

# 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)

# ACTS AND RESOLVES

AS PASSED BY THE

## Ninety-fourth Legislature

OF THE

# STATE OF MAINE

Published by the Director of Legislative Research in accordance with subsection VI of section 26 of chapter 9 of the Revised Statutes of 1944.

---

KENNEBEC JOURNAL  
AUGUSTA, MAINE  
1949



---

---

ADDRESS

of

Governor Frederick G. Payne

to the

94th Maine Legislature

March 16, 1949

---

---

ADDRESS OF GOVERNOR FREDERICK G. PAYNE TO THE  
NINETY-FOURTH LEGISLATURE OF THE STATE OF MAINE

March 16, 1949

March 16, 1949

Mr. President and Members of the 94th Legislature:

On January 12th the Budget Document for the ensuing biennium was discussed.

You will recall that this presented a balanced budget based upon existing revenues which were fairly estimated.

It was stated at that time and is now reiterated "It permits the continuation of all services of government for the biennium at a level comparable to, or greater than the present level."

That statement was true then and is true now. It further stated "any major expansion beyond recommendations in this budget will necessitate revenues greater than present levies provide." That statement also was true then and is true now.

You can continue state government without additional taxes, provided you limit your appropriations to current existing revenues and do not repeal any existing revenue sources.

It should be pointed out that the General Fund Budget for the present fiscal year as passed by the 93rd Legislature was in the red \$933,000. For the first seven months of operation we have gained \$575,000, but if we in the remaining months make further gains, it will mean only holding the line and will not develop any substantial surplus from General Fund operations this year.

This is pointed out so that you can realize we are operating close to the line on present revenues.

Since January 12th your Committee on Appropriations and Financial Affairs have heard all Departments and have considered the case of each Department request versus Budget recommendations.

Your Committee after weeks of intensive work and deliberation has reported out an Appropriation Act that exceeds estimated revenues available for appropriation under current laws by \$1,623,810.00 in the first year of the biennium and \$2,169,676 in the second year.

The large portion of this reported increase is in the Department of Education, Health and Welfare, and Institutions.

The Commissioner of Education has projected an increased school population which will require added monies for subsidy on Teaching Positions, School Census, and Equalization. The remainder of the recommended increase covers increased costs largely in our State Training Schools.

### Health and Welfare

The largest increases appear in Aid to Dependent Children, Aid to Public and Private Hospitals, Old Age Assistance, and Board and Care of Neglected Children.

The increase in Aid to Dependent Children is because of projection of a larger case load, this amounts to \$336,000 in the first year and \$443,000 in the second year. Additional sums for Board and Care of Neglected Children amounting to \$243,200 for first year and \$293,700 for the second year provides for an increase from \$24 to \$30 per month board allowance per case plus the projected case load increase.

The Committee has approved a \$400,000 per year increase in aid to Public and Private Hospitals to more fully meet their increased costs and to aid in offsetting their loss on our indigent cases. The original request was \$600,000 per year.

The increase in Old Age Assistance and Aid to the Blind Program is the approximate amount recommended in the Budget Message, and is sufficient to provide for the increase to \$50.00 in maximum grants. It does not, however, provide for any further liberalization of these programs.

### Institutions

The Committee has gone over very carefully the needs of all institutions and, because of a projected increase in cases, has provided for such increased costs. We have a definite obligation in seeing to it that our Mental and Tubercular Institutions provide the best possible treatments for our citizens needing such care. You may rest assured that a continuing study will be conducted to see to it that monies made available are administered on a practical basis, with a full analysis of per capita costs.

Any real economy to be gained that would be sizeable must come from these three departments as they represent 80% of the General Fund Appropriations. It seems apparent to me that Maine citizens have indicated their opposition to any substantial curtailment of these services.

These initial recommendations of the Committee on Appropriations and Financial Affairs have been carefully examined item by item. It is my

conviction that they have been realistic in facing squarely the issue of increased cost due to an increased work load.

It is my conviction that the members of the Committee are not a "Tax and Spend" group. They have studied and analyzed the problem with the Commissioner of Finance and Budget Officer and his staff. It is my belief that the estimates arrived at by your Appropriations Committee are realistic and represent fair evaluation of the cost of existing laws.

Therefore, using these recommended amounts against our fairly estimated revenue, we find a deficiency of approximately \$1,900,000.00, average, per year.

In addition, we have Legislative Documents not provided for in the budget. Your Legislative Committees have already reported "ought to pass" on bills calling for \$656,286.00 in the first year and \$644,945.00 in the second year. Typical of these is the \$300,000.00 per year resolve for operating expense at the University of Maine. It is difficult, indeed, to oppose the enactment of this type of a bill. Unreported are many others, including the \$400,000.00 per year required to maintain present wages and salary levels in the State employee groups.

Also unreported is the act to relieve the cities and towns of their present aid to Dependent Children costs. This will require a minimum of \$500,000 per year additional.

As of this moment the amounts that may possibly be reported on the major educational bills have not reached me. However, they will no doubt contain provisions for a minimum of \$2,000,000 per year.

This afternoon in this Chamber, you will hear the tobacco tax repeal bill. Favorable action on repeal will increase the problem by \$660,000.00 per year.

At this same hearing you will hear opponents to the state property tax levy. In round figures this is another \$5,500,000.00 per year if you conclude that the state should abandon the state property tax to relieve real estate taxation at the local level.

To summarize, the picture presented indicates a deficiency in excess of \$11,000,000, for each year of the biennium in General Fund Revenues, irrespective of any decisions you may reach as regards other pending legislation.

Members of the 94th Legislature, confronted with these facts, it is plain to see that you face a very real and serious problem.

It is my definite intent to point out to you that if you accept these reports of your Appropriations and Financial Affairs Committee and the many other "ought to pass reports" that a meeting of the minds should be had as quickly as possible on a major general fund tax measure.

You have two courses open as I see it. First is to say we are going to live within the limits of current revenue to cover current activities. This would mean definite cuts in Educational Subsidies to our communities in School Census, Teachers' Salaries and Equalization. It also will mean lowered payments by Health and Welfare in the basic relief programs of Old Age Assistance, Aid to Dependent Children, Aid to the Blind and Board and Care of Neglected Children in order to cover increased case loads. Our institutions also will receive less per capita in food, clothing and basic needs. Further it would force a cut-back of the salaries presently paid State Employees under present levels. It would not provide for any of the many Legislative Documents now pending before this Legislature.

Secondly, if you desire spending measures over and above the current revenues, then steps must be taken to provide such funds as are required.

If you choose the second method, you must take such Legislative steps as will insure a balanced General Fund Budget. Any major General Fund Tax measure should carry with it the definite appropriations that such tax measure will support. This must be done to provide a balance between income and expense and permit a sound budget.

Spending measures over and above known revenues will not be signed into law unless they are accompanied by revenue measures sufficient to offset such appropriations, and further provision must be made in all cases for repeal of such appropriations in event of failure of the revenue measure to become law so that we return to a balanced budget.

It is my firm conviction that whatever decision is made with reference to finances that decision must be tempered with a desire to reaffirm a relationship of trust and confidence between the government and its citizens.

The task, while difficult, is clear. We must exhibit a willingness to place the public interest ahead of partisan or personal consideration.

If, after painstaking consideration, it is the considered judgment of this Legislature that financial requests approved are justified and that they truly represent the demands of our citizens, and if my subsequent personal analysis substantiates your conclusions, any reasonable and equitable revenue measure designed to produce the then required money will be favorably regarded.

Conversely, a major revenue producing act would be opposed if a clear-cut need is not evident.

We must be mindful, as was pointed out in my budget message, that any new services, as well as expansion of existing services, should be accomplished only if our citizens make the demand and express a willingness to pay the obligations incurred.

It is my sincere hope that my position is clear on our financial program, and you may be certain as has been said before, that such funds as you provide to administer our State Government will be prudently, efficiently and soundly administered. Not to see how much we can spend of that which you make available, but to use care and good business judgment to the end that we secure the most needed services at the least possible expense.

FREDERICK G. PAYNE,

Governor of Maine.