

MAINE STATE LEGISLATURE

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



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

LEGISLATIVE RECORD

OF THE

One Hundred And Sixteenth Legislature

OF THE

State Of Maine

VOLUME IV

FIRST REGULAR SESSION

Senate

May 19, 1993 to July 14, 1993

FIRST CONFIRMATION SESSION

October 14, 1993

Dear Madam Secretary:

The Speaker appointed the following conferees to the Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act to Implement the Recommendations of the Special Commission on Electoral Practices" (S.P. 478) (L.D. 1477):

Representative GWADOSKY of Fairfield
 Representative DAGGETT of Augusta
 Representative STEVENS of Sabattus

Sincerely,

S/Joseph W. Mayo
 Clerk of the House

Which was **READ** and **ORDERED PLACED ON FILE**.

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

COMMITTEE REPORTS

House

Divided Report

The Majority of the Committee on **APPROPRIATIONS & FINANCIAL AFFAIRS** on Bill "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1994 and June 30, 1995" (Governor's Bill) (Emergency)

H.P. 215 L.D. 283

Reported that the same **Ought Not to Pass**.

Signed:

Senators:

PEARSON of Penobscot
 TITCOMB of Cumberland

Representatives:

HICHBORN of Howland
 CARROLL of Gray
 MICHAUD of East Millinocket
 KERR of Old Orchard Beach
 CHONKO of Topsham
 POULIOT of Lewiston
 RYDELL of Brunswick

The Minority of the same Committee on the same subject reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-671)**.

Signed:

Senator:

FOSTER of Hancock

Representatives:

FOSS of Yarmouth
 REED of Falmouth
 MACBRIDE of Presque Isle

Comes from the House with the Majority **OUGHT NOT TO PASS** Report **READ** and **ACCEPTED**.

Which Reports were **READ**.

Senator **FOSTER** of Hancock moved that the Senate **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED** Report in **NON-CONCURRENCE**.

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

THE PRESIDENT: The Chair recognizes the Senator from Hancock, Senator Foster.

Senator **FOSTER:** Thank you Mr. President, Ladies and Gentlemen of the Senate. The budget before you today is predicated on the sunset of present taxes. This is in response to the majority of the present legislators who, when asked would you sunset these taxes, answered yes. If this document before you is not to your liking, to achieve that goal you have the ability to look at other items in this over \$3 billion budget for cuts to achieve those savings. If there are items that you feel need to be added I need to know what they are and at what cost. This budget restores \$50 million in funding for general purpose aid to education, provides \$6 million to support a poor general assistance program, it keeps State parks open, it provides for biologists that will not be paid for with fee increases, but will use general fund money, it restores funding for the purchase of new library books, it promotes recycling with \$1 million in direct grants but eliminates the Maine Waste Management Agency to a savings of \$7 million. It saves \$4.2 million by eliminating the Maine Health Care Finance Commission, it packs growth in the Medicaid Optional Service account, saving \$15 million, it eliminates per diem reimbursement for voluntary State Boards, and it puts \$7 million into the rainy day fund. It cuts our own legislative budget, and it is interesting to note that my own Committee voted that if at any time they were called back in to any meetings, they would serve without pay or get mileage. I am willing, as I have always been, to work to the goal for a two-thirds majority vote. I am committed to a budget by the end of fiscal year, June 30th. I do look to you for help, guidance and compassion. Thank you.

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

Senator **PEARSON:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I think it serves no purpose for any of us to debate this issue in great depth. I have always enjoyed the working relationship that I have had with the good Senator from Hancock, Senator Foster, and I believe her words to be true that she is willing, as are we, to engage in meaningful deliberations on a budget that I think could achieve a two-thirds majority if we were able to resume those deliberations. So, consequently, I would ask that the members of this Senate would please vote Ought Not to Pass on this Bill. Thank you.

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

Senator **HANLEY:** Thank you Mr. President, Ladies and Gentlemen of the Senate. The budget you have before you, I believe is a defining budget. I think if you find exactly where you come down in the decisions facing the State of Maine. For me it came down to three P's, first a promise, a promise that this legislature made to the people of the State of Maine that the taxes would be temporary, that the taxes would all sunset. The promise that after those temporary taxes sunset we would have a State government that would run only on existing revenue. Also a promise that I made when I was campaigning for the State Senate, and a promise that some of you probably made when you were campaigning for the State Senate, that these temporary taxes would come off. That's a promise that I am going to abide by, that's a promise that I have an opportunity to uphold on the floor of the Senate this afternoon, by voting for this budget. The second P is priorities. As a legislature we often have been negligent as far as our responsibility to prioritize. There are many people, many groups, many departments in State government that want more money, that want additional revenues, it is always easier, just as with your kids, to tell them you can have an ice cream or you can have a new bike. By saying that you can have it you avoid some of the repercussions, you avoid the tears, you avoid some of the tantrums, but by not prioritizing eventually the well runs dry and there is no money left out there. This budget before you, as the good Senator from Hancock pointed out, has set priorities. Education has additional monies put into it, general assistance has had additional monies put into it, there has been some bureaucracies within State government which have been toned down, which have been eliminated. The third P, and it's a big portion of this budget, is the pensions. The Maine State Retirement System which does dramatically need to be looked at and realigned. This budget before you takes some steps in that direction. This is not an easy position for any of us to be in. We can all be naysayers, we can all say if it only had this program in it I would vote for it, if it only had that one out I would vote for it. We, as policymakers, as State Senators have a responsibility to make rationed, reasoned judgements based on the information put forward to us. I'll be voting for this budget because I do see priorities being set, and I do see the ability to uphold the promise I made to the people of the State of Maine. I think it is that simple men and women of the Senate. It is not going to be easy, no budget that will come before us will be easy, to either vote for or against it, but I think it is important that before we cast our vote this afternoon that we think of that. Think of the promises this legislature made and think of the priorities that need to be set.

One of the problems I have with this Bill is the rearmorization aspect of our retirement fund. That troubles me greatly. If it troubles some of you as well, I would hope you would vote for the Bill now, I am working on an amendment that will peel off that aspect of the rearmorization. So if we get it to second reader I would be able to offer the amendment at that time. I hope that you support the good Senator from Hancock's position. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Cahill.

Senator **CAHILL:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I am pleased this afternoon to be standing before you and supporting the Minority Report of L.D. 218. I have a couple of reasons why and I would like to share those

with you. First of all, I think this budget keeps faith with the State of Maine. It was interesting to read in today's paper, as I'm sure all of you have read, that 18 current members of this body, reported in September of last year, that they would vote to allow temporary taxes to expire, that's a majority as you know. I think that we should keep the faith of the people by allowing those temporary taxes to expire and to sunset. I think that by allowing the sales tax to sunset I think it gives us a leg up as we enter into what I hope will be a very sound and good year of tourism. I think that it keeps the faith of the people of the State of Maine because it does not ask those people to double dip into their wallets in the last half of this calendar year for income tax surcharges. I think it does a few other things that, if you listen to the public, have been asking us to do. It streamlines State government, it does some restructuring. I think probably all of us used restructuring in our past campaigns when we were asking the voters to elect us. As the issue of restructuring comes up it seems that we have different priorities, whether they are philosophical or geographical, our priorities make it almost impossible for us to restructure through the normal sense of mind. I think that this Bill does that, it does restructuring. It may be difficult for us to do, in individual L.D.'s, what we can do in the State budget.

The other thing that this budget does it does not defer. It does not defer payments to the next biennium. It makes all of the payments and it makes them on time. One of the things that we had a problem with, if you recall, during the supplemental budget back in January, was deferrals. This legislature spoke very loudly on their dismay that we were deferring payments. This does not do that. As the good Senator from Oxford, Senator Hanley, I do not like the rearmorizing of the retirement system. I think, as a business person, it is not a good idea, just like I thought it was not a good idea, when I remortgaged my house, but I had good reason to do it, I put my daughter through college by remortgaging my house. It didn't make very sound fiscal policy but I had a good reason to do it and I think the same can be said for doing this. Maybe it's not the best fiscal way to do business in the State of Maine but I think we have a good reason to do it. This budget does another thing that I think the people of Maine have been asking of us. It begins the downsizing of State government. If you vote for this budget, I don't have an exact figure, but approximately between 400 and 500 positions in State government are going to be eliminated. When the Governor put forth his original budget earlier this year, I told him right off the bat that I could not support his proposal because I did not support the cuts to education. General purpose aid to education is something that I hold very near and dear to my heart. I am pleased to support this budget which puts nearly \$50 million back into general purpose aid to education. While some of this budget I don't like and I'm not sure if it is the way we should go, and I'm speaking of the rearmorizing, I think we do do one thing which is fiscally responsible and that is putting money in the rainy day account. I was here when we first established the rainy day account and I'm happy to tell you that this budget puts nearly \$7 million into the rainy day account. It is not a perfect document but I am asking each and every one of you to work with us to make it a better document if you have ideas. The good Senator from Hancock, Senator Foster, has put out her hand towards you so if you have ideas that can make this a better document we are willing to listen. Thank you.

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

Senator **PEARSON:** Thank you Mr. President, Ladies and Gentlemen of the Senate. The good Senator from Sagadahoc has indicated that what we ought to be seeking is good ideas to make this a better document. I concur with that, I think that the proper place to do that in order to take into account all of the work that has previously been done within the Appropriations Committee between Republicans and Democrats, taking into account the requests and advice and all of the information that we received from the other Committees of this Legislature, that we would be best able to do that in the Appropriations Committee and resume where we left off a few days ago. I am hoping that this debate that takes place in the Senate on this particular Bill today will not allow us to slide down the slippery slope of acrimony and confrontation. That would make the necessary accommodations and concessions that are going to have to take place in the appropriations process in the future. We all need each other, we are all serving the same State. We have a two-thirds vote to achieve and I think that we should get about the business of doing that, hopefully by allowing us to continue in the appropriations process and the Appropriations Committee, taking into account people who feel differently of different subjects. Knowing that we will have to come up on the floor and ask for a stamp of approval from two-thirds of the membership of both bodies of this legislature. The process has always worked in the past. Sometimes there has been some fine tuning that has been necessary once it has gotten up here, but I would ask you that if you would allow that process to do its work again. Thank you.

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

Senator **HARRIMAN:** Thank you Mr. President, Ladies and Gentlemen of the Senate. December 2, 1992 we were sworn in here. Over six months later the most important document to come out of this legislative process has finally reached our desk. Three days after we should have adjourned. I need to ask you, if we don't stand for something we are going to fall for anything. I stand up here today to speak on behalf of the working men and women of this State, the people who are on fixed incomes who have seen interest rates decline and therefor their retirement income has declined, for the people with young families struggling to rearrange their financial priorities, and it is time for us to do the same. This legislature promised the citizens of the State of Maine, we promised the citizens of the State of Maine that we needed a bond package and temporary taxes and everything would be all right. We need to live up to that promise, and as difficult as this budget is for some of you, it is to me in areas, it lives up to that promise. If you would, just for a moment, visualize what would happen in the State of Maine when the citizens realize that their elected officials heard what they had to say and they made the difficult decisions and did what they promised. Think of the renewed sense of confidence and integrity people would have in this fine institution. We could go out there and challenge the people who take the risk of providing jobs and we could say to them, men and women who provide jobs in this State, we have done our job and now it is time to do yours. We need you to reinvest in Maine, we need you to hire one more person, which would put 30,000 people back to work in this State. You know what? Our revenues would increase, we would have

money to fix the problems that are so difficult for all of us to swallow. If we reject this budget, what we are telling the citizens of Maine, particularly those who ran for this seat on the basis that the temporary taxes should sunset, we are telling them we couldn't make the tough decisions. That instead we have to go back and find more money, some way to take out of their pocket, to keep State government going, to fuel the programs that nobody wants to cut. I would suggest to you, Ladies and Gentlemen of the Senate, if we do that more people may lose their jobs, needing their programs that we can't fund on the basis that we have in the past. This Bill asks us to make some difficult choices, it asks us to recognize, for example, that the legislative budget has grown three times in the last ten years. It is \$12 million, it asks us to cut that by \$2 million. It asks us to recognize that people who have child support obligations to their children need to do so because we are going to be firm and we are going to be tough, and if you are not living up to your child support obligations we demand that you do so and we are prepared to sit down and talk to you about eliminating your license to do business in Maine. We are telling the people who are on AFDC that we are here to help you in every way possible, but you need to assume responsibility for yourself and having additional children at this point in your life is not in your best interest. This Bill recognizes that we need to invest in things that generate revenues. This Bill recognizes that if we join with our other New England states in developing a marketing plan for tourism that we will generate more revenues. Once again creating an opportunity to deal with these programs that are so difficult for us to cut. This Bill has \$100 million more than the Governor's original proposal. All of us, Republicans and Democrats alike, have had to stand up and tell people no we are not going to discharge people from nursing homes, no we are not going to take the cuts to general purpose aid to education as proposed, no we are not going to eliminate general assistance because those programs are important and we care. This budget does that. As the good Senator from Hancock, Senator Foster, said, here is an opportunity to live up to the promises. We extend a hand to all of you if you have ideas to improve on this document, we want to work with you. This was the most important piece of legislation to come before this body this entire session and we are just now getting to it. Let's show the citizens of the State of Maine what we are made of and that we can make the tough decisions and vote to pass this. Thank you.

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

Senator **TITCOMB:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I have thought long and hard over just about every portion of the budget proposal, including this budget that is before us and I think the thing that is the most distressful and concerning to me is the fact that this budget proposes to save \$120 million by reamortizing the retirement system over a 40 year period. The cost to the taxpayers of Maine, including those who voted for me, is nearly \$9 billion in extra money. There is no way you can cut it differently than by saying we are shifting the responsibility to people in the future, because the simple fact is that if a child is born today, when that child reaches the age of 38, the biennial budget hole that they will have during that year is \$1.5 billion, that one biennial budget, and ongoing from here until then. This is a tax that we give to our children and that is not a legacy that I particularly choose to support. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Webster.

Senator **WEBSTER:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I ask you to support this proposal offered by Senator Foster from Hancock County. I have served here, as many of you know, for a long time. I have watched the State of Maine change, I have watched this budget change, I have watched the way we look at government, the way we spend tax dollars completely reverse in the last ten years. Ten years ago we had a budget of about \$1 billion, today we have a budget of over \$3 billion, it seems to me a 200% increase is a rather substantial increase in ten years. I think what concerns me more than anything at all is that I have been here, I have watched, and many of the programs that I opposed right in this Senate chamber, are now the kinds of things that we are repealing. I should say it is easy for me to do that because I remember voting against many of the proposals that we are now trying to eliminate, arguing we couldn't afford them. I'd like to bring your attention to the fact that this budget eliminates the Waste Management Agency, it eliminates the Maine Health Care Finance Commission, and it eliminates the Maine Health Care Program. I remember, in 1989, sitting over there, standing up in the Senate, and I'm proud to say this, voting 33 - 1, and standing up and saying that this Maine Health Care Program is a wonderful idea, but Ladies and Gentlemen of the Senate, where is the money going to come from to pay for it. At that time money was pouring in and so we passed the program. One of the other members of the Senate stood up at that time and said well I'm sure it will be there, it is a worthwhile program. Unfortunately, Ladies and Gentlemen of the Senate, we have passed too many worthwhile programs over the years without regard of who was going to pay. Maine's taxpayers, factory workers, truck drivers, school teachers, are paying more than they can afford. Common sense tells me that when you had a \$1 billion budget ten years ago and you have \$3 billion to spend today, a 200% increase over ten years, that that ought to be enough. That's what this budget does. It says we will take the dollars we have and we will match the spending to them. Isn't that an innovative idea? I love to tell people that I live in a house in Farmington, it is a reasonably nice home, my wife and I both work, I'd like to have a new car but I'm like everyone else in Maine, I have to set priorities. So I drive a used vehicle, and it's time that government does the same thing. It's time that government decides what they can afford to pay for and only obligates its citizens to the things that we can pay for. I'm enthusiastic about many parts of this budget, it is about time we cut out things we can't afford. We couldn't afford any of these three programs and I can list many others that we passed over the years. Some special interest group came here, lobbied, and convinced a majority, many times by one vote, to pass these wonderful new ideas without regard to who was going to pay. It is inconceivable to me that anyone could ask people who cut wood for a living, working people, to pay more. I suggest that this Bill is not perfect. I, along with Senator Hanley, will offer an amendment if this Bill is approved by this body because there are things that I don't like, including the point brought forth by the Senator to my right, Senator Titcomb, from Cumberland. I don't like the idea of reamortizing over the number of years that has been suggested. I would say, though, having been here a long time, that only during this administration, only since the late '80's have we put any money aside to

pay off the debt. During 1985 - 1986 we had \$80 million to \$100 million surplus. We weren't taking that money and paying off debt like many of the Maine people were doing, we weren't insulating buildings, we weren't taking out asbestos, we were creating new programs. I remember a specific meeting when I argued in front of a number of Senators that we should be taking the money we have and paying off our poorly funded retirement system. No one wanted to listen because no one was going to get votes by doing that. This Bill is not perfect. It needs to be amended and I am willing to work with the members in this chamber to do that. It is about time, finally after all these years, we are beginning to think like Maine people think. You spend only the money you have, you set priorities and it's about time we do that. I want to commend Senator Foster, from Hancock, for bringing this document to us. I also want to assure the Senate that I am willing to work together with you because without eliminating some of these programs this legislature will not get the two-thirds vote it needs, in my opinion, to pass a budget. If we are not going to start downsizing government, setting priorities, then we are not going to be able to pass a budget, it's that simple. Why should Maine people have to decide between going out to supper and the kinds of basic things that Maine people do, why should they have to do that when the legislature is not willing to do so. We are spending like drunken sailors and the time has come to decide what we can afford. We have so much money, we spend only that money, we don't ask for more. Thank you.

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

Senator **BALDACCI:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I've reviewed the budget document, the amendment that we have before us, and one of the disturbing things that was eluded to by the good Senator from Cumberland, Senator Harriman, was that there is additional resources that are in this budget document. One of the things that I feel particularly important about my statements and stands are the fact that people in Maine judge honesty and truth on very high pedestals. I feel that even though I don't like the temporary taxes and I said that I would not want to extend them, I feel that I owe an obligation of truth and honesty to the people of Maine to let them know that the situation is much worse than we were lead to believe. The situation is so bad that the no tax budget that I heard so much about has \$81 million in new taxes and fees attached to it. That no tax budget that was referred to, \$81 million. It also has a statement at the end of it that says the bill includes requirements on local units of government that may modify their activities so as to necessitate additional expenditures at the local level. There is an Emergency preamble on the front of this document, it is a mandate preamble. The measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues. One of the things that this budget document also does, it has a gross receipts tax on nursing homes. In order to make that work it took restaurants that serve alcohol as a component in order to make it work as far as an 85/15 mix. What this document does is it removes from the Municipal Revenue Sharing line the restaurant sales tax and it nails the communities and towns throughout the State of Maine for \$3.1 million or \$3.2 million in loss in general revenue sharing. Not that I disagree with that, but I just think that it is important to note what this document does, it doesn't leave communities whole.

The other thing that this document does is it takes money from other accounts and forces those accounts to increase fees. Restaurants that serve alcohol now have a new classification, there is a new classification on bottled beverage fees that go from \$15 to \$50. What I think is important, Ladies and Gentlemen of the Senate, is not so much whether we are continuing the taxes or not, but whether we are being honest to the people of the State of Maine in telling them that we are going to need to have some resources in order to balance this budget. We are going to need to do some of those resources, to come before the people of the State of Maine and take care of their concerns. That is what I hold at a higher level than what was said during a campaign, that we were lead to believe by revenue projections, that we wouldn't need those taxes because the economic growth would be at such a level that we could have them removed. The recalculations on the revenue growth has only been 13 or 14 million, not the 250 or 260 million that had been anticipated. That's where this Senator comes down and is very willing to work with the members on the other side to come to some sort of an agreement so that we can do the responsible thing and make the hard decisions that may not be politically palatable, but they are the right decisions which we were elected to do. Thank you.

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

Senator **PEARSON:** Thank you Mr. President, Ladies and Gentlemen of the Senate. The Senator from Franklin, Senator Webster, has cited three examples of things that we could no longer afford. I wrote them down. The Maine Waste Management Agency, the Maine Health Plan, and the Health Care Finance Commission. These are examples of things that people in Maine can no longer afford, he said. I want to take them one by one.

The Maine Waste Management Agency is funded by a fee on refrigerators, tires, batteries, and some of the bottle float. What this Bill proposes to do is to eliminate the agency and keep the money. Eliminate the agency and keep the money. The Maine Health Plan is a tax that is imposed on various and sundry items. What they propose to do is to keep those taxes and eliminate the Maine Health Plan. The Maine Health Care Finance Commission is an assessment on hospitals. What they are proposing to do in this, which Senator Webster says we can't afford any more, is to eliminate the Maine Health Care Finance Commission and keep the money. A tax is a tax is a tax. If you eliminate all those things because we can't afford them any more then you should eliminate the source of their revenue. That's not proposed in this Bill. Those kinds of things appear throughout the proposal that we have before us. That is why I believe that it is important that this be considered in a forum in the Appropriations Committee in a measured, rational, sort of way. Thank you.

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

Senator **HANDY:** Thank you Mr. President, Ladies and Gentlemen of the Senate. As Chair of the Labor Committee I have some interest in the agreement that was reached and recently negotiated between the SEIU, State Employee's Association, and the Executive branch. I understand that was a fruitful negotiation and I would like someone to respond to the question that I have and that is, is that contract fully funded?

THE PRESIDENT: The Senator from Androscoggin, Senator Handy, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Franklin, Senator Webster.

Senator **WEBSTER:** Thank you Mr. President, Ladies and Gentlemen of the Senate. In response to the question it is my understanding that the agreement has not been ratified by any of the parties at this point. I understand that is kind of where it is at. I'm not on the Appropriations Committee but it is my understanding that the Union membership has not negotiated it at this time, I don't know for sure.

I do want to respond briefly to the comments made by the Senator from Penobscot, Senator Pearson, because I think what he said to you is exactly right, what the legislature is doing is looking at how much money we have coming in and how do we want to spend it. Spending it to give people bureaucracy jobs is not the way we should be spending tax payers money. I have always been offended that we spend \$250,000 in salaries for 4 or 5 people in Waste Management. It seems to me that it is a lot of money, it is not the way I want my tax dollars being spent. I happen to be one of those people who believes, and argued two years ago, if you take money out of the economy it doesn't make it better. If you take money out of working people's pockets, small business people, and give it to government it doesn't make job creation better. It seems to me that if we use the dollars we have coming in and we put those dollars in different places, if we think it makes more sense, that is how everybody else in Maine uses their money. Let's set priorities. It is true, indeed, that the legislature taxed cigarettes, for example, to pay for the Maine Health Care Program. Those dollars go into the general fund, it is my argument that we could use those monies in better ways educating kids. The legislature needs to set priorities, this budget does that and I think it's time that we begin to look at every dollar the taxpayers spend, and if it is dedicated to DEP and can be better used to educate kids then we ought to be switching those dollars from DEP to education. Our job as legislators is to look at how much money we have coming in and spend it where it should best be spent. Giving plush offices to bureaucrats who make \$75,000 or \$80,000 a year is not my way of spending money when children need education. Those are the kinds of priorities that we should be doing and I would argue that if we keep these magic programs that everyone thinks are such a good idea, then what will happen is the alternative is to raise taxes on Maine's working people, which I argue they can't afford. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Hancock, Senator Foster.

Senator **FOSTER:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I truly believe that this is a good debate because I think that we are getting a feel of how everyone is going and such. I want to clear up a few things in my own mind and for all of you. I am in favor of the contract negotiated and will vote to ratify the contract and will find the money. We have \$7 million in the Rainy Day fund and the Commissioner of Finance was told to find the money to fund that contract, so the money will be available to go with that contract. I guess in my opening remarks I said we do sunset taxes, and that is what has happened. The good Senator from Penobscot, Senator Baldacci, mentioned some increase in fees and taxes in this budget. I will be honest and tell you that the consensus committee reports

came in doing that. We incorporated those reports into this document, i.e. the Legal Affairs Committee who increased restaurant license fees, we took all of those Committee reports and put them in this document. I also want to bring up the fact that when we put the fees on to establish the Waste Management Agency, the good Representative from Winslow, Representative Carter, put a sunset on the dedicated fees. He did that for a reason. At that time we did not know what programs we would need in the future, what revenues would be brought in, and it became part of the Appropriations Committee's duty, after those fees were sunsetted, in other words the dedication went off and the fees went into the general fund, how those monies would be allocated. I think that this year we are saying we will allocate \$1 million for recycling, next year we might allocate something else for some other purpose. I think that was his original idea. We talk about the gross receipts tax and the reason I did not mention that, that was the Consensus Committee, we were 100% behind that gross receipts tax in order to keep nursing homes open, to put our elderly in a position where they would cease worrying where they were going to be. It is a tax, but it was unanimous and will appear in any budget that is forthcoming. As I say, I am prepared and ready to work with you in getting this budget problem solved as soon as possible. Thank you.

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

Senator **BUSTIN:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I just want to answer the good Senator from Franklin, Senator Webster, about negotiated contracts and whether they are ratified or whether they are not ratified, and when a negotiated contract is considered a valid one, and what you call those tentative agreements. When both sides tentatively agree to something then they are waiting for the ratification of the membership, it is considered basically a done deal. The only way that this could be affected is to put the price up, if the members decide that they do not want to settle for that contract you can bet your bottom dollar that they don't think there is enough in it and then the price would only go up. I would recommend highly that you accept the price that you have gotten on your tentative agreement now. I would like to pose a question through the Chair. Is it true that in this document there is also a 10% benefit that the employee must pay on their health insurance? Thank you.

THE PRESIDENT: The Senator from Kennebec, Senator Bustin, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Penobscot, Senator Baldacci.

Senator **BALDACCI:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I don't have an answer to that question but while the answer is being reviewed I just wanted to state, for the Record, that I appreciate the remarks of the good Senator from Hancock, Senator Foster, and I have always enjoyed working with Senator Foster. The point has to be made, though, that I don't like to be beat over the head that I have a no tax budget. I understand the unanimous report and I understand the people working together, but I don't think it is fair to the people of the State of Maine to hold up a document and say it is a no tax budget, when in fact there are taxes in this budget and there are fee increases or whatever you want to call them in this budget. It isn't just that tax, there is the forest excise tax

that has been delayed that is still in this budget and there are other things. I think that just needed to be said. We will work together, we will produce a document and we will take the best interest of the people of Maine in that regard. Thank you.

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

Senator **MCCORMICK:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I would like to offer a new context for our deliberations here today, rather than whether we adopt a no tax budget or a tax budget. I think that the whole argument about whether a budget contains taxes or not is not fruitful, it is not in the interest of the people of the State of Maine. I would like to offer to you a new idea and that idea is let's pay our own way. Let's have the people living in this biennium right now, pay for the costs in this biennium. Let us not ask our children to pay the cost, let us not shift the cost to the property tax payer, let us just pay our own way. Let's not cause a deficit and if we have a deficit then let's raise the money to pay for it. What this budget does, when it asks for \$240 million from the retirement system, that is not us paying our own way. That is asking our kids to pay for what we are doing here right now and I don't think that is fair. It is asking, as the Senator from Cumberland said, a child born in this biennium who will be the guts of the taxpayers in 2031, it is asking that person to pay \$1.5 billion tab for only the interest money you all are about to vote on today to borrow to not pay our own way today. It doesn't make sense to me and I can't vote for it. I want to be responsible. I am going to vote to pay our own way and if that means revenues and taxes then I will vote for that. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Cahill.

Senator **CAHILL:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I just would like to make three quick responses. The first to the last speaker, the good Senator from Kennebec, Senator McCormick, she is saying that this is putting a burden on future generations. I would like to ask a rhetorical question, what do you think raising the base does? That is the tax base that all future generations will have to pay on. The second thing I would like to comment on, and I may have misheard the good Senator from Penobscot, Senator Baldacci, when he said that the reason that he was going to vote for taxes or was going the other way from what he responded in the Portland Press Herald article back in September was because things are much worse then he had anticipated. He mentioned something about \$200 million in growth, and I'm not really sure what I heard, but I would like to point out that we do have a \$14.6 million surplus year to date, with just 12 days left to go on this year. That is not a big surplus. It only amounts to 1.1% growth in government, but at least it is something, it is better than we have done previously. If I somehow missed an expectation that the economy was going to grow rapidly then I stand corrected but I don't think anyone in this chamber can stand with a straight face and say they expected to see lots of growth in our revenues this year. The other thing I would like to comment on is I have heard the Majority party today complain about the package and I will tell you there is a lot in this package that I don't particularly care for. I was mentioning some of those things. I have yet to hear one idea from you, about what you would like to have done. You have complained about

what we have done but I have yet to hear anything that you would do differently and how you would do that differently. We need to begin working together, we need to give the Appropriations Committee tools and ammunition they need. So far I have not heard you say one thing that you would do to help correct the situation that we are in and I'm listening. Thank you.

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

Senator **PEARSON:** Thank you Mr. President, Ladies and Gentlemen of the Senate. We were, by we I mean the Appropriations Committee, engaged in discussions and deliberations on a consensus budget. We have been for several months. Day in and day out. We stopped that process because we were asked by the Governor and the members of the Republican party to put out a no tax budget. That is what stopped the process. That is why we are here today and having said that we are prepared at any moment to restart the process that we were so earnestly engaged in at the time that it was shut off. We want to produce a good document that two-thirds of this legislature can vote for. That is why we are here today, not because we didn't want to continue, but because we were asked to put up a bill that had a no tax provision in it. Alas, we have the Bill, I wouldn't say that it had no taxes in it, but we do have a bill up here and we are considering it. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Kieffer.

Senator **KIEFFER:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I wasn't here two years ago when this Bill was passed that allowed these taxes to sunset but I do know that it was not something that was done in the heat of a political campaign, it was a well thought out document and it was passed by both bodies as legislation and I don't think we should take it so lightly as to just arbitrarily say well whoops we made another mistake, let's continue them again or let's increase it. I believe that a person's word is his bond. I don't believe that you need a written contract to make it binding and I believe that the public expects equally that much from us. It is not easy and I appreciate the hard work of the Appropriations Committee in their attempt to try and cut \$1 billion out of a budget. You certainly don't do that in an easy fashion and you don't do that by toe dancing around the edges, which they certainly have not done. You don't do it by nibbling around the edges, you have to sit down and have a good old meal of meat and potatoes, and you are going to have to make some lateral cuts. I believe that this budget, as much as we dislike to do that, does exactly that. I might mention the Maine Health Care Finance Commission in discussing that. I have talked to my two hospital administrators in my area, in my district, and while they have some respect for what this has done in the past, it is something that they can certainly live without. They would be more than happy to do, and their first statement from both of them was, eliminate the bureaucracy. How many times have we heard that. How many times have each of you heard that when you go home on weekends. This is one example of a way to do it with a lateral cut. The budget, I'm sure, is not perfect. I only received this two hours ago. It's a pretty big document to digest in that period of time. We have heard parts and bits and pieces of it over the last two months. However, I do believe it is a good starting point.

The total process that we are going through certainly is going to be amended and changed, but I hope that we can work together and get about our business. Thank you.

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

Senator **CONLEY:** Thank you Mr. President, Ladies and Gentlemen of the Senate. I have listened to the debate and the President told me now that the cameras are gone I can get up. I wanted to pick up on a couple of themes that have been expressed by a number of people here. The first one is promise. Unlike the good Senator from Aroostook, I was here two years ago and though these taxes have a sunset on them I never promised that these taxes would not continue. Others in here may think that they promised that but when we took our oath what we actually promised was to do what would be in the best interest of all of the citizens of this State. I realize people can have different ideas of what those best interests are all about. Mine may certainly be different than the Senator from Oxford, Senator Hanley, or the Senator from Cumberland, Senator Harriman and the good Minority Leader from Sagadahoc. I can tell you to say that there has not been any ideas put forward here is wrong. As a matter of fact the Committee had gotten to the point where I think they had done some \$500 million worth of cuts, and that was with the help of everybody involved. That's what I call consensus. That is what I call working towards the best interest of the people of this State. The promises I'm concerned with are the promises you make to public employees when they come in and go to work for you and they invest in a retirement system and then you want to change the rules on them. That concerns me greatly. That is a promise I am unwilling to break. That promise is important. Promises I'm concerned about are promises you make to your kids, the children who go to the University of Maine, that you are going to give them the money to have a quality education. I'm not going to break that promise. I believe the unanimous report out of the Education Committee kept that promise. This budget does not. The promise I'm not willing to break either is the safety net we created here in this state for our neediest citizens. The children who are on AFDC grants, the people who don't have money for health care, the senior citizens who are in nursing homes. This budget breaks that promise. I'm not going to break that promise. That is a promise I have unto myself, what I feel is a reflection of the oath I took when I came in here with you a few months ago. It is important that we keep working together. I know that it is also important to people to bring something up here so they can go home to their constituents and say I kept my promise, this is a no tax budget, something that I feel proud of. You can walk around with a roll call saying yes, I voted for no taxes, but if we are going to continue to work together we are going to have to come back in here, get to the drawing board, and not do a transfer of these temporary taxes onto the backs of teachers and public servants and the retirement system. That is no way to keep a promise. Thank you.

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

Senator **BEGLEY:** Thank you Mr. President, Ladies and Gentlemen of the Senate. Being a freshman Senator I do not have to worry about two years ago. I simply have to worry about my position as I see the budget for the people of this State as well as my own

district. I think the very simple point is that we have been presented a budget today, whether it has 2% increase in taxes or fees, but it is the budget that you are going to see that has the lowest amount that is going to be offered. If we do not pass this one it is a certainty that we will increase. As to what the increase is that is something that we will have to study. The point, from my perspective, and what I have been told, is for goodness sakes, please remember that as taxpayers we would much prefer to change the trend that we have seen over the past decade. If we increase it this minimum amount, we are saying to every citizen we, as this 116th Legislature, are willing to say we will spend only what our means will allow and we will hopefully say to the people we can work for their benefit on this point. From here on in if we do not accept it we will increase and that is not what my position will be. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator O'Dea.

Senator O'DEA: Thank you Mr. President, Ladies and Gentlemen of the Senate. I came in this afternoon and looked at the proposed budget that is before us and turned immediately to the section that was of the most interest to me. That was the section that dealt with education. Very quickly I found that there were some significant costs associated with some of those savings. There is a proposal contained in that budget that will cut general purpose aid for education by \$6.6 million below last years level. Which is fine, except that that \$6.6 million will be picked up by your property tax payers and by mine. I found a savings, so called, of \$15 million in higher education, but it is a cost that will be paid in lost economic development, higher tuition for students, your constituents and mine, loss of quality, diminished access to the University system and the technical colleges, which everybody agrees is such a vital part of economic development and the future of this State. I look at the proposed savings for delaying school construction, \$800,000, wonderful, and I think about a school project that is pressing in my district, a school in Veazie that is number 16 on the priority list, no problem. We can let that go for another 3 or 4 or 5 years except that the engineers have come in and said that the building is structurally unsound. One engineer commented that he wouldn't let his children go to school there, if indeed that was where they were supposed to go. We can defer those sorts of things at what cost. We will also cut \$2.8 million out of the Blaine House scholars program, no problem, FAME can pick up that cost of \$2.8 million out of some private funds that are referenced in the document but certainly not elaborated on. Then we can take a look at the deferral, not into the next biennium, but a deferral into the next 20 bienniums. Our Constitution requires that we have a balanced budget and to this point in the State's history it has protected us fairly well from spending away the future. This is one instance though, where we will circumvent that protection and we will find ourselves in the same shoes that this whole country found itself in in the early 1980's, when we had a President who promised us on the one hand that we could have all of these great and wonderful services, and on the other hand promised us that we wouldn't have to pay for them. If you could ever find a way to fund Reaganomics at the State level, I would suggest respectfully that this is it. It's an increase in the property tax through our dishonesty, it's an increase in the tuition tax through our dishonesty, and the final insult, this deferral in the retirement system, is

something that will cripple our State's financial stability for years and years and years to come. I don't want to be paying that debt and I would urge you to please vote against this document. Thank you.

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

Senator SUMMERS: Thank you Mr. President, Ladies and Gentlemen of the Senate. As I have listened to the debate that has gone on in the chamber this afternoon there have been a lot of points made, and good points on both sides of the issue. The last two speakers, my good friends, from Penobscot and Cumberland Counties, Senator Conley and Senator O'Dea, have both made points about cuts in education and what that is doing to the University of Maine system and how it is going to result in increased tuition costs. I really question that. As many of you know I commute every single day back and forth, and on my commute I drive on 295 and I go past one of the greatest white elephants I have seen in quite some time and that is the old bakery building that they are turning into a library, at the cost of \$4 or \$5 million. Every time I see that and think of increased tuition costs, I think to myself something that my great uncle used to say to me, that was "do with it or do without, use it up, wear it out". I have to ask myself the question, has the University prioritized like the prioritization that has gone on in this document? I would have to say the answer is no. Did they need that library or did they want the library. I would submit that they probably wanted it more than they needed it and if they truly were concerned about the cost of education perhaps they might have done without that for the current biennium. So I won't bestow any more words of wisdom on the body this afternoon but I urge my colleagues to take a good look at this document and ask yourself should you spend what you don't have and I hope you answer in the negative. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Paradis.

Senator PARADIS: Thank you Mr. President, Ladies and Gentlemen of the Senate. I represent the population that is the furthest geographically removed from this area and it was very interesting this weekend to conduct a poll with my colleague in the other body that reminded us what the priorities of the people up there are. Education, I was not surprised that they are more than willing to raise their taxes for that. They are presently paying some of the highest taxes in the State to fund their education costs. I remember very well the pictures when I was growing up, because we were so far removed from the State, many people didn't even know that we were there, so we had to import missionaries to come and build our schools, build our hospitals, do all of that for us. I'm sorry, men and women of the chamber, we are no longer a third world state, we are now trying to take care of our people. We have mentally ill people, we have people with mental retardation, we have institutions that we have to keep going and if we want to empty our institutions let's say so, let's not nickel and dime them to death. There is a piece in here of \$15.5 million which gives the bureaucracy the oversight that we, the legislators, presently had up until this moment. We are now going to be letting the bureaucracy make all types of decisions without any say so from the legislature regarding our psychiatric hospitals, regarding nursing homes, regarding drugs for the elderly. I'm not very pleased with this proposal and I am looking forward to going back and continuing the

work we did for six months in our Committees to put together a good budget. Thank you.

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

Senator **HARRIMAN:** Thank you Mr. President, Ladies and Gentlemen of the Senate. Did you know that over the last 10 years real spending in Maine has increased 4% per year? When I say real spending what I mean by that is after adjusting for deflation, consumer price index, and those sorts of industries, 4% per year for the last decade. Did you know that that was twice the growth rate of the entire U.S. economy? After adjustment for inflation we have spent twice as much on State spending as anyone else. We can all find things in this proposed budget that we don't like. Cuts to family planning, cuts to mental health, they are important to me. The Attorney General's Office, the budget cuts on consumer protection which handle over 10,000 complaints and raised over \$1 million, facilitated 5000 hours of volunteer help. You, like me, could go on and on with things that we don't like. I submit to you that we have got to have the courage to change. We have to recognize that this whole budget discussion, from the moment we got here, is a discussion over the increases in State spending. We are talking about cutting the rate of increase in State spending, that is what this is all about. We have to have the courage to change by creating more jobs based on businesses and less jobs based on tax revenue. If we don't we are going to be just like the farmer who eats his seeds. We have got to prove to the citizens of Maine that we want to work with people who take the risk of providing jobs in this State to increase revenues, so that like you and I, we can reward and pay and live up to the promises made to our State employees. We all want to do that. So that we will have the revenues available to do the type of job that needs to be done, to take care of those who can't take care of themselves. I would submit to you if we solve our budget by vacuuming more money out of the private economy things are going to get worse. If we don't make structural changes now we will be back for a supplemental budget, it's just a question of how large it will be. Then in the next session of the legislature we will have another crises, because if you cost out the existing State programs, we'll be back again with another crises budget. If you cost out the rate of growth of this State budget over the last ten years, and cost it out over the next twenty or thirty, I would submit to you that it is a far larger number than the criticism we have heard about reamortizing the unfunded liability in the State retirement system. We have got to have the courage to change by reprioritizing what services the State of Maine should provide and do them well. Do them better than anyone else. We have to have the courage to change by reducing taxes, reducing mandates, reducing regulations, and letting the private economy do the job that they are far better capable of doing, and that is producing revenues for the State of Maine. Thank you.

THE PRESIDENT: The pending question before the Senate is the motion of Senator **FOSTER** of Hancock to **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED** Report in **NON-CONCURRENCE**.

A vote of Yes will be in favor of **ACCEPTANCE** of the Minority **OUGHT TO PASS AS AMENDED** Report in **NON-CONCURRENCE**.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

YEAS: Senators **AMERO, BEGLEY, BUTLAND, CAHILL, CARPENTER, FOSTER, HANLEY, HARRIMAN, KIEFFER, LUDWIG, MARDEN, SUMMERS, WEBSTER**

NAYS: Senators **BALDACCI, BERUBE, BRANNIGAN, BUSTIN, CAREY, CIANCHETTE, CLEVELAND, CONLEY, ESTY, HANDY, LAWRENCE, LUTHER, MCCORMICK, O'DEA, PARADIS, PEARSON, TITCOMB, VOSE, THE PRESIDENT - DENNIS L. DUTREMBLE**

ABSENT: Senators **GOULD, HALL, PINGREE**

13 Senators having voted in the affirmative and 19 Senators having voted in the negative, with 3 Senators being absent, the motion of Senator **FOSTER** of Hancock, to **ACCEPT** the Minority **OUGHT TO PASS AS AMENDED** Report in **NON-CONCURRENCE**, **FAILED**.

Senator **PEARSON** of Penobscot moved that Bill and Accompanying Papers be **RECOMMITTED** to the Committee on **APPROPRIATIONS & FINANCIAL AFFAIRS** in **NON-CONCURRENCE**.

Senator **CAHILL** of Sagadahoc requested a Division.

THE PRESIDENT: The pending question before the Senate is the motion by Senator **PEARSON** of Penobscot to **RECOMMIT** Bill and Accompanying Papers to the Committee on **APPROPRIATIONS & FINANCIAL AFFAIRS** in **NON-CONCURRENCE**.

A Division has been requested.

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

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

19 Senators having voted in the affirmative and 10 Senators having voted in the negative, the motion by Senator **PEARSON** of Penobscot, to **RECOMMIT** Bill and Accompanying Papers to the Committee on **APPROPRIATIONS & FINANCIAL AFFAIRS** in **NON-CONCURRENCE**, **PREVAILED**.

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

Off Record Remarks
