

# MAINE STATE LEGISLATURE

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# ACTS AND RESOLVES

AS PASSED BY THE

## Ninety-fifth Legislature

OF THE

# STATE OF MAINE

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ADDRESS

of

Governor Frederick G. Payne

to

Special Session

of the

94th Maine Legislature

February 6, 1950

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MESSAGE OF GOVERNOR FREDERICK G. PAYNE TO THE  
94TH LEGISLATURE MEETING IN SPECIAL SESSION

February 6, 1950

Mr. President and Members of the 94th Legislature:

We meet this afternoon because of important and critical situations brought into sharp focus in recent months. In the emergency at hand, the solution calls for sound thinking, free from emotions and selfishness.

To refuse to face the facts, as they shall be outlined, is to be blind to our obligations.

Conditions confronting us today are pretty universal throughout the Country. They result from a leveling off in our postwar economy.

For ten years we of this State and Nation have been through a period of peak production and healthy employment. In the period of transition, now upon us, we are confronted by economic reversals.

There must be adjustments by State government just as there have been adjustments by individuals. Adjustments at government levels always must be in human terms.

In Maine, we now have reached a point where we know with certainty that amounts appropriated for certain purposes are not adequate to provide the level of government services which existing laws set forth. These inadequacies are forcing municipalities to assume financial obligations not intended by these selfsame laws.

Under these circumstances, it shall be recommended for your consideration that certain supplemental appropriations be made. By so doing, we will keep faith with the people.

You will notice recommendations are made for the second year of the biennium.

This is necessary because deficiencies during that period already have been established and the 95th Legislature will not convene until six months after the fiscal year has started.

In our approach, let us not be divided by party lines. The social and economic gains which we have made and which we now seek to preserve are too precious to be lost through indifference or neglect of our responsibilities.

It is my duty to give you the facts, all the facts, that you may take such action as you deem prudent.

## REVENUES

Actual revenues for general fund use for the first six months of the fiscal year, ending last December 31, were very close to the estimates made at the regular session. Unless a real economic upswing occurs, our actual revenue for the year ending June 30 will be less than our estimates.

## EXPENDITURES

In our financial operations, we are utilizing the best accepted principles of good business management. Every activity is closely observed to eliminate duplication of effort and to provide the services of government on a basis consistent with the laws you enacted.

The appropriations for operation of the Executive, Judicial and Legislative branches supported by general fund revenue are meeting the basic needs with the general exceptions of education and welfare.

These activities deal with the greatest number of our people and the major portion of the funds are used for subsidy payments either to municipalities or to our people directly.

## EDUCATION

The Constitution clearly establishes education as a function of the State by authorizing the Legislature to require the several cities and towns to make suitable provisions for the maintenance and operation of public schools.

From time to time, legislative sessions have acted to define the broad term "suitable provisions" and to aid municipalities financially unable to carry out their mandated responsibilities.

Twelve sections of Chapter 37 prescribe subsidy payments which are obligations of the State.

These provisions do not say the State may make certain subsidy payments, but they say—shall—which makes it our moral responsibility either to provide sufficient monies or change the law to fit the dollars at hand.

At this point, we have done neither.

In December, when the Department of Education completed an analysis of subsidy obligations, it was found we were lacking \$522,400 to meet requirements under existing law for the period July 1, 1949 to June 30, 1950.

Faced with this deficiency, the State Board of Education had no alternative but to direct partial payments which permitted a distribution of approximately 91 per cent of monies anticipated by municipalities on the basis of the law as now constituted.

So much for the current fiscal year.

In the second year of the biennium, we definitely know at least an equal amount will be required plus an additional \$75,000 for equalization. Therefore, to be realistic we should make available \$597,400 for the period July 1, 1950 to June 30, 1951.

We should be mindful that if municipalities further increase their support of education additional amounts may be required if the State is to meet its share of the contractual subsidy agreement.

The State's inability to meet in full its subsidy obligations has placed an unfair financial burden upon already over-taxed municipalities who now appeal to us for relief.

General and specific changes are creating greater demand for educational subsidy funds. Surveys disclose a growing birth rate and project increased enrollments in our schools of 30,000 pupils in a short span.

This translates itself into more teachers, more buildings and more equipment.

Costly to be sure, but highly desirable if we want to keep our youth strong in body, keen in mind, brave in heart and generous in spirit.

#### UNIVERSITY OF MAINE

In the field of higher education, our State University faces a difficult period in the last year of the biennium, ending June 30, 1951. Income from the mill tax, the University's only source of State financial support, has proved insufficient to meet operational costs.

This lack of funds has resulted in two situations, neither of which seems desirable in a State-supported University. Tuition rates have been increased and today the University of Maine has the highest tuition of any land grant college in the Country. Very necessary maintenance has been deferred for lack of funds.

The availability of \$200,000 would ease materially existing retrenchments which have been forced upon those in whom we have vested responsibility for educating our young men and young women. The absence of such support can only mean further curtailments in the year ahead.

It appears both wise and proper that we act now to forestall a more serious curtailment of educational opportunities at our State University.

### RETIRED TEACHERS

We have at the present time approximately 600 teachers over 65 years of age who have given a large part of their lives to the citizens of Maine in the field of education.

Many of them were your teachers and mine.

They do not fall within the contributory pension plan. They served at a time when salaries were low and a devotion to duty kept them in the field of education. Under present provisions of the law, many are finding it difficult to provide for themselves even the bare necessities of life.

They need help.

A \$100-a-year increase applied to present maximums, while not all that can be desired, certainly will bring to you the everlasting blessings of this deserving group. It will assist them in a period of urgent need.

To provide this aid, effective March 1, will require \$21,000 for the current fiscal year and \$60,000 for the 1950-51 period.

### WELFARE

We have a moral and legal responsibility to those who in adversity require assistance.

It has been our historic policy to lend a helping hand to the needy. Because our obligation is clear-cut, I will discuss briefly and factually situations concerning our welfare program.

### OLD AGE ASSISTANCE

In old age assistance, applications for the first six months of the fiscal year increased 50 per cent over the preceding comparable period. It has produced a case load of 14,614 active recipients compared to 13,719 at the beginning of the fiscal year.

To finance this increase for the remainder of the fiscal year \$250,000 is required.

At the present rate of acceptance, the case load unquestionably will reach 15,000 by July 1. To finance this new peak from July 1 to June 30, next

year, will require an additional \$450,000. Should the case load increase beyond this projected 15,000 still additional monies will be necessary.

The decision facing us can be reduced in simple terms to this:

1. Maintain present standards by appropriating additional funds or
2. Cut the average grant, which seems neither proper nor just.

#### GENERAL RELIEF

In the case of General Relief, also known as State Pauper Support, we are faced with another increased case load. In order to provide reimbursement to municipalities, who in the first instance are required to provide assistance, \$250,000 is required for the year ending June 30, 1950 and \$250,000 for the year ending June 30, 1951.

These general relief cases are the legal responsibility of the State.

#### OLD AGE ASSISTANCE BURIALS

Failure to provide an appropriation for this activity as set forth by law has further added to the financial difficulties of cities and towns.

It is my recommendation that we make available \$30,000 for the present fiscal year retroactive to January 1 and \$60,000 for the 1950-51 fiscal year.

#### AID TO DEPENDENT CHILDREN

To continue our present program of Aid to Dependent Children, which is designed to maintain the family unit, requires \$100,000 for the fiscal year ending June 30, 1951. This sum will maintain the program at present standards.

#### BOARD AND CARE OF NEGLECTED CHILDREN

Under existing law, the State is required to maintain all children placed in its custody by order of the courts. There can be no control over the number of custodies thus ordered. Based on the present case load \$100,000 must be provided to maintain this function in the 1950-51 fiscal year.

#### WELFARE SUMMARY

Because of the continuing emergency in the welfare field, it appears desirable that authorization be given by the Legislature that any unexpended funds in the 1949-50 fiscal year be carried forward to the 1950-51 period



with the full assurance that every safeguard will be exercised for the proper use of such funds and that expenditures will not be made except when absolutely necessary.

### STATE EMPLOYEES PAY

At the regular session, this Legislature provided an amount sufficient to continue the present pay schedule for full time State employees in the classified service until June 30 next.

You expressed the hope by joint resolution that some way could be found to continue this same scale during the next fiscal year. With conditions as they are, many of our departments cannot absorb this requirement.

Therefore, if it is desired that this present scale be continued, it is recommended \$250,000 be made available to be used on approval of the Governor and Council by those departments who cannot meet this expense within their regular appropriations.

### SUMMARY OF APPROPRIATION SUGGESTIONS

The sum total of needs as outlined is:

|                                 | 1949-50        | 1950-51        |
|---------------------------------|----------------|----------------|
| Education .....                 | \$ 522,400.00  | \$ 597,400.00  |
| University of Maine .....       | —              | 200,000.00     |
| Teachers Pensions .....         | 21,000.00      | 60,000.00      |
| Health and Welfare .....        | 530,000.00     | 960,000.00     |
| State Employees Pay Scale ..... | —              | 250,000.00     |
|                                 | <hr/>          | <hr/>          |
| Total .....                     | \$1,073,400.00 | \$2,067,400.00 |

Utilization of surplus funds to finance current operating expenses does not lend itself, generally speaking, to a sound fiscal policy.

However, rapidly changing economic conditions have produced emergency situations which can be solved only through the expedient of emergency action.

To adhere strictly at this juncture to financial policies of a more stable era would be unrealistic in my sincere judgment.

We must face the facts.

If we are to ease the plight of our citizens in the field of education and welfare, if we are to reduce known suffering among revered teachers of

another day, if we are to ease the minds of faithful and efficient State employees, our course is clearly defined.

In the situation confronting us today when we have an excess of funds available from taxes previously collected, it is my belief we should make available such amounts as may be determined necessary to provide for the essential needs of the people.

We must understand that providing such funds as recommended will without question deplete the unappropriated surplus. We must know and appreciate this fully.

There are many precedents for the use of surplus funds under emergency circumstances. Other states have done this and are continuing to do so.

#### UNEMPLOYMENT SECURITY BENEFITS

At the time of the regular session changes were made in the schedule of benefits under our Unemployment Security Law.

The benefits presently in effect do not appear to be providing properly for those coming under the provisions of this act.

It is my recommendation that the present law be amended to allow a more fair and acceptable schedule of benefits for our unemployed who are covered by this statute.

#### HIGHWAY BETTERMENT FUND ALLOCATION

Betterment funds on state-aid roads were eliminated in the final draft of the Highway Allocation Bill. This appears neither to have been the intent of the committee nor of the Legislature. It is recommended that this provision be placed in the act by amendment to correct an obvious error.

#### SUMMARY

It is my sincere hope that you may find it possible to limit legislation to measures that affect the over-all picture and to refrain from introducing measures which, while desirable, can await a regular session.

The problems set forth are state-wide in nature. If we can agree on such of them as outlined, provide the funds and adjourn, the best interests of the public will have been served.

Accept my sincere thanks for your splendid cooperation in assembling here.

Your Legislative Research Committee has worked closely with me in compiling more detailed information than it is logical to present in an address here this afternoon. This data is now in your possession. Their cooperation and interest is appreciated.

#### CONCLUSION

In conclusion, let me place upon the records two sincere convictions:

1. We owe our youth the best educational preparation within our power to prepare them to take over burdens which we are going to thrust upon their shoulders.

2. Any action taken by this Legislature in behalf of those less fortunate than ourselves conceivably will return many to their rightful heritage as honest, upright, responsible God-fearing citizens.

FREDERICK G. PAYNE,

Governor of Maine