

MAINE STATE LEGISLATURE

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

VOLUME IV

FIRST SPECIAL SESSION
August 21, 1989 to August 22, 1989
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October 30, 1989
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SECOND REGULAR SESSION
January 3, 1990 to March 19, 1990

ONE HUNDRED AND FOURTEENTH MAINE LEGISLATURE
SECOND REGULAR SESSION
15th Legislative Day
Monday, February 5, 1990

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

Prayer by Father Francis Kane, Chaplain, Veterans Administration, Togus.

Pledge of Allegiance.

The Journal of Friday, February 2, 1990, was read and approved.

Quorum call was held.

COMMUNICATIONS

The following Communication:

DEPARTMENT OF ADMINISTRATION
STATE HOUSE STATION 74
AUGUSTA, MAINE 04333

February 1, 1990

The Honorable John L. Martin

Speaker of the House
House of Representatives
State House Station 2
Augusta, Maine 04333

Dear Speaker Martin:

Pursuant to Chapter 556, Public Law (1989), I am pleased to provide you with an Analysis of the Costs and Benefits of Offering Long Term Care Benefits to State Employees and Retirees and the necessary implementing legislation.

Additional copies of the report are being forwarded to members of the Joint Standing Committee on Banking and Insurance.

Departmental staff would be pleased to answer any questions you may have regarding the report.

Respectfully submitted,
S/Charles A. Morrison
Commissioner

Was read and with accompanying report ordered placed on file.

PETITIONS, BILLS AND RESOLVES
REQUIRING REFERENCE

The following Bills and Resolves were received and, upon the recommendation of the Committee on Reference of Bills, were referred to the following Committees, Ordered Printed and Sent up for Concurrence:

Human Resources

Resolve, to Create a Pilot Project for a Substance Abuse Halfway House for Pregnant Women and Mothers with Young Children (H.P. 1647) (L.D. 2280) (Presented by Representative CLARK of Brunswick) (Cosponsored by Senator CLARK of Cumberland, Senator CAHILL of Sagadahoc and Representative CHONKO of Topsham) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Ordered Printed.

Sent up for Concurrence.

Labor

Bill "An Act Concerning the State Minimum Wage" (H.P. 1646) (L.D. 2279) (Presented by Representative MCHENRY of Madawaska) (Cosponsored by President PRAY of Penobscot and Speaker MARTIN of Eagle Lake) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Ordered Printed.

Sent up for Concurrence.

Later Today Assigned

Bill "An Act to Amend the Definition of Public Way" (H.P. 1645) (L.D. 2278) (Presented by Representative PARADIS of Augusta) (Cosponsored by Representative STEVENS of Bangor, Representative ANTHONY of South Portland and Senator HOLLOWAY of Lincoln) (Submitted by the Department of the Attorney General pursuant to Joint Rule 24.)

(Committee on Transportation had been suggested.)

On motion of Representative Paradis of Augusta, tabled pending reference and later today assigned.

Reported Pursuant to the Statutes

Representative JACQUES for the Whitewater Advisory Committee, pursuant to Maine Revised Statutes Annotated, Title 12, section 7369-A ask leave to submit its findings and to report that the accompanying Bill "An Act to Amend the Laws Relating to Whitewater Rafting" (H.P. 1648) (L.D. 2281) be referred to the Joint Standing Committee on Fisheries and Wildlife for Public Hearing and printed pursuant to Joint Rule 18.

Report was read and accepted, and the bill referred to the Committee on Fisheries and Wildlife, ordered printed and sent up for concurrence.

REPORTS OF COMMITTEES

Unanimous Ought Not to Pass

Representative JACQUES from the Committee on Fisheries and Wildlife on Bill "An Act to Establish a Wildlife Management Area in the Town of Bradley" (H.P. 1553) (L.D. 2153) reporting "Ought Not to Pass" Representative PRIEST from the Committee on Legal Affairs on Resolve, Authorizing Philip Wolley of Searsport to Bring Suit against the State of Maine (H.P. 1375) (L.D. 1906) reporting "Ought Not to Pass"

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

Unanimous Leave to Withdraw

Representative STROUT from the Committee on Transportation on Bill "An Act to Prevent Pollution in Penobscot Bay" (H.P. 1523) (L.D. 2108) reporting "Leave to Withdraw"

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

CONSENT CALENDAR

First Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the First Day:

(H.P. 1438) (L.D. 2008) Bill "An Act to Amend the Watershed District Laws" Committee on Energy and Natural Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-751)

(S.P. 865) (L.D. 2216) Bill "An Act to Coordinate and Consolidate Student Financial Assistance Services under the Finance Authority of Maine" (EMERGENCY) Committee on Education reporting "Ought to Pass" as amended by Committee Amendment "A" (S-484)

(S.P. 857) (L.D. 2193) Bill "An Act to Clarify the Qualifications for Membership on the Citizens' Forestry Advisory Council" (EMERGENCY) Committee on Energy and Natural Resources reporting "Ought to Pass"

(S.P. 809) (L.D. 2072) Bill "An Act Providing Conformity with the United States Internal Revenue Code Under the Maine Income Tax Law for 1989"

(EMERGENCY) Committee on Taxation reporting "Ought to Pass"

(S.P. 836) (L.D. 2144) Resolve, Authorizing the State Tax Assessor to Convey the Interest of the State in Certain Real Estate in Unorganized Territory Committee on Taxation reporting "Ought to Pass"

(S.P. 699) (L.D. 1837) Bill "An Act Related to the State Board of Substance Abuse Counselors" (EMERGENCY) Committee on Business Legislation reporting "Ought to Pass" as amended by Committee Amendment "A" (S-483)

(S.P. 777) (L.D. 2004) Bill "An Act to Enable Rulemaking by the Board of Examiners of Podiatrists" Committee on Business Legislation reporting "Ought to Pass" as amended by Committee Amendment "A" (S-482)

(S.P. 786) (L.D. 2032) Bill "An Act Prohibiting Chlorofluorocarbons in Automobile Air Conditioners" Committee on Energy and Natural Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (S-481)

(H.P. 1355) (L.D. 1872) Bill "An Act Concerning Patient Access to Medical Records" Committee on Human Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-754)

(H.P. 1399) (L.D. 1935) Bill "An Act to Ensure That Residents of Long-term Care Facilities Are Provided with Information about the Services of the Long-term Care Ombudsman Program" Committee on Human Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-753)

(H.P. 1469) (L.D. 2054) Resolve, To Extend the Rights of All Mentally Retarded Persons Committee on Human Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-755)

(H.P. 1424) (L.D. 1976) Bill "An Act to Codify the Creation of the Bureau of Safety and Change Its Name to the Bureau of Highway Safety" Committee on State and Local Government reporting "Ought to Pass"

(H.P. 1322) (L.D. 1824) Bill "An Act to Amend the Zoning Laws to Extend the Time for Filing a Variance in the Registry of Deeds" Committee on State and Local Government reporting "Ought to Pass"

(H.P. 1414) (L.D. 1966) Resolve, to Set Aside Space for a Memorial for Firefighters Committee on State and Local Government reporting "Ought to Pass" as amended by Committee Amendment "A" (H-756)

There being no objections, the above items were ordered to appear on the Consent Calendar of Wednesday, February 7, 1990, under the listing of Second Day.

**CONSENT CALENDAR
Second Day**

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the Second Day:

(S.P. 700) (L.D. 1838) Resolve, to Study the Use of Herbicides (EMERGENCY) (C. "A" S-480)

(H.P. 1403) (L.D. 1939) Bill "An Act to Amend the Guaranty Association Law to Provide a More Equitable Special Assessment" (EMERGENCY)

(H.P. 1461) (L.D. 2038) Bill "An Act to Provide for Expedited Merger, Consolidation or Acquisition of Credit Unions" (EMERGENCY) (H.P. 1447) (L.D. 2016) Bill "An Act to Amend Laws Regulating the Sardine Industry by Enhancing Export Opportunities" (EMERGENCY)

No objections having been noted at the end of the Second Legislative Day, the Senate Paper was Passed to be Engrossed as Amended in concurrence and the

House Papers were Passed to be Engrossed and sent up for concurrence.

By unanimous consent, all matters having been acted upon requiring Senate concurrence were ordered sent forthwith to the Senate.

(At Ease)

The House was called to order by the Speaker.

At this point, a message came from the Senate, borne by Senator CLARK of that Body, proposing a Joint Convention to be held in the Hall of the House at 12:15 in the afternoon for the purpose of extending to the Honorable Robert L. Woodbury, Chancellor of the University of Maine System, an invitation to attend the Convention and make such communication as he may be pleased to make.

Thereupon, the House voted to concur in the proposal for a Joint Convention to be held at 12:15 in the afternoon and the Speaker appointed Representative GWADOSKY of Fairfield to convey this message to the Senate.

Subsequently, Representative GWADOSKY of Fairfield reported that he had delivered the message with which he was charged.

The Chair laid before the House the following matter: Bill "An Act to Amend the Definition of Public Way" (H.P. 1645) (L.D. 2278) which was tabled earlier in the day and later today assigned pending reference.

On motion of Representative Paradis of Augusta, was referred to the Committee on Judiciary, ordered printed and sent up for concurrence.

ORDERS OF THE DAY

The following item appearing on Supplement No. 1 was taken up out of order by unanimous consent:

PAPER FROM THE SENATE

Bill "An Act to Create an Appeals Procedure for the State Bidding Process" (EMERGENCY) (S.P. 895) (L.D. 2277)

Came from the Senate, referred to the Committee on State and Local Government and Ordered Printed.

Was referred to the Committee on State and Local Government in concurrence.

At this point, the Senate entered the Hall of the House and a Joint Convention was formed.

In Convention

The President of the Senate, Charles P. Pray, in the Chair.

The Convention was called to order by the Chairman.

On motion of Senator CLARK of Cumberland, it was ORDERED, that a committee be appointed to wait upon the members of the University of Maine Board of

Trustees and Campus Presidents to extend an invitation to them to attend the Joint Convention. The Chairman appointed:

Senators: BERUBE of Androscoggin
ESTY of Cumberland
CARPENTER of York
Representatives: JOSEPH of Waterville
ROTONDI of Athens
DAGGETT of Augusta
HEESCHEN of Wilton
CAHILL of Mattawamkeag
LARRIVEE of Gorham
WENTWORTH of Wells
BEGLEY of Waldoboro
MCCORMICK of Rockport
CURRAN of Westbrook

Senator BERUBE, for the Committee, subsequently reported that the Committee had discharged the duty with which it was charged and the University of Maine Board of Trustees and Campus Presidents would attend forthwith.

At this point, the Chairman welcomed members of the University of Maine Board of Trustees and Campus Presidents.

On motion of Senator CLARK of Cumberland, it was ORDERED, that a committee be appointed to wait upon the Honorable Robert L. Woodbury, Chancellor of the University of Maine, to inform him that the two branches of the Legislature were assembled in Convention, ready to receive such communication as he may be pleased to make.

The Chairman appointed:
Senators: ESTES of York
BOST of Penobscot
GILL of Cumberland
Representatives: CROWLEY of Stockton Springs
HANDY of Lewiston
O'GARA of Westbrook
KILKELLY of Wiscasset
PARADIS of Frenchville
OLIVER of Portland
O'DEA of Orono
SMALL of Bath
NORTON of Winthrop
AULT of Wayne

Senator ESTES, for the Committee, subsequently reported that the Committee had discharged the duty assigned it, and the Chancellor of the University of Maine, Robert L. Woodbury, was pleased to say that he would attend the Convention forthwith. Whereupon, Chancellor Robert L. Woodbury entered the Convention Hall amid prolonged applause, the audience rising. Chancellor Woodbury then addressed the Convention as follows:

Mr. President, Mr. Speaker, distinguished members and guests of the 114th Maine State Legislature: In appearing before you for my fourth annual State of the University address, I am not sure that this particular day — as the Governor proposes major budget cuts — is one I would have chosen with relish. On the other hand, I am proud and eager to stand before you, on behalf of the thousands of people you have benefitted. So, let me begin with my deep appreciation to all of you for the investment you have made in the University of Maine System during the past four years. God knows, you will receive little thanks from any quarter over the next few months.

The pride we all should feel about progress in the University of Maine System does not come from the daily newspaper headlines or the six o'clock news; those stories, though undeniably important, sometimes conceal or obscure more about who we are and what we do than they reveal. The real stories are quieter stories, at once more precious and meaningful, in some cases fragile, and far more numerous. They are stories of Maine people who are pursuing a dream. Let me share a few with you.

At Farmington, a mother of three children and four foster children returned to college for a degree in secondary education. She conducted a major research project with two faculty members in chemistry and dietetics on the possible use of maple syrup as a sugar source in the manufacture of jellies. On Saturday mornings she teaches science to middle school students, which is attracting girls into a field where few have gone.

At Machias, a man who was a brick mason for 12 years now is a biology major interested in aquaculture. He works for a salmon hatchery to support his study.

In Lewiston, the custodian at Lewiston/Auburn College came into the college library as the librarian was stocking the shelves with old books from the Franco-American Heritage collection. He discovered in one of the books a photograph of his long deceased father and, in another, a letter written to his uncle.

At Presque Isle, a biology major, who worked throughout the 1980's as a nurse, is the author of an article in the latest issue of The Maine Scholar. But not in biology. Based on a geology research paper done with faculty at the University of Maine at Presque Isle, his article is entitled "The Appearance of Rocks in Cultivated Fields of Northern Maine: or, Why Do We have to Pick Rocks Every Year?" He is now a first-year student, all expenses paid, at Dartmouth Medical School pursuing research into neurological diseases, primarily Alzheimer's and Parkinson's.

At Orono, mechanical engineering technology students, as part of a laboratory course and working with the Maine Department of Human Services, designed and built a prosthetic hand for a disabled draftsman from Bar Harbor, a signaling device worn by patients unable to speak, a workstation that allows a young man with cerebral palsy to work at an Old Town McDonalds, and a braced seat and head-operated pedal controls for a young student pianist who has spina bifida.

At Fort Kent, a behavioral science major is taking a sociology course on the nature of social inequality. For a term paper on the history of American socialism, she used URSUS, the University of Maine System's computerized library network. She has checked out books from the campus libraries at Orono, Portland, Augusta, Machias, Presque Isle, and Farmington.

Again, at the University of Maine, the leader of the campus's global change program, who is now back in Antarctica, is the author of a featured article in last month's Scientific American. He is working on a \$1.2 million study of glaciation and ocean atmospheric interactions to understand abrupt global climate changes and their likely effect on Maine's forest and coastline.

At USM, the philosophy professor who is head of the Honors program is working with an older Chinese undergraduate who tells a harrowing story, also in The Maine Scholar, of trying to educate herself despite the virtual disappearance of normal schooling during the Chinese cultural revolution. Incidentally, she came to Maine after reading a brochure from Husson College.

On North Haven Island, where more than ten percent of the adult population are taking courses over the instructional television system from the University of Maine at Augusta, a seventh grade dropout, now in his thirties, aspires to be a law enforcement officer. After sitting in on a televised course in criminal law, he returned to a basic education program to achieve his G.E.D.

And finally, a man at our northernmost campus and a woman at our southernmost campus. Both were raised in Maine in French-speaking families. Their parents and grandparents were factory workers in our urban mill towns and both of them were the first in their families to go to college -- here in Maine. They went on to attain distinguished academic reputations outside of New England, and then, at high points in their careers, they came home. They now serve as Presidents of the University of Maine at Fort Kent and the University of Southern Maine.

These stories, these vignettes, multiplied thousands of times, give life to bare statistics and warmth to emotionless budget lines of the University of Maine System. Investments in laboratory equipment and research assistants, faculty salaries and new facilities, the instructional television system and Lewiston/Auburn College, trips to conferences in philosophy and engineering, have energized the creativity and quality and reach of our public enterprise. They also allowed us to serve several thousand more students than four years ago and attract far beyond Maine. And in supporting this commitment, the State of Maine has made a leap of faith on behalf of our young people and all our citizens for the 1990's and into the 21st Century.

But it would be myopic indeed not to address directly the realities we face. No matter where we look -- at the world, at the United States, or at the State of Maine -- we are confronted with a volatile and uncertain future. The context of uncertainty stretches from Central and Eastern Europe and the USSR to China, South Africa, and Latin America, from the economics of the Pacific Rim to Europe 1992. It encompasses our nation's daunting agendas in health, the environment, infrastructure, economic competitiveness, and governance itself.

We are, of course, most acutely aware now of uncertainty here in Maine as we confront a dramatic drop in projected state revenues, the potential implications of reductions in defense spending, and cloudy forecasts for our general economy.

These realities are dramatic, even traumatic. They invite bitter contention, scapegoating, shortsightedness, and even paralysis, as we have observed in a neighboring state. What is call for is prudence, but not timidity; a careful paring of expenditures, but not a refusal to invest in the future. We must make the most effective use of our resources -- natural, economic, human, institutional -- but we must not inadvertently aggravate our capacity to address the larger challenges of our nation and world. We must above all be clear about our missions and goals over the longer haul because we are acting, not only for 1990 and 1991, but more crucially, for the decade and century ahead.

I do not need to tell this Legislature how excruciatingly difficult it is to deal with reductions in state revenues. When the Board of Trustees responded to the Governor's call just three weeks ago and ordered a cut of six million dollars in the budget for the University System, they did so with full knowledge that it would hurt badly, but they believed it would not do permanent damage. They knew that travel would be cut drastically, that scores of positions would be eliminated, that

equipment purchases would be severely restricted, that even more maintenance would be deferred, that some programs and services would be diminished or curtailed, and that students and their families would face higher costs. The prospects of larger cuts, of course, were not even considered. "Downsizing" -- redefining or narrowing the University mission or dismantling some of its capacity -- would produce few savings in the short-run even if required of us in the long-run.

But as we approach the awesome task of accommodating our current financial dislocation, we must, I think, be rigorous on two points: that those least able to protect themselves not bear the brunt of cuts; and that we not undermine our priority goals as a government and a people, or we will simply set the stage for more destructive consequences and far more expensive repairs tomorrow.

We must continue our commitment to increased access to higher education for all our citizens, no matter what their geographic location or economic and social status.

We must strengthen our resolve to increase the aspirations of Maine young people and make it possible for them to realize new dreams.

We must insist upon improving quality or improved access, in the context of another decade, will turn out to be a terrible hoax.

We must increase our efforts to improve the education of those who will teach our children, care for the sick and needy, make our businesses competitive, enhance our professions, and govern our State.

We must invest in research and outreach that can energize the people and resources special to Maine.

And we must continue to build our capacity to meet our special responsibilities -- buildings, libraries, equipment, and most of all, a talented and creative staff.

As you and we confront the cruel interaction of laudable public and diminished public resources, what should all of us be particularly sensitive to in the case of the University of Maine System? I would offer four thoughts.

First, public higher education in Maine -- including the University campuses, the Technical Colleges and Maine Maritime Academy -- play a greater role in our state's prospects than is true elsewhere in New England. Approximately 75 percent of all college students in Maine are in the public sector; in the rest of New England combined, the number drops to about 50 percent. And with full admiration and support for our vital independent colleges, none play quite the same graduate, research, and policy role in State affairs that is true of a Brown in Rhode Island, a Yale in Connecticut, a Dartmouth in New Hampshire, or a host of private graduate and research institutions of distinction in Massachusetts. In short, our prospects as a state, for ill or good in the years ahead, are more directly bound-up in the health of our public institutions of higher education than is true in our sister states.

Second, money spent on education -- at all levels from preschool and K-12 to higher education and continuing education -- is more aptly characterized as an investment rather than an expenditure, and it seems increasingly evident that Maine people see the entire fabric of education as the critical variable in our future prospects. An investment implies future returns that are well documented in personal income and fulfillment, but even more in terms of the health of our economy and the quality of life in our State for everyone. A "disinvestment" in education may be noticeable in the short-run as a course not offered or a microscope not replaced or a journal

subscription cancelled or a part-time teacher substituting for a full-time professor, but in the long-run, these short-cuts compound in substantially reduced capacity and quality.

Third, healthy universities -- where national faculty are attracted and retained, where prospective students and their families sense quality, where people inside and out feel momentum and progress -- rest on a fragile psychology. And here we have been fortunate. Maine campuses may not be as well-funded as those in states like Connecticut or Massachusetts, but the major commitment our State government has made has lifted our spirits and given us a momentum and creativity that is immeasurable. You have made it possible to dream of a live interactive television system that spans the State, a computerized library system that brings books to every campus, to become more international and pluralistic in our vision, to raise the standards for both entering students and graduating seniors, to launch an endowment campaign, to attract a center of excellence from the National Science Foundation, to become an even more prominent center for research in acid rain and environmental quality, to attract the best teaching faculty from the most distinguished graduate schools, to become one of the best small systems in the country.

But the psychology works in reverse as well. Certainly our employees know that we must share in addressing the consequences of harder times, but we ought not to forget that one year's action in the mid-1970's chilled this University for a decade and recent events in Massachusetts have killed for years to come the legitimate aspirations of the University of Massachusetts to become a major public research institution. I like to use the analogy of water being cut off to a house for a week. When the water returns, the washing machine, shower, and dishwasher resume their normal functions. But a university is more like a collection of house plants; the absence of water for a week makes a return to health at best problematic.

Fourth, we need to decide now how we are going to deal with our budget problem. We will certainly be reducing our workforce, along with our other expenses, over the coming year and one-half. But it is now that students make choices, that prospective faculty are recruited or not, that programs should be cut if any savings are to be realized in the next few years. We cannot wait six months or fifteen months or after another blue ribbon commission in three years to discover that we cut the University System's budget too severely in 1990.

I make no plea for exemption. We will pare our budgets, we will cooperate as partners in addressing the fortunes of the State, and we will define as clearly as we can the consequences of alternative futures. We will also continue to dream.

Emily Dickinson wrote: "To make a prairie it takes clover and one bee, one clover and a bee, and revery. The revery alone will do, if bees are few."

I might not go that far, but the injunction is critical. Vision is critical. We want to seize the initiative of our Commission on Pluralism and be one of the first public universities in the country to truly build on the gifts of ethnic and cultural differences in our classrooms and our campuses; we look forward to working with the public schools in creating a new common core of learning for all Maine elementary and secondary students; we seek to advance our research capability as we will be discussing at our joint conference on Maine's research agenda this Thursday here in Augusta; and we want to make undergraduate education on our seven campuses different models of true quality. With your help, we

want to keep alive the dreams reflected in the stories I recounted earlier.

In Thomas Jefferson's First Inaugural Address in 1801, he said, "...every difference of opinion is not a difference of principle. We have called by different names brethren of the same principle. We are all Republicans, we are all Federalists." The principle of investing in education in 1990, as the fundamental foundation for the future, unites us, Democrat and Republican, Legislator and Governor, teacher and student, citizen and representative. Thank you very much.

Subsequently, Chancellor Woodbury withdrew amid the applause of the Convention, the audience rising.

The purpose for which the Convention was assembled having been accomplished, the Chairman declared the same dissolved.

The Senate then retired to its Chamber amid applause of the House, the members rising.

In The House

The House was called to order by the Speaker.

(Off Record Remarks)

(At Ease to Gong - 6:10 p.m.)

The House was called to order by the Speaker.

The following items appearing on Supplement No. 4 were taken up out of order by unanimous consent:

REPORTS OF COMMITTEES

Unanimous Ought Not to Pass

Representative TARDY from the Committee on Taxation on Bill "An Act Concerning Property Valuation for Tax Purposes" (H.P. 1550) (L.D. 2148) reporting "Ought Not to Pass"

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

CONSENT CALENDAR

First Day

In accordance with House Rule 49, the following item appeared on the Consent Calendar for the First Day:

(H.P. 1407) (L.D. 1955) Bill "An Act to Regulate the Dumping of Dredged Materials in Maine Waters" (EMERGENCY) Committee on Energy and Natural Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-757)

There being no objections, the above item was ordered to appear on the Consent Calendar of Wednesday, February 7, 1990, under the listing of Second Day.

The following items appearing on Supplement No. 5 were taken up out of order by unanimous consent:

REPORTS OF COMMITTEES

Unanimous Leave to Withdraw

Representative HUSSEY from the Committee on Agriculture on Bill "An Act to Clarify the Relationship Between the Maine Potato Board, the Maine Potato Quality Control Board and the Department

of Agriculture, Food and Rural Resources" (H.P. 1467) (L.D. 2052) reporting "Leave to Withdraw"

Representative CLARK from the Committee on Utilities on Bill "An Act Pertaining to Cable Television Systems" (H.P. 1557) (L.D. 2157) reporting "Leave to Withdraw"

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

CONSENT CALENDAR

First Day

In accordance with House Rule 49, the following item appeared on the Consent Calendar for the First Day:

(H.P. 1334) (L.D. 1851) Bill "An Act to Amend the Berwick Sewer District Charter" Committee on Utilities reporting "Ought to Pass"

There being no objections, the above item was ordered to appear on the Consent Calendar of Wednesday, February 7, 1990, under the listing of Second Day.

The following item appearing on Supplement No. 2 was taken up out of order by unanimous consent:

**PAPER FROM THE SENATE
Non-Concurrent Matter**

Bill "An Act to Make Corrections in the Governmental Ethics Law" (EMERGENCY) (H.P. 1481) (L.D. 2061) which was passed to be engrossed in the House on February 2, 1990.

Came from the Senate passed to be engrossed as amended by Senate Amendment "A" (S-487) in non-concurrence.

Representative Joseph of Waterville moved that the House adhere.

Representative Wentworth of Wells moved that the House recede and concur.

The SPEAKER: The Chair will order a vote. The pending question before the House is the motion of the Representative from Wells, Representative Wentworth, that the House recede and concur. Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken.

47 having voted in the affirmative and 70 in the negative, the motion did not prevail.

Subsequently, the House adhered.

By unanimous consent, ordered sent forthwith to the Senate.

At this point, a message came from the Senate, borne by Senator CLARK of that Body, proposing a Joint Convention to be held in the Hall of the House at 6:15 p.m. for the purpose of extending to His Excellency, John R. McKernan, Jr., Governor of Maine, an invitation to attend and to make such communication as he may be pleased to make.

Thereupon, the House voted to concur in the proposal for a Joint Convention to be held at 6:15 p.m. and the Speaker appointed Representative GWADOSKY of Fairfield to convey this message to the Senate.

Subsequently, Representative GWADOSKY of Fairfield reported that he had delivered the message with which he was charged.

At this point, the Senate entered the Hall of the House and a Joint Convention was formed.

In Convention

The President of the Senate, Charles P. Pray, in the Chair.

On motion of Senator CLARK of Cumberland, it was ORDERED, that a committee be appointed to wait upon his Excellency, Governor John R. McKernan, Jr., and inform him that the two branches of the Legislature are in Convention assembled, ready to receive such communication as he may be pleased to make.

The Chairman appointed:

Senators: PEARSON of Penobscot
BRANNIGAN of Cumberland
PERKINS of Hancock
CARTER of Winslow
CHONKO of Topsham
LISNIK of Presque Isle
MCGOWAN of Canaan
RIDLEY of Shapleigh
POULIOT of Lewiston
CARROLL of Gray
HIGGINS of Scarborough
FOSTER of Ellsworth
FOSS of Yarmouth

Representatives:

Senator PEARSON, for the Committee, subsequently reported that the Committee had discharged the duty assigned it, and the Governor was pleased to say that he would attend the Convention forthwith.

Whereupon, Governor John R. McKernan, Jr. entered the Convention Hall amid prolonged applause, the audience rising.

The Governor then addressed the Convention as follows:

Mr. President, Mr. Speaker, members of the 114th Legislature:

I want to thank you for coming back into session this evening. A couple of people said to me as I came in, "We've got to stop meeting like this." I would be only too happy to stop meeting like this. Only days ago, I stood here and recounted our many successes together. Tonight, I will be informing you of the challenges that lie ahead. Because the challenges are so important, I wanted to have this opportunity to brief you personally so I want to thank the presiding officers for giving me this time to speak with you.

We have been fortunate during the last half of the decade of the 1980's, New England rode the crest of the wave of the longest peacetime expansion in American history. Maine prospered; state government grew. All of us enjoyed being able to spend more without raising taxes. But we knew it would eventually end; what we did not know was when, or how abruptly.

Obviously, I wish that we had anticipated how rapidly the New England economy and the Maine economy would cool. Our revenue projections were based on moderate growth for this biennium, not the flat economy which now exists and I take full responsibility for that. We are fortunate that last spring we acted to reduce our sales tax revenue projections by \$106 million. Had we not taken that action, we would have an even more difficult task today.

As you know, on January 31st, we received projected sales and income tax revenue figures for the remainder of the biennium. According to that report from Peat Marwick and our review of all other revenue

lines in the budget, the state is facing a \$210 million budget shortfall.

In response to that need, our administration has put together a comprehensive package of spending reductions and programs to generate additional revenue that will balance the biennial budget. This has been a difficult process. Budget cuts are never easy nor are they popular. John Kenneth Galbraith once wrote that "politics is not the art of compromise, it is choosing between the disastrous and the unpalatable." Well, we have had to make those choices and you will have to ultimately make those choices. We believe that we have been able to avoid the disastrous. As difficult as the choices are, my constitutional obligation as the Governor of this state and it is my moral obligation as a leader elected by the people of our state, to balance our budget. I have taken the steps that are necessary to do that.

I believe that earlier today we furnished you with a summary of our final decisions. If any of you do not have copies, please let us know.

I have met with my cabinet repeatedly over the last month to prepare for a revenue imbalance of the magnitude of the one we now face. I would like to publicly thank my commissioners and their staff for their input, cooperation and long hours. Sawin Millett, commissioner of finance, has worked late into the night for weeks on end and it really is his diligence and support of the agencies that has enabled us to meet this challenge.

In round after round of discussions, each cabinet member scrutinized his or her budget in order to maximize savings and minimize impact. We have tried to spare departments such as education, mental health, human services and corrections that cannot possibly shoulder their share of the savings. In fact, when all is said and done, mental health and corrections actually had a net increase in funding over our original budget. It was a painful process but it was a fair process. And because we are facing difficult economic times, this belt-tightening process will be repeated in local communities and households throughout the state.

We will continue to care for those who are most in need. But we will all feel the impact of these reductions. There will be layoffs, we hope to minimize them, but there will be layoffs, there will be programs that will not get the level of funding that we would like to be able to give them, that is the reality of the situation.

In some cases, we have postponed implementation of new programs. We are still committed to them but we realized they were funded at a time when we thought we were going to have more money to spend than we actually do.

We are proposing spending reduction but it might be more accurate to say that we are really trimming the high rate of growth in spending that has been built into the state budget for the last ten years.

To put things in perspective, the General Fund spending has increased from just under \$1.1 billion in 1987 (when I assumed office) to almost \$1.7 billion which was originally budgeted for next year. That is a 56 percent increase over a four year period when the cumulative effect of inflation was 20 percent. We were able to do that because of the growth that we have seen in our economy which produced additional revenues for state government.

After our budget package is implemented, General Fund spending will still be 19 percent higher than in the last biennium. Spending will increase by \$94 million in 1990 over 1989 and it will increase by \$75 million in 1991 over 1990. So what we are really proposing

is reducing the increase in spending to a level that is consistent with both the needs and the means of our state.

All across the country, state governments are grappling with situations similar to ours. According to the Wall Street Journal, political leaders in 34 states, from Sacramento to Augusta, are now revising their budgets. Every time we prepared a new draft of my State of the State address, we would have to update the projected deficits of the New England states. Every draft, the numbers got worse.

As you may have read in the Maine Sunday Telegram, both New Hampshire and Vermont are facing shortfalls proportionately worse than ours here in Maine. That does not make our situation any easier, but it does make it more understandable.

Responsible governments across the country are reassessing their spending priorities. As we undertake that process, you must remember that the best interests of the people of Maine are not necessarily the best interests of every constituency and every interest group in the state. This is a time to look at the big picture. I can assure you that not everybody will be pleased in the coming months. But before you question any cuts, ask yourself one simple question, "Where else is that money going to come from?"

Let me explain my budget package. I am proposing a total of \$165 million in General Fund reductions — \$125 million from within Cabinet agencies and approximately \$40 million from non-Cabinet agencies. In addition, I am recommending \$63.7 million in revenue-related initiatives, which, when combined with the revenue reductions, will alleviate our projected \$210 million shortfall and fund a \$18.6 million package of essential supplemental appropriations.

None of our revenue initiatives involve a new tax (applause)

I would like to highlight the major items in our package. \$15 million will be salary savings. We are freezing 403 vacant positions in FY90 and 338 positions in FY91. In addition, we have found it necessary to lay off 53 state employees on July 1, 1990. We intend to work with them to help find them new jobs, either in or outside of state government. We are working with the major state employee unions to promote voluntary initiatives such as job sharing, leave without pay, sabbatical leaves, and retirement in order to minimize layoffs. If those measures do not produce our targeted savings, we will need to consider further layoffs.

My top-level political appointees will forego step salary increases in 1990. This will save approximately \$250,000, but more importantly, it symbolizes our commitment to the reduction process.

We are recommending that implementation of two property tax relief programs — the Homestead and Elderly Deferral — be delayed until 1992 and that the Low Income Student Adjustment not be given in FY 1991. I am also proposing that surpluses in the Maine Residents Property Tax program, known to most of us as the circuit breaker program, be deappropriated for use in the General Fund. We have also found it necessary to recommend that the increase in General Purpose Aid Equalization formula be limited to a 10 percent increase in 1991. Despite this difficult decision, we have been able to maintain our commitment to equalization in the funding of education throughout our state. We will have increased aid to local education by over \$46 million.

We are recommending that all components of the Maine Health Plan be delayed for a period of nine months.

When we set our budget priorities, we decided that it was important to preserve existing programs that are already helping Maine people rather than implement new ones. The Health Plan remains intact and will become operative on April 1, 1991.

Whenever possible, we have tried to maximize efforts to match federal funds and to take advantage of other revenues in order to reduce our reliance on General Fund revenues.

We are also proposing a \$63.7 revenue enhancement package, which includes the following components:

A Tax Amnesty Program to encourage voluntary payment of taxes currently due the state;

Increased audit and enforcement capacity within the Bureau of Taxation;

A one-year implementation delay for two recently enacted tax benefits -- the Railroad Excise Tax benefit and the Investment Tax Credit;

And a delay of the final year of the Industrial Energy Tax phaseout until 1991.

Despite our financial shortfall, we realize there are certain supplemental financing needs that cannot go unmet. The supplemental appropriations package I am proposing includes increased funding for:

Vocational rehabilitation;

Additional supervision within our correctional institutions;

Continuation of the Job Opportunity Zones program;

Additional staffing and grants to assure that we continue to assist municipalities in meeting the requirements of our Growth Management laws;

Local adult education subsidies;

Supporting programs for the homeless begun this year;

And improvement of the quality of services provided by the Department of Mental Health and Mental Retardation.

My proposals do not include any increase in the state sales and income taxes. I firmly believe that the average person in Maine is best served by a state government that can live within its means. And that means holding the line on taxes.

We now have two choices: We can work together or we can point fingers and squabble over every cut, every layoff. I want you to know that I ask for your scrutiny of our recommendations, your input can improve our package, but I also ask for bipartisan cooperation. The essence of leadership is working to solve tough problems without crying "fire" in a crowded theater. It means taking a good plan and working constructively to make it better. I would ask all of you as elected leaders to assure your constituents that we do intend to work together to balance our budget. The sky is not falling so it serves no constructive purpose for us to say that it is. There are no happy constituencies when the budget is cut. There are no newspaper articles praising the new legislative initiatives, rather, there is the satisfaction that you have acted in the best long-term interest of the people of Maine, whether or not that is politically expedient in the short term. As Bill Cosby once noted, "I don't know the key to success, but the key to failure is trying to please everybody."

I ask for your support and your continued hard work. Because if we don't rise to this challenge, the people of this state will suffer long after any of us reside in these chambers. Thank you very much. (applause)

Subsequently, the Governor withdrew amid the applause of the Convention, the audience rising.

The purpose for which the Convention was

assembled having been accomplished, the Chairman declared the same dissolved.

The Senate then retired to its Chamber amid applause of the House, the members rising.

In The House

The House was called to order by the Speaker.

(Off Record Remarks)

On motion of Representative Pineau of Jay, Adjourned until Wednesday, February 7, 1990, at twelve o'clock noon.
