anymore, you are going to have to trust the company", I want to see how many in this House, when it affects your people and your district, vote to downsize the government. I have got to say the two lines that I will remember forever on the floor of this House that were uttered today was the person who said, "With all these cuts, we are still going to be the 17th most generous state in the union to our people." Is that something that you should be proud of?

Having served on the Housing Authority in the city of Waterville for 11 years dealing with elderly people who get \$268 a month and a \$35 pension that their husband got for working in the woolen mill for 47 years, that is what they have to live on, they have to go to a nursing home and I heard somebody say, well you are just going to have to start taking care of your family better, I still can't believe that one. Some of these people have no family, they have no one. They used to have us and, hopefully, they will always have us.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Hallowell, Representative Farnsworth.

Representative FARNSWORTH: Mr. Speaker, Ladies and Gentlemen of the House: Earlier this evening, it was stated that, even as we speak, government spending is being cut because of some of the proposals that are going into effect now. I know that to be true because, for example, last week I believe 15 parole and probation officers were laid off. They are no longer in their former jobs.

The Majority Report restores those positions. The Minority Report restores some but not all. I mention those and I also wish to raise the issue (also in Corrections) of the cuts in the Minority Report at the Maine Youth Center. What really troubles me about the Minority Report and what I perceive to see the real difference between the two, is that it boils down to cuts are not necessarily good. Some cuts are, cuts are necessary if we are going to cut the cost of spending in state government but these two, like the Maine Health Program, it seems to me are examples of cuts that are going to cost the State of Maine taxpayers money. They are so obviously going to do that that I would like to pose a question through the Chair to the members of the Minority Party to explain how they can justify cutting 38 positions at the Maine Youth Center including the positions that provide psychological and social services to the youths that are there? If we can't provide those kinds of services to troubled youth, are we not necessarily going to pay for that in some fashion in society in the long run? If we are going to lay off probation officers immediately and immediately means that people facing sentencing

have to go to jail because there is no other alternative available in those areas where there is no longer a probation officer. I know about that, I have already run into it in relation to one of my clients. It costs an average of \$23,000 a year to have somebody in jail. It is significantly less costly to have that person under intensive supervision but that takes probation parole officers.

I really don't understand and I would like to know if there is an explanation for how those cuts can be seen as saving any money?

The SPEAKER PRO TEM: The Representative from Hallowell, Representative Farnsworth, has posed a question through the Chair to anyone who may respond if they so desire.

Representative Martin of Eagle Lake was granted permission to speak a fourth time.

Representative MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: I will be very brief but I want to tell you why I am doing what I will be shortly doing.

In a previous vote in this body, after the vote had been taken, a number of calls came in from around the state, which indicated that the Majority Party had not given the Minority Party an opportunity to vote on their version of the proposal. You may remember specifically the Retirement Bill. That, I think, needs to be avoided tonight and so I am going to move the Minority Report tonight so that a roll call can be taken on that one and then we can take a roll call on the Majority Report.

Mr. Speaker, I now withdraw my motion on the Majority Report.

The SPEAKER PRO TEM: The Representative from Eagle Lake, Representative Martin, withdraws his motion to move the Majority Report.

The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, I now move the Minority Report and ask for the yeas and nays.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Presque Isle, Representative MacBride.

Representative MACBRIDE: Mr. Speaker, Ladies and Gentlemen of the House: It's late and we are all tired and I am sure we are ready to vote and I will be very brief. I do want to tell you that I do resent the remarks that Speaker Martin made earlier about the WEET office in Presque Isle and the inference of my position in that office. I do want you to know that that office in Presque Isle that houses the WEET Program is a new office, it was opened August 1st by the Human Services Department because we have, in Presque Isle, the highest number of low income housing of any of the towns in the county. They have a very large caseload there, we have the University and the Technical College and it was felt with the ASPIRE Program that it would be much more accessible to the people.

As I said, the building is owned by three people, one of them I have never seen and one of them has an insurance office in Presque Isle. He has called me on the phone but I probably wouldn't know him if he walked in here. The other one is a young woman I have met twice so as far as their being friends of mine, I feel that there certainly is no inference that could be made there at all.

When the Governor's budget came out, he had eliminated the Human Services Office in Fort Kent and the WEET Office in Presque Isle. Speaker Martin

wanted his Human Services Office in Fort Kent and I wanted my WEET Office in Presque Isle. That is the answer to that question.

I had a couple of notes asking me a question that I can't answer. One said, "The Speaker asserted that the York Hospital would be closed if the Minority Report was accepted." I have never heard anything about that and that was never mentioned in any discussion that I know about.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Harpswell, Representative Coles.

Representative COLES: Mr. Speaker, Men and Women of the House: I will be quite brief, I hope. I have been listening with a lot of interest to this debate, much more interest than I usually do with most of the debates that we have.

There are a few points that have not been made, in my view. The point made by Representative Whitcomb that when business revenues falls off, businesses cut costs, cuts employees, etc. That is true, when business revenues fall off, sales are falling. When sales fall, it means that the demand for their services or their products are falling. When government revenues falls, demands for services increases. In fact, government has never once fully met the demand for their services, even in times of prosperity. To say that government ought to be like business and cut costs when revenues fall is total nonsense. It is a red herring. It is meant to deceive people, not lead people.

The Representative from Vassalboro, Representative Mitchell, talked a bit about liberal versus conservative — in my view, the Majority Report is a fiscally conservative report. The Minority Report is a fiscally irresponsible report. It is not responsible claiming you are saving money when in fact you are cost shifting. Cutting the Maine Health Care Program isn't going to cut costs in health care, it is going to shift it from state government to the hospitals and the insurance rates. Fiscal responsibility is not penny wise, pound foolish policies that are represented in the Minority Report. To close prisons and cut intensive supervision programs means either you are going to let prisoners out in the street or you are not going to send criminals to prison to begin with — is that what the Minority is proposing? Alternately, it means that you are going to spend ten times as much money per prisoner putting him in some other prison. That is fiscal irresponsibility, not fiscal conservative.

Cutting people off AFDC is not fiscal responsibility, it is fiscal irresponsibility. It is cost shifting to municipal government. There is a lot of talk about how we shouldn't rush into restructuring — one month ago, the Representative from Yarmouth presented to this House the Governor's Supplemental Bill which involved a lot of restructuring and urged its approval within four days. Now after four weeks, she says, "Oops, we shouldn't rush into this."

There is another item in here, a very interesting little item. In addition to the waiver of education mandates that Representative Kilkelly was discussing earlier, there is a postponement of mandates to build salt and sand storage sheds and to remove underground oil tanks. To the best of my knowledge and I have been asking people all afternoon, the passing of these three items would not affect the budget one way or another. It would not save one penny of the

current base expenditures in this fiscal year. They are simply not germane to a budget bill. Why are they in here? The obvious answer is that the people who wrote the Minority Report are looking for some two by fours to shore up the house of cards that they are actually trying to sell to us, to make it look like it is something more than it is. What it is is a shortsighted, small-minded, fiscally disastrous proposal.

The Representative from Presque Isle said, in answer to many questions about why she is supporting such harsh cuts, "I don't like what we have to do any more than you do." I find that really puzzling because we don't have to do it.

The Majority Report shows exactly how we don't have to do it, how we can meet the budget needs of this state without imposing those harsh cuts on the people of the state.

The Representative from Waldo and many others talked about how we need to downsize government when half of the government expenditures are direct payments to municipalities and another 25 percent are direct payments to the most vulnerable in our society, those least able to help themselves, the elderly, sick, the poor and children, when the remaining 25 percent includes such things as the University of Maine System, which is absolutely vital to the future health and prosperity of this state, when it includes environmental protection and management of our natural resources that are so important to our economy, when it includes Corrections, which keeps criminals off our streets and the people of Maine want them kept off a long time despite their reluctance to pay for those prisons. When you talk about downsizing government under those circumstances, you are in fact talking about doing what the people of Maine don't want. You are talking about gutting government, not downsizing it.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Fryeburg, Representative Hastings.

Representative HASTINGS: Mr. Speaker, Ladies and Gentlemen of the House: I beg the indulgence of just a moment of your time.

I consider myself perhaps and will be considered the rogue of this gallery today. However, I urge you today to reject both Reports and send them back to the committee. I ask you to consider the piece of your conscience so that it shall continue to disturb you.

Representative O'Dea of Orono was granted permission to speak a third time.

Representative O'DEA: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose a question to the Representative from Yarmouth, Representative Foss.

Representative Foss, how many people would we normally expect to be absorbed into the state system and into the nursing homes and how many will be denied that in the coming year?

The Representative from Orono, Representative O'Dea, has posed a question through the Chair to the Representative from Yarmouth, Representative Foss, who may respond if she so desires.

The Chair recognizes that Representative.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: I do not have that exact figure, it is on my desk and I would be glad to give that to any legislator now if you would like to go downstairs and look or after.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Hallowell, Representative Farnsworth.

Representative FARNSWORTH: Mr. Speaker, I would like to pose a question through the Chair to the Representative from Yarmouth, Representative Foss.

My question has to do with the furloughs — I understood that the Minority Report, when you spoke about it, mentioned only three furlough days but I understood also that a furlough day is estimated to save \$1 million a day so that is \$3 million and my question is, is that true that there are only three days or where does the other \$5 million come from? I had also understood that there was a discussion of a lag payroll plan and I wondered whether that is what is included in this proposal? I understood that that is where people would work and not get paid a day out of a pay period and then get that money when they retire — is that where the \$5 million comes from?

The Representative from Hallowell, Representative Farnsworth, has posed a question through the Chair to the Representative from Yarmouth, Representative Foss, who may respond if she so desires.

The Chair recognizes that Representative.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: That is accurate. There are three furlough days in there and the Administration also intends to delay that check from one to three days.

Representative Martin was granted permission to speak a fifth time.

Representative MARTIN: Mr. Speaker, Members of the House: Just to clarify — the original proposal from the Governor was for \$11.5 million in furloughs. At that point, the committee pointed out — what do you do in Corrections? What do you do in some of the other departments, AMHI and BMHI? What they took out was the savings for the direct service personnel, that is, those who actually man or woman the floors, but the furloughs would continue in the institutions for non-direct care personnel. That includes janitors and all the other personnel. Then part of the savings is also generated in another area by moving one day for the next five pay periods. You would get those five days when you die, retire, or leave state service. It is \$1 million dollars a day, that's \$3 million and the savings from the other doesn't generate the difference. It is my understanding, according to the MSEA and I don't have the figure here, that it is in fact more than 3 day layoffs between now and July 1st — we will have to straighten out that question, I'm afraid, because the answer to that is not clear. We have been told two things.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Yarmouth, Representative Foss.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: I would like to just make the bottom line point on that. The furlough plan is intended to avoid further state employee layoffs.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Thomaston, Representative Mayo.

Representative MAYO: Mr. Speaker, I would like to pose a question through the Chair to the Representative from Yarmouth, Representative Foss.

If the Minority Report's furlough program prevents further layoffs, what layoffs are created therefore in the Majority Report because they don't have it?

The Representative from Thomaston, Representative

Mayo, has posed a question through the Chair to the Representative from Yarmouth, Representative Foss, who may respond if she so desires.

The Chair recognizes that Representative.

Representative FOSS: Mr. Speaker, Ladies and Gentlemen of the House: You covered that money in the Majority Report with General Purpose Aid.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Waldo, Representative Whitcomb.

Representative WHITCOMB: Mr. Speaker, Ladies and Gentlemen of the House: I just wanted to respond to one general question that arose from my colleague from Thomaston in a previous comment that he made. I think it is a good quote because he said, "If you can't win on the facts, you create a diversion, to divert attention." There is one fact that seems to escape a lot of discussion here and that is, how do we pay? When do we pay?

We have a proposal in the Majority Report that takes \$44 million of General Purpose Aid to Education, puts it into the program that you all say you want to preserve, protect, pay for (pay for in some manner) and that creates two questions in my mind, both of which I have asked in the general sense and neither have drawn an answer. First, how do school districts who don't have the money at the end of June pay their teachers? Second, how does the state generate \$44 million of money that they did not have, that it used to spend, and now will suddenly appear on July 1st or before July 4th? Because \$44 million represents half a cent increase in the sales tax — that money is coming from somewhere folks.

The SPEAKER PRO TEM: The Representative from Waldo, Representative Whitcomb, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Old Town, Representative Cashman.

Representative CASHMAN: Mr. Speaker, Ladies and Gentlemen of the House: In response to the gentleman's question, I think it has been answered countless times this evening. As I have sat and listened to this debate without getting up to leave, which is unusual for me because usually if there is a debate even from my committee, I only listen for the first few minutes, I think I heard that question answered several times. Simply put Representative Whitcomb, you object to the accounting gimmick being used in the Majority Report, it is the same thing as in the Minority Report, which you choose to ignore. The accounting gimmick in the Minority Report is the stepping up of a collection date of a tax that is assessed on utilities, specifically the phone companies. You are counting that money in your Minority Report, Representative Whitcomb, to balance your budget just like counting the \$8.5 million in furlough savings, which is very questionable, the same way that the Governor counted the stepped up utilities tax collection last year — you see, this is the second time we have used this gimmick, this accounting gimmick.

Yes, what the Democrats are doing on the Majority Report is an accounting gimmick and I don't think anybody has denied that. I don't think that the Speaker has and I don't think that Representative Mayo has but Mr. Whitcomb fails to see the same flaw in his own Report, which doesn't surprise me really. I served on the same committee with Representative Whitcomb for a number of years and it doesn't surprise me that this escapes his attention but I

refer to a Governor's release from last June 15th and the contact person is no less of a person than Willis Lyford. The release says, "The budget for May 1990 could only be balanced by using an unexpected one-time gain of \$19.6 million from the Public Utilities tax. Men and women of the House, that one-time gain, which was unexpected, is the same gain that is being used again in the Minority Report. It was unexpected because it was assessed earlier because of the accrual method of accounting that the state uses and it was counted by the Administration to balance their last budget. Now they are doing it again. The tricky part here is that they already have it in their biennial budget that begins next July 1st so you see if you take the \$12 million that they want you to take now, because you are going to assess it in June, half of the tax will be assessed in June, half in October, and under the accrual method we count that \$12 million — if you take that now, you don't have it in the next biennium so Representative Whitcomb, I guess I would ask you, where are you going to get that \$12 million in the next biennium because you can't use it a third time, you have already used it twice.

I sat here tonight and I think I have heard more rhetoric than I have heard in any debate in my, going on nine years, in this House. I have almost had the impression that I was watching an old Star Trek rerun and I was watching William Schatner (let me see if I can remember all the cliches) saying, "We can't be everything to everybody, we are going to downsize state government AND we are going to create a state government the taxpayers can afford, Mr. Spock." The fact of the matter is, as the Speaker pointed out, the spending differences in these two reports are minimal. The difference in accounting gimmicks is minimal. You've got \$20 some off million in accounting gimmicks and the Majority Report has \$43 or \$44 million minus \$6 million that goes to the Rainy Day Fund, that gives you \$38 million — the differences are minimal in accounting gimmicks and in spending so who has downsized state government with this bill? Nobody. The Minority Report doesn't and the Majority Report doesn't appreciably downsize state government. Why? Because you can't in this short period of time.

The thing that has bothered me about the fact that was mentioned earlier that we encouraged Governor last year to call us back last summer when we all knew that we were going to be short of revenues and, by the way, the last time you used this accounting gimmick, it was so they could display a sign on the news that said, "We did it", when we all knew that they didn't. We all knew that. Anybody who was in this body last year knew that. We encouraged the Governor to call us in so we could work on this problem then. We weren't called in. The problem was denied. The solution was put off. State government is big business. I run a business, a very small business, you can get a handle on a small business and you can downsize that very quickly. Big business is another story, you are talking billions of dollars here. Does anybody in this House seriously believe that we can appreciably downsize state government in six months and do it right? If you do, look at what we have done in the past month. The Governor submitted a bill, L.D. 108, that was so fundamentally flawed that his own members of his party in the Appropriations Committee voted to kill it because it would have resulted in loss of

federal revenue because he was cutting jobs here and positions there that shouldn't have been cut because there were matching funds. We were going to be fined by the courts if we took this money out of Mental Health. Not a lot of fat went into it, men and women of the House. If you are going to downsize something as big as Maine state government, you are not going to do it in six months. You can stand here and give us all the cliches you want, Representative Whitcomb, for another four hours but that doesn't change that fact and neither of these bills is going to appreciably downsize state government. So what are we doing? We are buying time, that is what we are doing. We are buying time so that this legislature can grapple with the problem that we haven't been given time to grapple with because the problem was not faced all summer and all fall.

I don't like accounting gimmicks, frankly, but I don't have a better solution. I am not going to come up with \$44 million in cuts to state government over the next six months within the next half hour and I don't think anybody else is either so if you don't like this accounting gimmick, you can pick and choose whatever one you like, they are both gimmicks and a pox on both your Houses. Neither of these bills reduce state government, Representative Whitcomb, you know it and I know it. We are buying time, let's just take the vote and buy the time we need to downsize state government and to streamline state government the way it ought to be done.

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

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

The SPEAKER PRO TEM: The Chair recognizes the Representative from Waldo, Representative Whitcomb.

Representative WHITCOMB: Mr. Speaker, Ladies and Gentlemen of the House: I feel the need to respond. I realize that I am one of the small minds from Maine, as the good Representative from Harpswell described some of us and the good Representative from Old Town tried to reinforce that.

I have to expand the wisdom from the Representative from Old Town in discussing the difference in the utilities assessment — he is right in saying that was included in the biennial budget submission from the Administration. The proposal in the Minority Report simply moves forward one-half of that amount of money into this budget and does create a problem in the next budget but, in my small mind, it is much easier to solve a \$12 million dollar problem than it is a \$44 million dollar problem, but I realize that that is the thinking of a small mind. It still seems to me the question still goes unanswered — how do school districts without money pay their teachers in the last half of June? We wait and see.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Thomaston, Representative Mayo.

Representative MAYO: Mr. Speaker, Ladies and Gentlemen of the House: The Representative from Waldo, Representative Whitcomb, has asked a question and deserves an answer. The answer is that the bills for those school district we paid the way all bills of school districts are paid from their General Fund

and there will be an accrual for the payment made on July 1st back to the fiscal year and the cash flow problem will be taken care of for the school districts. Representative Whitcomb and the Minority Report would not solve the cash flow problem created for those school districts by Commissioner Bither's Order, which delays General Purpose Aid checks for 50 days in total. I would ask the Representative from Waldo, Representative Whitcomb, what are school districts supposed to do in May when they have a payroll that they have to meet after the 20th of the month and before the end of the month without getting their General Purpose Aid checks? It is the same thing but the magnitude is greater in the Minority Report than it is in the Majority Report. The other difference is that the Majority Report makes those school districts whole by making an additional \$880,000 to make up for what Commissioner Bither did in her Order. That is the answer.

The SPEAKER PRO TEM: A roll call has been ordered. The pending question before the House is the motion of the Representative from Yarmouth, Representative Foss, that the House accept the Minority "Ought to Pass" Report. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 6

YEA - Aikman, Anderson, Ault, Bailey, H.; Bailey, R.; Barth, Bennett, Bowers, Butland, Carleton, Carroll, J.; Donnelly, Farnum, Farren, Foss, Garland, Greenlaw, Hanley, Hastings, Heino, Hepburn, Kutasi, Lebowitz, Look, Lord, MacBride, Marsh, Murphy, Nash, Ott, Parent, Pendexter, Pendleton, Pines, Reed, G.; Savage, Small, Spear, Stevens, A.; Stevenson, Tupper, Whitcomb.

NAY - Adams, Aliberti, Anthony, Bell, Boutilier, Cahill, M.; Carroll, D.; Cashman, Cathcart, Chonko, Clark, H.; Clark, M.; Coles, Constantine, Cote, Crowley, Daggett, Dipietro, Dore, Duffy, Dutremble, L.; Erwin, Farnsworth, Gean, Goodridge, Gould, R. A.; Graham, Gray, Gwadosky, Hale, Handy, Heeschen, Hichborn, Hichens, Hogle, Holt, Hussey, Jacques, Jalbert, Joseph, Kerr, Ketover, Ketterer, Kilkelly, Kontos, LaPointe, Larrivee, Lawrence, Lemke, Luther, Macomber, Manning, Martin, H.; Mayo, McHenry, Melendy, Michaud, Mitchell, E.; Mitchell, J.; Morrison, Nadeau, Norton, Nutting, O'Dea, O'Gara, Oliver, Paradis, J.; Paradis, P.; Paul, Pfeiffer, Pineau, Plourde, Poulin, Pouliot, Powers, Rand, Reed, W.; Richardson, Ricker, Rotondi, Ruhlin, Rydell, Saint Onge, Salisbury, Sheltra, Simonds, Simpson, Skoglund, Stevens, P.; Strout, Swazey, Tamaro, Tardy, Townsend, Tracy, Treat, Waterman, Wentworth, The Speaker.

ABSENT - Duplessis, Gurney, Libby, Mahany, Marsano, McKeen, Merrill, Richards.

Yes, 42; No, 99; Absent, 8; Vacant, 2; Paired, 0; Excused, 0.

42 having voted in the affirmative and 99 in the negative with 8 being absent and 2 vacant, the motion did not prevail.

The SPEAKER PRO TEM: The Chair recognizes the Representative from Eagle Lake, Representative Martin.

Representative MARTIN: Mr. Speaker, I now move the Majority "Ought to Pass" Report and request that when the vote is taken, it be taken by the yeas and nays.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the

expressed desire of more than one-fifth of the members present and voting. Those in favor will vote yes; those opposed will vote no.

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

At this point, the Speaker resumed the Chair.

The House was called to order by the Speaker.

The SPEAKER: The pending question before the House is the motion of the Representative from Eagle Lake, Representative Martin, that the Majority "Ought to Pass" Report be accepted. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 7

YEA - Adams, Aliberti, Anthony, Bell, Boutilier, Cahill, M.; Carroll, D.; Cashman, Cathcart, Chonko, Clark, H.; Clark, M.; Coles, Constantine, Cote, Crowley, Daggett, Dipietro, Dore, Duffy, Dutremble, L.; Erwin, Farnsworth, Gean, Goodridge, Gould, R. A.; Graham, Gray, Gwadosky, Hale, Handy, Heeschen, Hitchborn, Hoglund, Holt, Hussey, Jacques, Jalbert, Joseph, Kerr, Ketover, Ketterer, Kilkelly, Kontos, LaPointe, Larrivee, Lawrence, Lemke, Luther, Macomber, Manning, Martin, H.; Mayo, McHenry, Melendy, Michaud, Mitchell, E.; Mitchell, J.; Morrison, Nadeau, Nutting, O'Dea, O'Gara, Oliver, Paradis, J.; Paradis, P.; Paul, Pfeiffer, Pineau, Plourde, Poulin, Pouliot, Powers, Rand, Richardson, Ricker, Rotondi, Ruhlin, Rydell, Saint Onge, Sheltra, Simonds, Simpson, Skoglund, Stevens, P.; Swazey, Tammaro, Tardy, Townsend, Tracy, Treat, Waterman, Wentworth, The Speaker.

NAY - Aikman, Anderson, Ault, Bailey, H.; Bailey, R.; Barth, Bennett, Bowers, Butland, Carleton, Carroll, J.; Donnelly, Farnum, Farren, Foss, Garland, Greenlaw, Hanley, Hastings, Heino, Hepburn, Hichens, Kutasi, Lebowitz, Look, Lord, MacBride, Marsh, Murphy, Nash, Norton, Ott, Parent, Pendexter, Pendleton, Pines, Reed, G.; Reed, W.; Salisbury, Savage, Small, Spear, Stevens, A.; Stevenson, Strout, Tupper, Whitcomb.

ABSENT - Duplessis, Gurney, Libby, Mahany, Marsano, McKeen, Merrill, Richards.
Yes, 94; No, 47; Absent, 8; Vacant, 2;
Paired, 0; Excused, 0.

94 having voted in the affirmative and 47 in the negative with 8 being absent and 2 vacant, the Majority "Ought to Pass" Report was accepted, the Bill read once and assigned for second reading Tuesday, February 5, 1991.

BILL HELD

Bill "An Act to Reimburse Philip Wolley for Litigation Expenses Incurred in Connection with His Termination and Reinstatement as a State Employee" (H.P. 153) (L.D. 238)

-In House, Referred to the Committee on State and Local Government.

HELD at the request of Representative LAWRENCE of Kittery.

On motion of Representative Lawrence of Kittery, the House reconsidered its action whereby L. D. 238 was referred to the Committee on State and Local

Government.

On further motion of the same Representative, was referred to the Committee on Legal Affairs, ordered printed and sent up for concurrence.

On motion of Representative Jacques of Waterville, the House reconsidered its action whereby Bill "An Act to Amend Revenue Sharing" (S.P. 121) (L.D. 223) was referred to the Committee on State and Local Government.

On further motion of the same Representative, was referred to the Committee on Energy and Natural Resources, in non-concurrence and sent up for concurrence.

On motion of Representative Pouliot of Lewiston, Adjourned at 8:17 p.m. until Tuesday, February 5, 1991, at four o'clock in the afternoon.