

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, RESOLVES AND CONSTITUTIONAL RESOLUTIONS

AS PASSED BY THE

One Hundred and Sixth Legislature

OF THE

STATE OF MAINE

Published by the Director of Legislative Research in accordance with the Revised Statutes of 1964, Title 3, Section 164, Subsection 6.

THE KNOWLTON AND McLEARY COMPANY
FARMINGTON, MAINE
1973

Budget Message Address
of
Governor Kenneth M. Curtis
to the
One Hundred and Sixth Legislature
STATE OF MAINE
January 11, 1973

BUDGET MESSAGE ADDRESS OF GOVERNOR KENNETH M. CURTIS
TO THE
ONE HUNDRED AND SIXTH LEGISLATURE
STATE OF MAINE

INTRODUCTION

Mr. President, Mr. Speaker and Honorable Members of the 106th Maine Legislature:

For the past six months, in coordination with my staff and State agency personnel, I have extensively reviewed the financial resources of the State of Maine, the needs of our citizens and the many programs that have been initiated and proposed to answer those needs.

This long and arduous effort has produced the Budget Message I present to you today in accordance with my responsibility as Governor to prepare and bring before the Legislature a two-year financial plan for the State.

The State of the State

As American life becomes more complex, confronting our people with a myriad of problems inconceivable in simpler days, American government has grown at a pace at once a target of public criticism and a product of public demand.

Maine State government today reaches into more areas and affects the lives of more people than ever before, and its role will continue to expand so long as problems exist that cannot be solved by individuals alone. But this is the proper function of democratic government: To attack conditions which deprive the people of their right to the benefits of a democracy, to a life free of the bondage of poverty and despair, of prejudices and fear, of insufficient education and the abasement of their environment.

While we still are not free of many of these conditions in Maine, we have made substantial progress. And this has been possible because Maine's people and Maine's economy have continued to display the durability and the resolution to meet the challenges and to overcome them.

It is my hope that our problems are passing the crisis stage and that we may now seek solutions with better planning and on a more gradual basis.

As we come together now to chart our directions and set our goals for the next two years, we should take stock of some of our past achievements as well as our failures and shortcomings so that we may better prepare for the task at hand.

In the prime field of education, the joint efforts of the executive and legislative branches of Maine government in the past six years have

placed an additional 7,200 full-time students in the University of Maine and our vocational technical schools, with about an equal increase in enrollments in adult and continuing education programs. At the same time, the State has moved strongly in support of local education with school subsidies now totaling more than \$57 million a year, or nearly thirty percent of the General Fund budget.

Since 1966, a new social consciousness, Federal law changes and court decisions have added 12,000 families to the rolls of those receiving Aid to Families with Dependent Children, and have greatly broadened the scope of all social programs. These same forces are bringing long overdue changes in policies and services in the field of mental health and corrections. Rapidly disappearing is the ancient practice of hiding the mentally ill or the criminal offender from society.

The rights of our elderly citizens are being slowly recognized with such things as tax and rent relief and homemaker services, senior citizen centers and meals on wheels programs. A curtailment of funding on the Federal level for many of these undertakings presents us with a new challenge to be faced by this Legislature.

The challenge of preserving what is good about the Maine environment and improving what is bad has been attacked on a widespread front. We now have strong State and Federal programs to clean up our rivers and our air, to halt undesirable practices of the past and to build the sewage treatment plants and the antipollution devices too long overdue.

Controls over development of our forest regions and lake and coastal areas have been enacted and now need to be fairly and wisely implemented to ensure that what we gain on the one hand in terms of air and water quality is not lost on the other through detrimental development.

In all that we have done — and recognizing there is so much more to do — our efforts have been and will continue to be aided by governmental reorganization. As approved by the 105th Legislature, this streamlining of the government has bolstered our ability to move faster and more directly to the heart of the problems that confront us.

On the economic front, we can look ahead in the next two years to additional employment and income promised by forecasts of national economic growth.

Despite recent inflation and economic slowdown, per capita buying income in Maine has been growing faster than cost-of-living increases. This growth last year amounted to about nine percent, compared to 5.8 percent the previous year. Unemployment in recent months dipped to 5.6 percent of the labor force, compared to a high of eight percent during the early part of 1972. The end of the fiscal year saw more than 397,000 people employed, an increase of 5,500 jobs over the previous year.

These figures, taken together with statistics showing 38 new business enterprises locating in Maine in the past year, with another 40 expanding, and with business activity increasing in many sectors, are signs of advance in the Maine economy and prospects for a higher standard of living.

It would be nice to report that it has been all success, but it has not. We are still plagued with periodic plant closings. And while the standard of living may be improving overall, ten percent of Maine families remain below the poverty level. So, adequate job opportunities with decent incomes remain as Maine's number one problem.

Meanwhile, the State is running well in the black on the revenue return from its taxes. At the end of the last fiscal year, General Fund revenues exceeded estimates by \$10.5 million and have continued to outpace our financial expectations in every month of the current fiscal year.

Reforms which would give great flexibility to our tax system, expanding as the economy expands, hold a promise of future revenue yields with which we can continue to progress.

GENERAL FUND APPROPRIATIONS

The General Fund Budget is Balanced

I am pleased that for the first time in 20 years, a Maine Governor is able to recommend a General Fund budget that does not require new or increased taxes. As shown in Charts 2 and 3, this budget includes: \$487.1 million for Part I to continue Current Services authorized by previous Legislatures; a high priority Supplemental Services budget of \$38.2 million in Part II with a capital program of \$18.3 million; and \$2.9 million for emergency measures in the current fiscal year.

I have deliberately curtailed the number of new programs to be introduced, in order that we might concentrate on the consolidation, effectiveness, and efficiency of existing ones. By such action, I am able to recommend that \$29.8 million be returned to the taxpayers through property tax reform utilizing the funds from Federal Revenue Sharing.

Part I of the General Fund Budget — Current Services

Just as this period of high national inflation increased our revenue yields, it has increased our administrative and program costs.

Requests to cover authorized services in Part I totaled \$539.4 million, or \$135 million more than was appropriated to cover General Fund Current Services during the current biennium.

Careful and uniform examination of these requests by the Budget Office, using the guidelines in Table I, has reduced the Part I needs from the General Fund by \$52.3 million to my recommended \$487.1 million.

TABLE I

Guidelines for Budget Preparation

1. Strict scrutiny of agency requests.
2. Tightening of travel expenditures by State personnel as directed by the 105th Legislature.

3. Appropriate use of State funds to generate Federal dollars.
4. Reduced emphasis on low priority programs.
5. Restricting allowances for equipment to replacements, except in hardship cases.
6. Transfer of funds for State employee retirement from a lump sum appropriation to inclusion in each agency budget to more nearly reflect the cost of each program and effect savings to the General Fund.
7. Realignment of the budget to reflect governmental reorganization approved by the 105th Legislature.
8. Increased use of program explanations in the budget to clarify the uses of State funds.
9. Restructuring of the budget to enable future use of electronic data processing.
10. Inclusion of only the most pressing projects for human services among the many requests for new programs.
11. Elimination of dedicated revenues within the General Fund.
12. Utilization of available funds for new buildings and other physical improvements.

The reductions were made possible by:

—Closing the Women's Reformatory at Skowhegan and transferring its functions to other programs within the Department of Mental Health and Corrections.

—Elimination of agency requests that exceeded definitions of authorized current programs.

—Referral of inappropriate Current Services requests for consideration in the Part II Budget review.

—Payment of \$8.5 million for local school construction and \$1.5 million for construction of regional technical vocational centers from the bond issue previously authorized for this purpose. This follows the practice of the last two bienniums.

In spite of our best efforts, the cost of carrying out our programs has greatly increased. A careful analysis will explain the situation we face.

Of the \$83 million Current Services increase, \$25.3 million is for school operating subsidies to cities, towns and SAD's. An additional \$22.2 million is necessary for debt retirement. Added State employee retirement costs amount to \$3.5 million. A sum of \$6.4 million is needed to fully fund the last State employee pay increase. A fund of \$2.8 million is required for tax relief for the elderly for both years of the next biennium. An additional \$7 million is needed from sales and income tax revenue for the Local Government Revenue Sharing Fund. These unavoidable items alone total \$67.2 million.

The remaining increased funds are required for commodity price rises, welfare caseload increases, and staffing of institutional and vocational training institute buildings opened this biennium.

These major increases are listed on Chart I which also shows the make-up of the Part I Budget.

Part II of the General Fund Budget — Supplemental Services

In an attempt to slow the rate of increasing governmental costs, I have reduced requests for supplemental services from \$129.4 million to \$38.2 million. This Part II Budget represents what I consider to be the minimum additional effort we must make during the next two years, if we are to continue to progress at all. These requests are designed to meet needs we cannot ignore or postpone. At the same time, revenues are available to meet these costs now, and should be in the future without additional tax increases.

The high-priority areas outlined in my recommendations are: expansion of our efforts to provide new job opportunities; protection of our environment; creation of additional educational opportunities; expansion of programs for the disadvantaged; protection of basic human rights, and meeting the minimum economic needs of State employees.

Details of each recommendation are included in a special section of the budget and in the Supplemental Appropriation Act in the back of the Budget Document.

Chart II compares present appropriations with Current Services and Supplemental Budget Recommendations for the 1974-75 biennium.

Chart III shows major General Fund recommendations for both Parts I and II as a percentage of the total.

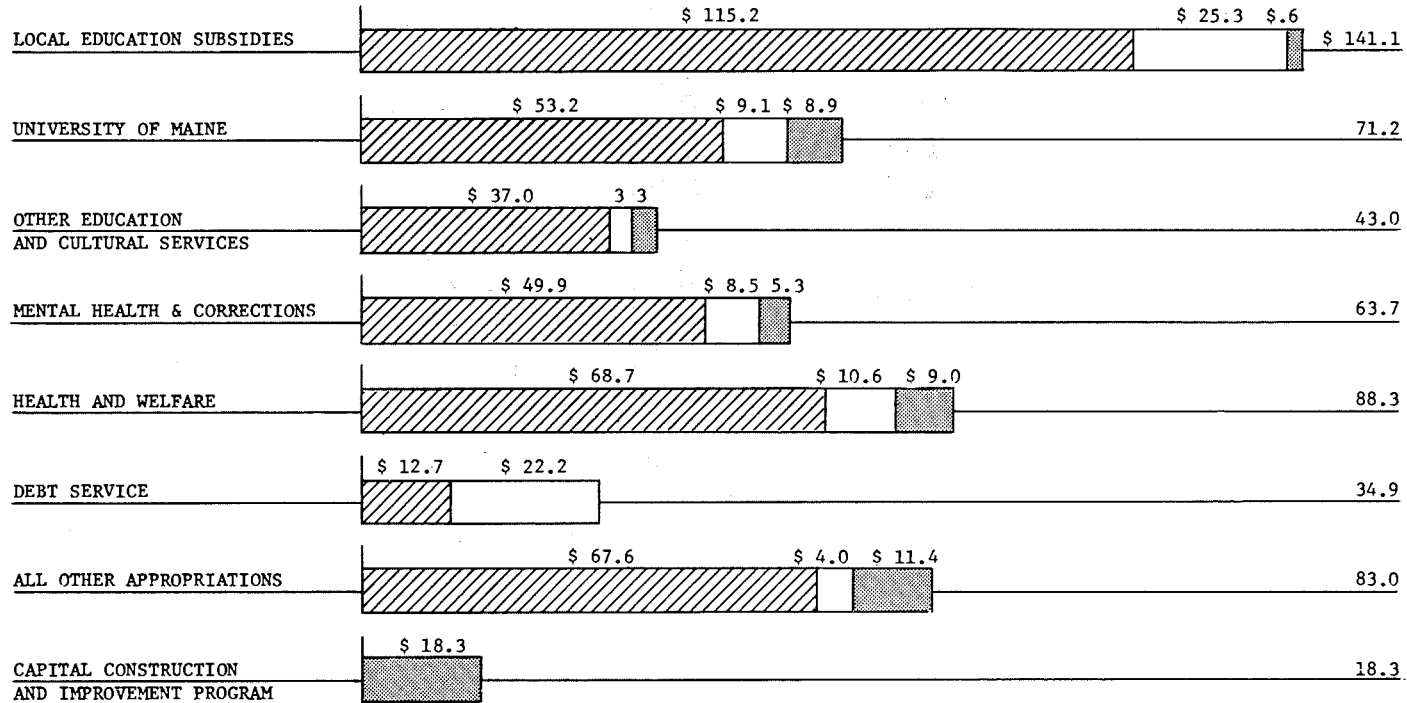
CHART I
 INCREASES OF GENERAL FUND CURRENT SERVICES
 RECOMMENDATIONS OVER APPROPRIATIONS BY THE 105TH LEGISLATURE

Description	Appropriated Biennium 1972-73	Recommended Biennium 1974-75	Increase
Education and Cultural Services —			
Subsidies to Local Governmental Units	\$115,225,813	\$140,492,184	\$ 25,266,371
University of Maine	53,237,955	62,355,354	9,117,399
Vocational Technical Institutes	7,755,412	9,757,303	2,001,891
Maine Maritime Academy	1,905,000	2,185,684	280,684
Other Education and Cultural Services	27,297,280	28,040,214	742,934
Sub-total Education	\$205,421,460	\$242,830,739	\$ 37,409,279
Mental Health and Corrections	49,933,002	58,427,027	8,494,025
Health and Welfare	68,725,622	79,292,842	10,567,220
Debt Service	12,688,316	34,906,371	22,218,055
All Other Appropriations	67,598,814	71,622,253	4,023,439
Total	\$404,367,214	\$487,079,232	\$ 82,712,018

NOTE: In the 1972-73 biennium, appropriations totalling \$27,120,110 were made from the unappropriated surplus account of the General Fund. These surplus appropriations were designated for various recurring and non-recurring purposes including debt service and equipment purchases for most State agencies. These amounts are not reflected above.

CHART II
STATE OF MAINE
GENERAL FUND

PROPOSED BUDGET FOR THE 1974-75 BIENNIUM
(Millions of Dollars)



TOTALS: PRESENT APPROPRIATIONS \$ 404.4 CURRENT SERVICES INCREASE \$ 82.7 SUPPLEMENTAL \$ 56.5 TOTAL BUDGET \$ 543.5

PRESENT APPROPRIATION 

CURRENT SERVICES INCREASE 


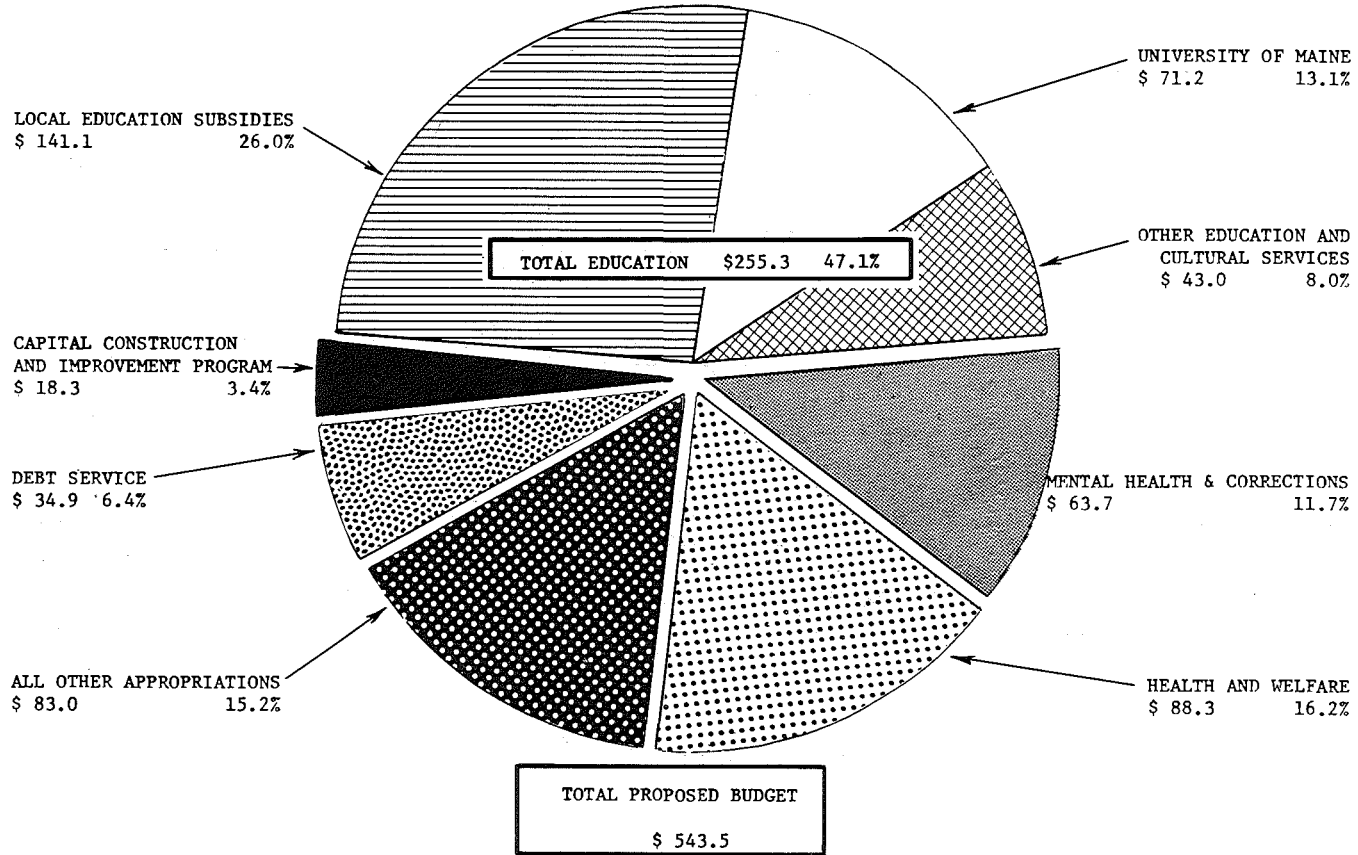
SUPPLEMENTAL RECOMMENDATION 

CHART III

STATE OF MAINE

MAJOR GENERAL FUND RECOMMENDATIONS WITH PERCENTAGES OF TOTAL
1974-75
(Millions of Dollars)



Expansion of Job Opportunities

In order to increase Maine exports and, thereby, create additional job opportunities, I have recommended that \$92,000 be appropriated for a Division of Foreign and Domestic Marketing in the Department of Commerce and Industry. This program was previously authorized by the Legislature, but was never funded.

In addition, I have recommended \$250,000 to continue the eight DCI district offices currently funded by Federal dollars under the Emergency Employment Act.

So that jobs will not go unfilled for want of trained workers, I have also recommended that \$200,000 be appropriated to provide immediate training for current and potential employees of new and expanding industries not covered by existing State and Federal programs.

In order to promote research and development projects that show promise of creating new employment, increasing the standard of living and otherwise benefiting the general welfare of Maine people, I recommend that \$200,000 be appropriated to create a Maine Research Fund. This seed money will bring funds from Federal and private sources to help stimulate the economy through the application of modern technology.

Maine has the longest coastline in this country, yet in recent years we have witnessed a decline in many areas of our marine industry.

In order to promote the development of Maine's marine industries, I recommend that \$400,000 be appropriated to the Department of Sea and Shore Fisheries. This appropriation will provide staff and operating funds for the development of marine resources and coastwide monitoring of Red Tide shellfish poisoning. A portion of these funds will be matched with Federal dollars.

Environmental Protection

The responsibilities of the Department of Environmental Protection have increased dramatically in recent years. These responsibilities have been imposed not only by State law, but by the Federal government. They include establishment and maintenance of a statewide air quality surveillance network, enforcement of land related regulatory statutes, development of a solid waste management program, and enforcement of State and Federal water quality standards. At the same time, the Department of Environmental Protection has **not** been provided with sufficient additional funds and personnel to carry out these new duties. In order that existing State and Federal laws be adequately implemented and enforced, I have requested \$1,072,978 to add 36 staff positions and operating funds for the Department of Environmental Protection.

I also have recommended \$100,000 to enable the State Planning Office to continue the development of a Coastal Plan; \$211,461 more in operating funds for the Department of Parks and Recreation, and \$74,752 in additional operating funds for the Land Use Regulation Commission.

Education

During the next biennium, we must continue to upgrade and expand education programs at the elementary and secondary level. Particular emphasis must be placed on adult and vocational education. In this regard, I have recommended \$620,000 in additional funds to make vocational education programs available to all secondary students in Maine and to expand adult education programs.

In addition, I have recommended that \$1,521,376 be appropriated for the vocational technical institutes. These funds will create spaces for up to 500 new students during the biennium and provide additional student aid funds.

I have also recommended \$40,000 to provide guidance services in the six unorganized territory schools, \$150,000 to improve educational services to Indian children, and \$149,000 to enable the Governor Baxter State School for the Deaf to meet national standards of accreditation.

The demand for increased and diversified post-secondary educational opportunities continues unabated. We must respond to this demand and at the same time assure that educational opportunities are made available without regard to one's economic condition. To accomplish this, I have recommended a Part II appropriation for the University of Maine that will provide additional student aid funds, an increased enrollment of 1,800 students, and higher funding for the Bureaus of Public Administration and Labor Education. I have requested \$5.7 million to provide these additional services, including \$200,000 for medical school support and \$200,000 to help modernize our Maine Public Broadcasting Network facilities.

The budget anticipates the University making cooperative arrangements to use more of the resources of private Maine colleges.

Social Services

I recommend that \$5.3 million be appropriated for the Department of Mental Health and Corrections. These funds are urgently needed to improve the quality of treatment at our State hospitals, to establish a juvenile section in the Bureau of Corrections, to expand community mental health services, and to provide additional guards and rehabilitation programs at our correctional institutions.

Presidential and Congressional action will result in a loss of Federal funds for some social service programs. In order to preserve these vitally important programs for the next two years, I have recommended that \$2.7 million be appropriated to replace a portion of these Federal funds.

I have also recommended that \$3.6 million be appropriated to expand dental and eye care programs for children and to assist the medically indigent. Of this money, I have earmarked \$1.9 million for a limited State-funded program of medical assistance to those faced with medical costs beyond their ability to pay.

To provide prevention, treatment and rehabilitation services for alcoholics, I recommend that \$435,000 be appropriated to the Bureau of Rehabilitation. Additional funds of \$565,000 also are recommended for the expansion of rehabilitation programs for the blind and disabled.

I recommend that \$664,000 be appropriated to the Bureau of Health. This appropriation will provide for the creation of programs for lead poisoning and emergency medical services. In addition, it will provide funds for improved laboratory services for the pesticide control program, operation of a virology laboratory, and better evaluation of plans for medical facilities.

To continue and expand the fight against drug abuse, I recommend that \$198,000 be appropriated for the staff of the Maine Commission on Drug Abuse and for grants to community based programs.

Human Rights and Indian Affairs

The caseload of the Human Rights Commission has increased steadily since its creation, and indications are that it will continue to expand during the next biennium. To ensure that every complaint is adequately investigated and resolved, I recommend that an additional \$18,000 be appropriated.

I have also requested that an additional \$184,728 be appropriated to the Department of Indian Affairs. This money will provide operating funds and increased support for reservation housing authorities.

Government Operations

During the past two years, State employees and their families, like everyone else, have felt the bite of inflation. As a minimum step to counteract these inflationary pressures, I have recommended an across-the-board \$8 per week pay increase in each of the next two years for all State and public higher education employees. An appropriation of \$5.4 million for the biennium will be required to carry out this cost of living adjustment for State employees. A sum of \$3.2 million is needed to give equal treatment for employees at the University of Maine and the Maine Maritime Academy.

I have also recommended modifications in the State Retirement Plan to enable State employees to retire after 25 years of service at age 60. In addition, I am proposing that a person eligible for retirement benefits receive a minimum of \$100 a month.

Although the payroll deduction from each employee will be increased, the greater earnings realized by investment of the Retirement Fund will enable us to provide these benefits without a State appropriation.

An allocation of \$30,000 in each year of the biennium is requested to help carry out the findings of the Maine Management and Cost Survey authorized by the 105th Legislature to assure maximum effectiveness and minimum cost of State Government.

Other needs totaling \$5.1 million for several other agencies are included in my program and will be detailed in the Supplemental Appropriation Act.

IMPROVEMENT OF STATE FACILITIES

A fortunate combination of unusually large amounts from Current Revenue sources, Federal Revenue Sharing receipts and unexpended appropriations enables me to recommend an \$18.3 million dollar capi-

tal program to be financed entirely from the General Fund without the need of adding to our bonded indebtedness.

Capital improvement projects for the several state departments are listed in Table II.

TABLE II
RECOMMENDED CAPITAL PROGRAM BY AGENCIES

Educational and Cultural Services	\$ 2,207,800
Finance and Administration	4,626,100
Forestry	27,500
Indian Affairs	76,500
Maine Maritime Academy	1,026,000
Mental Health and Corrections	3,449,000
Military, Civil Defense and Veterans Services	312,900
Parks and Recreation	1,334,200
Transportation	1,990,700
University of Maine	3,223,000
Total	\$18,273,700

Education

My recommendations in the education area have been trimmed very close to the bone. The minimum necessary to meet our obligations will be \$2.2 million for improvements at the various State vocational training institutions and the Governor Baxter School for the Deaf. The major projects are a new classroom structure and a marine technology building at Southern Maine Vocational Technical Institute and a shop laboratory wing at Washington County Vocational Technical Institute. I also recommend \$1 million for the second phase of the engineering complex at the Maine Maritime Academy.

For the several campuses of University of Maine, I recommend a total capital outlay of \$3,223,000.

Briefly, these appropriations would allow for six major construction projects: \$2.5 million for an addition to the Folger Library at Orono; \$80,000 for a new student infirmary at Presque Isle; \$82,000 for a student activity center at Augusta, and \$90,000 for a physical education facility at Fort Kent. Also included is \$143,000 for roof repairs at four campuses and \$175,000 for compliance with the Federal Occupational Safety and Health Act and for building alterations to accommodate the handicapped at each of the campuses. Another \$153,000 will be necessary to take care of a large number of minor alterations and repairs throughout the University system.

Correctional and Mental Health Facilities

Necessary construction at our correctional and mental health facilities will require \$3.5 million.

Significant among these are \$1.6 million for renovations at Bangor and Augusta State hospitals; \$652,000 for repairs and additions to Pineland Hospital and Training Center; \$375,000 for a new barracks and renovations at the Men's Correctional Center; \$552,000 for alter-

ations at the Maine State Prison, and \$96,000 for a new commissary and maintenance building at Stevens School.

Other Projects

Other major areas requiring capital expenditures in the next two years include \$4.4 million for a State office building to bring most State agencies back to the Capitol complex; \$1.3 million for development and improvement of State parks and recreational facilities; \$1.3 million for needed improvements to airports around the State, and \$235,000 for repairs and improvements to the several State armories. Finally, \$500,000 is recommended for purchase of property and making improvements at Portland in preparation for a major port container facility.

EMERGENCY MEASURES AND SPECIAL BILLS FROM THE GENERAL FUND

Operating as we do on a two-year budget, it is impossible always to anticipate accurately expenditures for certain programs and services. This is especially true this year as several Federal programs in our current budget have been modified or curtailed by action of the Congress or the President. To make these and other adjustments, I am presenting two emergency appropriation bills to fund essential projects.

The important Federal legislation which enacted revenue sharing also established a national limit of \$2.5 billion on Federally financed social services and restricted to welfare recipients most of the social service funds under the Social Security Act. I protested the ceiling and restrictions at the time, as did the Maine Department of Health and Welfare. We saw the unfortunate effect the restrictions would have on many important Maine programs to help thousands of needy and deserving elderly, handicapped, unemployed and poor people. However, the legislation passed. We now face an unpleasant dilemma. Either the localities or states that receive Federal revenues must fund the curtailed programs or many of these human services will end. I propose a temporary six months funding by a \$1 million appropriation. This will give the Congress and the President a chance to reevaluate their decision and, hopefully, lead to more adequate Federal appropriations. It will also give this Legislature time to review the needs in this area for the budget of the next biennium.

Items in the second emergency bill include restoration of funds lapsed by the Department of Health and Welfare. This includes \$400,000 for medical care for the remainder of this year, \$39,300 for Eye Care Services and \$16,800 for Vocational Rehabilitation. An allocation of \$480,000 is needed for the Bangor International Airport to provide an additional State share to complete the new International Arrivals Building. A sum of \$36,000 is needed by the Property Management Division for increased costs of utilities and industrial accidents that were not anticipated in this year's appropriation. I have also included emergency needs of \$500,000 for a security residence at Stevens School in Hallowell, required by the closing of the Skowhegan Reformatory, and \$300,000 to help rebuild the dairy barn destroyed by fire at the University of Maine. A total of \$102,365 is needed to operate the State Pier and State plane and \$16,233 to fund the Consumer Services Division of the Insurance Department and the Land Use Regulation Commission for the next six months.

The bills containing emergency items total \$2.9 million.

Funding Special Legislative Documents

In addition, I have set aside an amount to help defray the cost of many worthy legislative documents that will be advocated at this Legislature.

Included among these is \$23,000 to refinance the three Committees on Children and Youth, Aging and Status of Women.

Another bill calls for \$25,000 to finance an interim commission to study revision in the Insurance Insolvency laws. An equal amount is requested for a current year appropriation for the Drug Abuse Commission. A bill for \$111,000 would create a Division of Animal Welfare in the Department of Agriculture. An amount of \$10,000 is provided to support costs of the Boards of Visitors to our institutions and \$200,000 each year for grants to assist the mentally retarded.

A balance remains to help finance other worthy measures that will be introduced to this legislative body.

FINANCING THE BUDGET

In the previous sections, I have explained the necessity for the several appropriations from the General Fund. These include: \$487.1 million for Current Services; \$38.2 million for supplemental services and \$18.3 million for a capital improvement program out of available General Fund resources. In addition, I have also recommended \$2.9 million as emergency appropriations and more than \$1.5 million to defray the expense of several particularly worthy legislative documents.

Chart V details the manner in which my budget recommendation of \$562.3 million was derived from total requests of \$704.4 million.

Chart VI also shows how the recommended budget will be financed: \$513.5 million from undedicated revenues (See Chart IV), \$30 million from other General Fund resources, \$10 million from the use of authorized but unissued school construction bonds and \$8.8 million from the Federal Revenue Sharing Fund.

This leaves a balance of \$29.8 million available from Federal Revenue Sharing to the State which I will recommend be returned to the people of Maine in the form of tax relief. It would seem the health of our current economic situation gives the 106th Session of the Legislature a golden opportunity to enact badly needed reforms in our property tax system. Therefore, I will submit timely and specific recommendations in a Special Message on tax reform next week.

HIGHWAY PROGRAM AND BUDGET

Because highway user taxes are dedicated exclusively to highway operations, the highway budget has traditionally been developed as a separate item. Although separately treated, however, the highway program I present today has been processed and reviewed in much the same manner as were the budgets of general fund agencies.

As a result of our work with previous Legislatures, we are fortunate to find our highway program on a fairly sound basis. Revenue in-

creases from motor fuel taxes have reduced our need for bond financing, and we are assured that current services and operating functions can be supported at existing tax rates. Altogether, the highway program, in state funds, should amount to \$126.7 million for operating expenditures and \$32.4 million for our highway construction program. These demands for State resources can be met by \$136.7 million in expected receipts from fuel taxes and license and registration fees and \$2.6 million of surplus highway funds, supplemented by an additional \$19.8 million from new highway construction bonds.

Highway Safety

Of preeminent concern in the newly organized Transportation Department is the safety of the traveling public. Continued emphasis in this area will be possible, principally through the use of Federal funds. Special effort will be placed in involving Maine citizens in highway safety through expanded public information programs and the encouragement of local highway safety committees. Activities will be continued in such diverse areas as emergency care, police training, traffic records, and retraining.

In addition, I recommend that \$801,120 be appropriated to provide long overdue additions to the ranks of the State Police force. This appropriation will provide funds for 10 civilian police communication operators (freeing 10 trained officers for field duty), 20 additional State Police Troopers, 8 civilian weight control technicians, and 12 Troopers currently assigned to the Alcohol Safety Program in Cumberland and York counties. Twenty-five percent of this appropriation will come from the General Fund and 75 percent from the Highway Fund.

Operating Expenses

I suggest a modest increase in highway resurfacing from the 450 miles per year in this biennium to 600 miles in 1974 and 750 miles in 1975. Bridge maintenance and construction around the State will also require increased attention this coming biennium.

I have asked that \$4.2 million be appropriated for salary adjustments for highway employees commensurate with those I have requested for other State employees earlier in this message.

By holding other operations to current levels, these added services and benefits will mean a \$21.1 million increase over current highway operating expenditures.

Construction Expenses

Concern for highway development, consistent with our dual obligations to taxpayers and the environment has dictated a construction policy emphasizing smaller scale, less expensive projects which capitalize on existing highway facilities in preference to more expansive major highway additions.

Our best judgment as to what Congress and the President might do with Federal highway programs suggests that Maine will be able to continue its present highway construction pace without need to increase the level of State generated funding. Thus, with \$12.6 million available as surplus from dedicated tax revenues, a \$19.8 million bond

CHART IV
GENERAL FUND
SUMMARY OF UNDEDICATED REVENUES

REVENUE SOURCE —	Actual 1971-72	Estimated 1972-73	Budget Recommendation	
			1973-74	1974-75
State Tax on Wild Land	\$ 2,317,829	\$ 2,105,000	\$ 5,300,000	\$ 5,700,000
Inheritance, Estate and Gift Taxes	7,390,493	5,500,000	6,500,000	6,500,000
Personal Income Tax — General Fund Portion	28,179,180	25,000,000	42,268,766	47,341,017
Corporate Income Tax — General Fund Portion	8,588,225	8,500,000	8,256,000	8,256,000
Cigarette Taxes	18,733,670	18,350,000	19,490,511	19,880,321
Sales and Use Taxes — General Fund Portion	102,677,940	104,086,639	119,270,980	128,812,718
Corporation Taxes	459,600	364,500	518,920	540,920
Public Utility Taxes	6,655,750	7,432,000	7,530,000	7,940,000
Insurance Company Taxes	5,226,451	5,158,000	6,040,500	6,441,000
Commission on Pari-Mutuels	1,195,349	1,100,000	1,169,100	1,169,100
Net Profit from Liquor	19,218,651	19,155,700	20,389,000	21,001,000
Other Revenue	9,972,095	10,280,535	11,401,300	11,805,941
Total Undedicated Revenue	<u>\$210,615,245</u>	<u>\$207,032,374</u>	<u>\$248,135,077</u>	<u>\$265,388,017</u>
Biennial Totals	<u>\$417,647,619</u>		<u>\$513,523,094</u>	

(To Chart VI)

CHART V
SUMMARY OF BUDGET REQUESTS, RECOMMENDATIONS AND FINANCING
1974-1975 BIENNIUM

	Department Requests	Transfers In & (Out)	Budget (Reductions)	Budget Recom- mendations
General Fund:				
Current Services — Part I Budget	\$539,383,399	\$(15,307,577)	\$(36,996,590)	\$487,079,232
Supplemental Services — Part II Budget	129,381,981	—	(91,194,944)	38,187,037
Capital Construction and Improvement Program	35,640,500	(3,466,400)	(13,900,400)	18,273,700
Total General Fund (see Chart VI)	\$704,405,880	\$(18,773,977)	\$(142,091,934)	\$543,539,969
Other Financing:				
School Construction — Available Bonds	—	\$ 9,966,325	—	\$ 9,966,325
Federal Revenue Sharing Fund	—	8,807,652	—	8,807,652
Total Budget	\$704,405,880	—	\$(142,091,934)	\$562,313,946

CHART VI
METHOD OF FINANCING

<u>General Fund:</u>		<u>Budget Recommendation</u>
Available:		
Fund Balance-Surplus, July 1, 1973	\$ 32,538,107	
Undedicated Revenue for Biennium (Chart IV)	513,523,094	
Lapsed Balances	272,770	
Repayments	66,666	
Total Available		\$546,400,637
Deductions:		
Restoration of Contingent Account	\$ 1,200,000	
Restoration of Group Life Insurance	100,000	
Fund Balance-Surplus, June 30, 1975	1,560,668	
Total Deductions		<u>\$ 2,860,668</u>
General Fund Recommended Appropriations (See Chart V)		\$543,539,969
Other Financing:		
School Construction-Available Bonds		9,966,325
Federal Revenue Sharing Fund — Teachers Retirement		8,807,652
Total Budget		<u>\$562,313,946</u>
Additional Amounts Available for Property Tax Reform:		
Unallocated Balance — Federal Revenue Sharing Fund		<u>\$ 29,800,000</u>

issue will suffice. Since approximately \$10.6 million in highway bonds are scheduled to be retired in the next biennium, the net increase of \$9.2 million in bonded indebtedness for the construction program seems appropriate.

OTHER LEGISLATIVE MESSAGES

In order to conserve your time, I will submit in writing, in addition to my proposals for tax reform on January 18, the remainder of my legislative requests on January 25.

CONCLUSION

I conclude my budget message with a word of thanks to the Department Heads and staff of all State agencies for their assistance and cooperation in the preparation of this document.

The task has been painstaking, not only from the standpoint of increasing costs and responsibilities of the State, but from the knowledge that so many worthwhile projects that could have contributed to our common cause of improving Maine life could not be included. Only part of the work has been done. It is now your responsibility to analyze this budget and to make the revisions your collective wisdom tells you are necessary. I pledge my full support and that of our State departments in aiding the decisions you must make.

For we are all in this together: all of us here today and all those beyond these halls whose lives will be profoundly affected by the decisions we must make. I am confident that by working together we shall serve Maine best, enriching the lives of present and future generations of Maine people.