

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Ninety-sixth Legislature

OF THE

STATE OF MAINE

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BUDGET MESSAGE

of

Governor Burton M. Cross

to the

96th Maine Legislature

January 14, 1953

BUDGET MESSAGE

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Mr. President and Members of the 96th Legislature:

In presenting to you this budget I shall discuss the over-all financial picture of total state revenues and expenditures.

The ever-increasing tide of inflation has necessitated an increase in dollars in practically every governmental unit. The requests of the various departments exceeded estimated revenue by sixteen million dollars for the biennium. Approximately ten million of this was for capital improvement and construction. These requests have been carefully analyzed, weighing the apparent necessity as against available revenue.

This budget, which I am now presenting to you, should take adequate care of all facilities of government based on existing statutes, and present services for the coming biennium. It is a balanced budget, one that is factual and based on realistic estimates of income and on sound fiscal planning.

You will find that for your convenience, this budget has been separated into two parts:

- (1) an Operating Budget
- (2) a Capital Improvement Budget.

The regular Operating Budget is financed from estimated revenue, and the Capital Budget is financed from existing General Fund surplus. Each item of the departments' request has been carefully weighed, and the items included in the Budget recommendations are those which appear to be absolutely essential to the efficient handling of the State's business.

In the General Fund the over-all financial picture is as follows:

	<u>'53-'54</u>	<u>'54-'55</u>
Estimated total revenues:	\$44,609,072	\$44,647,676
Recommended expenditures:	\$43,186,987	\$43,961,794

which leaves a balance in the first year of the biennium of \$1,422,085, and the second year, a balance of \$685,882. This, with the proper adjustments in carrying balances, leaves a net amount available for appropriation of \$1,269,497 the first year, and \$879,446 the second year.

I recommended to you in my Inaugural Message, emergency changes in Old Age Assistance and Aid to the Blind programs to raise maximum payments from \$50 to \$55 per month. This will necessitate, if passed as recommended, an appropriation of approximately \$209,000 in state funds each year.

There is included in the budget, suggested appropriations in the amount of one million dollars per year for State Hospital Aid. In accordance with the recommendations made to you it is suggested that you consider the discontinuance of the State Hospital Aid program as such. The one million dollars per year could then be used to provide state money for an Aid to Disabled program and hospitalization. Federal funds would be available to match state dollars on the same matching basis as such funds are available for Old Age Assistance at the present time. Direct payments to hospitals could then be made for the hospitalization of recipients of Public Assistance, and the disabled. If this program is accepted, no additional state money will be necessary beyond that suggested in the budget. There will be available to the hospitals and the disabled persons of the State of Maine additional funds from the Federal government to the extent of about three-quarters of a million dollars, making a total program for these purposes of \$1,750,000 each year.

EDUCATION

It is well, sometimes, to see just how far we have traveled in this field of government. I believe that we have made great progress in our careful, economical, Maine way, building always with regard to our ability to pay. It is essential that the higher percentage of the educational cost should rest with our towns and cities. This places responsibility where it may best be considered and controlled, at the local level. Public participation by those interested in better educational standards have brought into sharp focus the State's duty of setting basic training standards. At the State level, let me point out that we are now appropriating approximately seven and one-half million dollars annually to the Department of Education, which is the second largest appropriation of any department in state tax dollars from the General Fund. In determining the amount of money available for educational distribution it must be weighed carefully with the necessity of other activities of government. In bringing this budget into proper balance with available revenue it has been necessary to cut over sixteen million dollars from requests. While cutting this amount out, most every department of government, including Education, has had more total dollars recommended than they received in the current biennium. Obviously, most departments had less dollars recommended than they requested. In the Department of Education, \$16,327,101 have been recommended, which

is \$1,373,394 more than was appropriated in the last biennium. It is with regret that I point out to you that these additional dollars still do not represent 100% parity on our State educational subsidy to the cities and towns. Let me urge you strongly to consider, as I did, every activity, and if, in your judgment, sufficient funds can be made available or other activities may be curtailed to make available these additional dollars for educational subsidy, it shall have my hearty approval.

In recommending additional funds for the University of Maine, I fully realize the importance of a proper balance for state subsidy to all levels of education. We are all proud of our State University, and much has been done by preceding Legislatures to provide adequate improvements to the physical structure of our only land-grant college. I have recommended increases in the state appropriation for the University in the amount of \$441,676 for the next biennium. The Research and Agricultural programs carried on at the University are tremendously worthwhile to the prosperity of the people of Maine, and should be expanded as fast as available funds can be found. It is with regret that I feel the demands for capital improvements by other institutions seem to have priority over the University in this particular biennium. It is hoped that we can continue the building program at a later date.

In regard to the Teachers' Colleges, the recommendation for the lowering of tuitions at the colleges will cost \$56,000 each year. I have recommended modernization of existing facilities and improvements in the science laboratories, as well as the much-needed men's dormitory at Gorham. This involves a total recommended in the field of improvements in our Teachers' Colleges of \$380,700. It seemed advisable to postpone the additional building at Farmington. The greatest pressure of enrollment was at Gorham. It is my hope that Farmington's situation will be next on the agenda.

STATE INSTITUTIONS

One of the most difficult and continued demands upon our finances the past years has been that of our state institutions. The greatest pressure of rising population stems from the Augusta State Hospital, where I am recommending the construction of one 154-bed continued-treatment building at a cost of approximately \$900,000 and the construction of a tuberculosis isolation building at a cost of \$900,000. This, together with smaller appropriations to heat these buildings and remodel facilities, involves an appropriation of \$1,125,100 the first year and \$1,025,000 the second year. Improvements and safeguarding of facilities at the Bangor State Hospital involve \$126,050 the first year, and \$36,750 the second year. Badly needed

kitchen renovation, installation of new equipment, as well as personnel cottages at Pownal State School, involve a cost of \$230,517 in this institution. Long delayed repairs at the three sanatoriums are recommended, as well as the School for Girls, Reformatory for Men and Maine State Prison.

I am very much concerned about conditions existing in our Maine School for the Deaf, and have recommended \$1,115,000 be appropriated for a new building or buildings at a new site outside the city where conditions will be more in line with proper institutional procedure. A substantial sum should be realized from the sale of the present buildings which are in an area completely unsuited for the school but valuable for other purposes.

The necessity for improvement in our facilities in this field are pressing and immediate. It might well be said that they are of an emergency nature. The increasingly heavy demands on our state institutions, and the uncertainty of the cost of living, continue to necessitate that we provide an Institutional Emergency Fund, and I have recommended that \$469,588 be set aside in a carrying account subject to the same safeguarding provisions as those provided by the last Legislature.

STATE EMPLOYEES

It was recommended to you last week that a one-step increase to state employees be retroactive to January 1, 1953. This will cost approximately \$431,000 each year. This means in some instances that departments may not be able to absorb this under present appropriations for the balance of this fiscal year. This could only be handled by an emergency appropriation bill costing approximately \$215,000.

STATE OFFICE BUILDING

In your study of the needs of a new building it should be clear to you that if the recommendations of this budget message are substantially adhered to, there should be at the end of this fiscal year a General Fund surplus of approximately \$3,000,000 which could be used for this very essential and necessary activity. I believe that a plan for a modest building program for a simple and efficient building, would give a great deal of usable space at a minimum of cost. We have the land available, with ample parking space adjacent to this building and you should weigh carefully the available dollars as against the essential need.

FISH AND GAME

This department was separated several years ago from general fund appropriations and placed upon a self-supporting basis of license fee

revenue. Past Legislatures have felt that this was a proper method of financing, and it is my belief that the policy should be continued. After careful analysis of the request of the department for funds from General Fund, it does not seem to be warranted without careful analysis of their ability to handle this situation with license fees. I recommend further study of this problem by the Legislative Inland Fish and Game Committee.

DEVELOPMENT COMMISSION

In recommending to you an additional \$100,000 for use each year in this Department I do so feeling that a complete division of responsibility is necessary within the administration of this Department. We should consolidate efforts in the industrial expansion and mineral development field and separate these activities completely from the recreational and promotional division. Any overlapping in these activities does not help the proper development of both. It is my belief that this extra amount of dollars, if properly administered, will bring back many times its value in new industry, new products, and better advertising of our State in general. We MUST meet competition in this field.

AERONAUTICS

In the field of Aeronautics, I have recommended from surplus \$68,000 the first year, and \$25,000 the second year in funds to be matched by the various towns and cities involved for the repairs and maintenance of existing airports. It is my understanding that the towns are already prepared to match these dollars on the part of the State and Federal Government.

STATE PARKS

As pointed out to you in my Inaugural Message, I am recommending an expansion of park facilities and picnic areas, which total involves \$280,581 the first year, and \$261,900 the second year. This Park program has proved itself to be one of which the public makes continuing use. It is a program which should eventually be self-supporting, and will promote the recreational needs of our own citizens, as well as attract out-of-state visitors.

WORKING CAPITAL ACCOUNT

I also recommend strongly that the Legislature set aside \$1,000,000 of the General Fund surplus to be added to the present working capital account set up by previous Legislatures. It must be quite obvious to you as

legislators and businessmen that this multimillion dollar business of ours requires an increasing amount of working capital. Should you decide to follow these additional budget recommendations as suggested, it will leave a balance available for legislative appropriations from general fund revenues of \$567,850 the first year, and \$187,499 the second year of the biennium.

HIGHWAY FUND

The budget recommendations for the State Highway Department are set up to operate within existing Highway revenues, and contemplate the expenditure of \$32,360,743 the first year, and \$32,400,281 the second year. This is within the estimated revenues and includes the continuance of the Accelerated Construction program authorized by the last Legislature. As placed before you in recommendations in my Inaugural Message, the present one million dollar betterment program has been merged into the construction program. Also, in line with previous recommendations, and consistent with sound and progressive highway financing, I have eliminated from the budget the item of \$175,000 the first year, and \$150,000 the second year, previously spent for Legislative Road Resolves. To compensate for this in dollars, and to implement a fair, equitable and just distribution of state money for town road improvement, I have recommended \$800,000 in each year of the biennium to be allocated to the Town Road Improvement fund which will greatly accelerate this program of farm-to-market roads, and will do much to get our town roads passable the year round. This is an increase of \$300,000 each year over the current biennium. I strongly recommend that all existing highway surplus be held for use as working capital and to cover any unforeseen emergency.

The need for reclassification of our highways on a sound basis cannot be stressed too strongly. The recent report of the Automotive Foundation shows how we can bring our highway system in conformity to modern day conditions and modern traffic flow, so that each dollar of highway money will produce the most value to the most people who use our roads.

At this time I would like to acknowledge and express my personal thanks and appreciation to Senator Robert Haskell, Representatives Leslie E. Jacobs, Louis Jalbert, Finance Commissioner Raymond C. Mudge, Assistant Budget Officer Maurice Williams, and their staff. They were most cooperative.

CONCLUSION

Should you adopt the above recommendations it will mean that we can provide for our needs under a balanced budget with every existing state

department cared for on the basis of known needs, and safeguarded by Emergency and Contingent funds. It is my hope that by presenting these two budgets to you, Operating, and Capital, that it will be an easier and more understandable method of budgeting the State's requirements. I have tried to face facts realistically, both as to estimated revenues and estimated expenditures. It is my firm belief that these estimates are sound and based on past experience and known factors. However, no one can predict with certainty economic changes $2\frac{1}{2}$ years in advance.

The small available balances indicated as remaining in General Fund revenues, bring into sharp focus that should you pass any new legislation involving substantial additional dollars, you must see the necessity of providing new revenues to balance such activities. To do otherwise would be poor fiscal planning, and could not meet with my approval as Chief Executive of the State. You must weigh carefully and with caution any assumption of new activity.

The ever-increasing demands upon state government and the seemingly endless rising tide of inflation necessitates the most careful consideration of all bills which come before you. May I again offer you my most complete cooperation in your efforts to legislate in the interests of the People of Maine. I place this budget in your hands, knowing that we both desire our State's financial structure to rest on a solid foundation.

BURTON M. CROSS,
Governor of Maine