

MAINE STATE LEGISLATURE

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N I N E T Y - E I G H T H L E G I S L A T U R E

Legislative Document

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Remarks by Senator Davis of Cumberland. 1,000 copies ordered printed.
In Senate, March 26, 1957
CHESTER T. WINSLOW, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-SEVEN

Mr. Davis of Cumberland was granted unanimous consent to address the Senate.

Mr. DAVIS of Cumberland: I would like to take this opportunity, presented by the relatively short Senate session today, to present to the Senate some of the thoughts that your Joint Standing Committee on Pensions and Retirements have related to legislative pensions, a problem currently involving some 250 existing grants that are costing around \$75,000 per year.

Although most of these facts may be known to many of you, I would first like to review the general concept of Legislative Pensions. As you know, we have at the State level 8 general types of welfare problems that directly or indirectly involve cash payments by one of the State agencies.

The first 4 are those commonly called the categories and these are the programs related to Old Age Assistance, Aid to the Blind, Aid to Dependent Children and Aid to the Disabled. Each of these programs have costs that are federally shared and in general the division is about 60% federal funds vs. 40% State funds.

The 5th program is the one that takes care of committed children and finances the board and care for children committed into the custody of the State by the Courts. This program is financed entirely with State funds.

The 6th appropriation provides for the general relief program and generally, except for the home at Jefferson, these expenditures are represented in reimbursements made to the various cities and towns for city and town relief expenditures for indigent non-settled persons, citizens and non-citizens.

The 7th program is apart from the Department of Welfare and is the program wherein veterans and their families are given financial aid by the Bureau of Veterans Affairs and this, also, is financed with State dollars.

The 8th program and the one that I would like to talk with you about this morning is the special legislative pension procedure.

I am not too well acquainted with the early origin of this program, but from what little study I have been able to do, this is very much a creation of the Legislature and at no time does it appear that statutory landmarks have been established to guide the program from one session to another, or to give to a legislative committee any broad principles that the committee should follow. Today, our statutes are silent as to eligibility rules, so one Legislature after another makes its own rules.

I did not go back beyond 1921 but it is interesting to note that in that 1921 session there were but 3 legislative pensions granted and the 3 of them in total amounted to only \$360 per year, or \$30 per month, divided among the 3 recipients. I next looked at the 1931 session laws and found an appropriation of only \$1,200 for special legislative pensions. I am only guessing at the next assumption but through the depression years of the early and mid '30's, there appears to have been a general legislative effort to place onto the legislative pension rolls more and more people, and this in spite of the adoption in the late '30's of 3 of the category programs. However that may have been, the 1943 session laws show that 101 individuals were either granted pensions or had legislative approval for an increase in their existing pensions, and the appropriation measure called, in 1943, for about \$20,000 per year. In 1948 the cost had reached \$76,000; 1949 it was \$82,000; 1950 and 1951, \$92,000; 1952, \$109,000; 1953, \$112,000; 1954 nearly \$120,000—the peak of legislative spending for legislative pensions.

At the Special Session called September 21, 1954, the 96th Legislature became the 43rd state to adopt the Aid to the Disabled program as the 4th categorical program and in adopting that progressive legislation, we were told its adoption would substantially eliminate the special pension needs by providing for the disabled in the A D program.

As enacted, the program became effective on January 1, 1955 but was not in use until May of 1955. The end result of the year ending June 30, 1955 saw a slight downward trend to \$116,000 in the expenditures for special legislative pensions.

Still another very significant fact was recorded in the 1955 year. Under the able chairmanship of the Senator from Franklin, Senator Butler, the Committee on Retirements and Pensions made a most sincere effort, and a successful effort. I may say, to establish sound and reasonable principles in the granting of pensions. Whereas, the 1945 session had 79 names on the special pension resolve—1947 had 110; 1949 had 134; 1951 had 146; and 1953 had 148, the 1955 resolve had less than 60 names and only a handful of those names represented new pension grants—the remainder were increases.

The reflection of this more rational treatment shows 1956 expenditures down to \$82,600 and it is estimated this year there will be a further reduction to less than \$75,000. These reductions reflect, as your committee views it, 3 main factors. First, there is the impact in the growth of the Aid to the Disabled program, which from time to time gives grants under that program and takes the recipient from the special pension list. To be specific, there have been 59 suspensions resulting from the recipients going on to the Aid to the Disabled pro-

gram. Another 63 special resolve recipients have had their special resolve amounts reduced because of an Aid to the Disabled grant. Still another factor is the operation of the statutory authority wherein the Welfare Department, upon study and investigation, can reduce or suspend legislative pensions for those deemed no longer in need of it and the 3rd factor is the normal mortality in the list. So that all of these factors together are serving to reduce the cost of this program and if we can continue the policies of the last session or even if we can refine those policies and still be consistent with fairness and justice, it is the thought of our committee that we will be doing the thing expected of us by this Legislature.

And, this brings me to the real meat of my discussion with you this morning, which is a general summary of just what our philosophy should be.

At the very outset, I want to assure the Senate that we are well aware of the constitutional rights of any citizens of this State to petition this Great General Court on any matter that he wishes and if that wish is for a legislative pension, then certainly we have no thought that our action should seek to rule out such resolves.

Second, and of more importance, we recognize the constitutional rights of every member of both branches of this Legislature to disagree either in the principles we seek to establish or to disagree in the application of our principles to any resolve involving any individual. In other words, we have no illusions that this committee or any other committee can of itself determine for the majority of both branches any policy or principle. That is your right and not for one moment do we think we can take it away from you.

On the other hand, we would ask your sympathy and understanding of the problem and ask you to give serious consideration to supporting what we who have studied the program think may reflect fairness and justice to all of the taxpayers at all levels of government in the State of Maine.

With that worthy objective, I summarize that which I think are the present thoughts of the committee.

1. We see little justification in accepting the special resolve pensions as a means of relieving a relatively few municipalities of a part of what is a normal municipal relief expenditure. We see great inequities both among communities and among recipients in granting to a handful of communities what is really municipal assistance problem. We believe that with all of the broad general assistance programs available to the citizens of all Maine communities, to pick out a few individuals in a few communities reflects little fairness.

2. Carrying this principle a bit beyond that stage, we see little or no justice in picking up a municipal relief expenditure only because that particular community has an unusual relief burden with respect to one particular family or individual.

3. Another group that seems to be with little justification, if we wish to accomplish fairness and equity, is that type of resolve wherein the applicant just does not wish to make application for one of the categorical programs. We recognize that there may be well justified reasons, yet with some 15,000 or 20,000

Maine citizens going through procedures that are not at all unreasonable, we doubt the fairness of opening up a path that in many cases is taken only to avoid that which has been followed by so many thousands of other citizens needing public assistance.

4. We view with particular alarm the large number of pension resolves which state as their justifications the fact that they have been denied aid under one of the several categories and having been found ineligible they seek the legislative pension. I am reasonably sure that of all of the denials made consistent with the statutes, well under 1% of those denials come to the Legislature seeking special treatment. To grant those requests would create a gross injustice to the other 99% not using us as an appeal court.

5. There is still another small group seeking legislative pensions because the categorical grant is inadequate. Again, I am sure that something over 99% of those persons do not seek that supplemental aid from legislative pensions and to grant such aid to the 1% creates the same gross inequity with respect to the many who do in fact receive their supplemental aid from the cities and towns.

6. Among both the applicants and recipients, there are a few who seek a legislative pension not as an assistance grant but as a private and special amendment to the State Retirement Law. As an example—a retired State employee may be unhappy with his wage level at date of retirement, thinking that the wage level should have been higher thereby increasing the level of his retirement pension. We have one example of that among our present recipients wherein some past Legislature did supplement a normal retirement pension by creating a special pension and today that special pension is being paid without any regard or respect to need and with no fairness to thousands of others who have no supplement to the retirement pension. We believe that tying retirement system into the legislative pension procedures is unfair, unjust and completely unsound.

There are other categories within the area of our problem but I think I have treated with most of them.

I would like to conclude this rather lengthy presentation of our problem by speaking a bit about the administration of the program. I am convinced that the Department is doing an excellent job carrying out the wishes of the Legislature by making reasonable investigations and suspensions where suspensions are indicated. I believe that it would be sound policy to repeal dozens and dozens of pensions authorized by prior Legislatures but suspended from as far back as 1946. I believe, too, that given a second legislative session of encouragement, such as the last Legislature gave to the Department, they will give much more effective administration to these special pension resolves.

I would ask your sympathetic understanding that the Department is specifically charged with effecting these suspensions and it would be my hope before the session is over to tell the Department of my personal conviction of legislative intent to the end that in time, legislative pensions will have gone the way of road resolves and the more orderly concept of assistance programs will in fact prevail.

Certainly, this isn't the most important problem facing this Legislative Session and it certainly isn't the intent of the committee to fill the Record with long debates on every pension resolve that we may turn down but come an "ought not to pass" report, the Senate has my assurance that it will reflect what we believe to be sound, long term principles.

Mr. Dunn of Kennebec was granted unanimous consent to address the Senate.

Mr. DUNN: Mr. President and members of the Senate: As a member of the Committee on Retirements and Pensions I heartily endorse the discussion by Mr. Davis of Cumberland.

Mr. Low of Knox was granted unanimous consent to address the Senate.

Mr. LOW: Mr. President, as a member of the Committee on Retirements and Pensions I believe very strongly in the principles enumerated by the Senator from Cumberland, Senator Davis. These are the rules under which the committee of the 97th Legislature operated and under which this committee operated. I believe it will be valuable to future legislatures as well as to town officials and others who are interested and who will know what they can expect when they ask for special resolve pensions. In order to do this, I believe that the remarks of the Senator from Cumberland, Senator Davis, should be printed, and to accomplish this I present an order and move its passage.