

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE
One Hundred and Sixth Legislature
1ST SPECIAL SESSION
JANUARY 2, 1974 TO MARCH 29, 1974
AND BY THE
One Hundred and Seventh Legislature
REGULAR SESSION
JANUARY 1, 1975 TO JULY 2, 1975

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THE KNOWLTON AND MCLEARY COMPANY
FARMINGTON, MAINE
1975

MESSAGE
of
Governor Kenneth M. Curtis
to the
SPECIAL SESSION
of the
ONE HUNDRED AND SIXTH LEGISLATURE
JANUARY 2, 1974

*Honorable members of the Senate and House of Representatives of the
106th Maine Legislature:*

The Constitution empowers the Governor to convene the Legislature on extraordinary occasions. While years ago the focus of special session legislation centered on emergency matters, it has become common practice to also complete much work unfinished by the regular session. The Legislature's decision last year to appropriate funds for only the first year of the biennium in itself has made this session necessary.

As it happens, however, your meeting coincides with the most serious problem to confront Maine in its recent history: the energy crisis. The impact of fuel shortages this winter on our people's ability to heat their homes and drive to work and on the ability of our utilities and industries to fire their generators and power their machinery remains unclear — for the source of petroleum as well as the mechanism for distributing it are beyond Maine's borders and beyond our control. Our task, then, is to try to manage the shortages as best we can by voluntarily conserving energy in all forms and by arming the state with standby emergency authority so that conservation measures and distribution plans can be made mandatory should the situation demand such action.

It is essential that we commit the major portion of any supplemental funding to increasing wages and welfare benefits, to offset hardships resulting from the increased costs of food, fuel, and other necessities.

The major categories for legislative action recommended in this message are to:

1. Meet the energy crisis.
2. Make current year appropriations and supplement the federal takeover of aid to the aged, blind, and disabled.
3. Fund the second year of the biennium.
4. Implement the Maine Management and Cost Survey.
5. Enact other priority legislation.

THE STATE OF THE STATE OF MAINE

Without the energy crisis, Maine's economy would be given a good bill of health. Unemployment in September dropped below 5 percent. This was the lowest level in four years. The work force increased to more than 397,200, compared with just under 391,000 the previous October. Maine's gross business activity amounted to 2.3 billion dollars — a 13 percent increase from 1972. This year also has seen an intensification of efforts to market Maine products abroad. A trade mission to Japan, combined with the winning of flagstop cargo service at Bangor International Airport and other foreign trade contacts promise to increase substantially the export of Maine products abroad and encourage foreign investment in our state. Another significant economic event since your last meeting has been the state acquisition of waterfront property to revitalize the Port of Portland, with the possibility of an oil discharge station and a refinery inland. A substantial number of new industries and expansions have been announced. There has been

an improvement of price for Maine potatoes and an increased demand for Maine paper products. State taxes continue to return revenue in excess of estimates. As of November 30, general fund revenues were \$1.6 million ahead of estimates for the fiscal year. Personal income increased 10.7 percent in the past year.

Meanwhile, laws passed by past legislative sessions continue to provide us with a strong foundation for serving the needs and responding to the wishes of Maine people. The U. S. Supreme Court decision upholding the landmark oil conveyance law is an example of the wisdom and quality of Maine environmental protection measures which have become a model for the nation. The property tax reforms you instituted last year have been nearly universally praised by our citizens and business enterprises. Your nationally recognized reform of public school finance ranks with the Sinclair Act as one of the greatest advances on behalf of Maine education in this century. The governmental reorganization bills you enacted as a continuation of reforms initiated by your predecessors have enabled us to realign and consolidate 85 percent of Maine government so that it may operate more effectively and efficiently. Your strong support of social service programs whose funding had been withdrawn by the federal government was a dramatic and compassionate achievement. But in spite of much good news, there remain major areas of concern.

While personal income has increased, the cost of living has gone up by a nearly equal amount. This inflation, aggravated by rapidly rising fuel costs, is especially crippling to people on fixed incomes. Poverty persists. Figures recently compiled by the state Division of Economic Opportunity show that 22.4 percent of Maine families have incomes under \$5,000 a year. So long as so large a percentage exists, we obviously cannot be satisfied with our efforts to improve economic opportunities for Maine people.

In trying to anticipate problems in our economy during the coming months, the unknown factor is the extent of energy shortages. Their effect upon jobs, the operation of our factories, the viability of our tourist industry and the revenue the state derives from income, sales and gasoline consumption will have to be closely monitored. But there is no room or need for pessimism over the energy crisis if we work calmly and closely together and do not lose confidence in the bright future that lies ahead for our State.

ENERGY EMERGENCY LEGISLATION

It is essential that state government be given the authority to deal quickly and decisively in response to current and projected energy shortages. Accordingly, I have submitted emergency legislation providing for a variety of special powers. These will include authority to declare an "energy emergency," which would enable state government to order curtailments or closings of industry, business, stores and schools; to regulate the use of commercial lighting; to suspend certain standards imposed on utilities, banks and common carriers; to permit the Board of Environmental Protection to grant temporary waivers of environmental standards; to create state and local boards for the administration of fuel conservation and allocation programs; to allocate fuel supplies within the state and to participate in federal programs. We hope all these powers will not have to be used but recent events make it clear that state government should have this standby authority.

The fuel crisis is likely to be with us for some time and similar shortages in other critical materials will likely develop. Legislation is sought to reconstitute the Bureau of Civil Defense as the Bureau of Civil Emergency Preparedness and restructure its powers to deal more effectively with the human and economic repercussions of energy and material shortages, along with floods, fires, and other natural disasters. I also seek a mandatory fuel oil reporting law and subpoena powers to assure that we have basic information on all supplies critical to our economy, such as oil, gasoline, fertilizer, chlorine and steel plate.

In recent weeks Maine consumers have experienced dramatic increases in the prices of fuel oil and gasoline. To cushion the impact of these increases, I have included funds to assist families on low incomes purchase fuel in emergency situations. This program will be operated for a three-month period to get us through the winter.

As an emergency measure, we should also eliminate unemployment compensation waiting periods for workers who lose their jobs and who are laid off temporarily as a result of fuel shortages. Finally, to prevent fuel retailers from taking unfair advantage of the energy shortage, I recommend legislation requiring dealers to maintain the same credit terms for residential users that were in effect prior to the energy crisis.

For the long-term energy situation, I request the creation of an energy policy office to provide the public with a comprehensive planning and monitoring capability for our energy future.

RECOMMENDED GENERAL FUND APPROPRIATIONS

I will present my recommendations for general fund appropriations in four parts: the 1974 current year additional needs; the 1975 Current Services or Part I Budget; a Supplemental or Part II Budget for 1975, and several Legislative Documents that require appropriations.

In addition to my opening message, I will soon present to the Legislature two reports prepared by the State Budget Office. The first, a 1974 *Supplement to the State Budget Document*, will present in a summary form agency appropriations for fiscal year 1974 and the recommendations for fiscal year 1975. This supplement should help legislators and the public evaluate our present commitments. The second report, in line with the expressed desire of the Legislature to move towards a priority program budget, will present an example of a revised budget format demonstrating a program approach for two department budgets selected by the Appropriations Committee. I hope these special reports will be both useful and informative.

Current Year Needs — Fiscal Year 1974

Yesterday, the New Federal Supplemental Security Income Program became effective, supplanting state aid to the aged, blind and disabled. Although this new program will be of great benefit to some states, those states that have relatively high benefits, such as Maine, will not enjoy a dollar savings. In fact, if we are to maintain benefit levels for current recipients and those who may apply in the future, we will have to supplement the Federal program with State dollars. The Federal government requires the states to protect all recipients on the rolls as of December 31, 1973 from losses in benefits. This program is termed the

"Mandatory Supplement." In addition I recommend the State institute an "Optional Supplement" to make sure that equal treatment will be given to those who apply for benefits in the future. I request \$4,034,000 to carry out these two programs and other human services until the end of this fiscal year on June 30, 1974. Included is \$2,400,000 to fund the Mandatory Supplement and \$400,000 for the Optional Supplement.

To improve child welfare services, I ask for \$153,000 to increase payments to foster parents by an average of \$30 a month for each child and for \$75,000 to increase payments for children eligible for AFDC foster care. Additionally, as mentioned in my emergency energy program, an appropriation of \$1,000,000 is requested to help assure that public assistance recipients and other low income people will be able to buy fuel this winter. A small amount of funds is requested for children services at the St. Louis Home.

Our current year funding is also deficient for the Department of Educational and Cultural Services. The Department needs \$389,012 to meet authorized subsidy commitments to local schools for regional vocational and adult education programs. North Berwick and Brooksville have suffered a severe erosion in their property tax base due to the closing of major industries. As the local valuation is now far below the state valuation used as a base for state school subsidy grants these towns are faced with a drastic property tax increase. I request a hardship grant of \$100,000 to help defray the inequitable loss of subsidy for Brooksville and North Berwick. I am asking for \$8,000 as Maine's share to continue veterinary program planning by the New England Board of Higher Education.

The Department of Mental Health and Corrections needs \$150,000 to make renovations at Stevens School for security purposes so that the Skowhegan and Stevens institutions can be consolidated in one location with an improvement in rehabilitation programs for all residents.

In the natural resource area, I am recommending \$75,000 for the Department of Conservation to assist and accelerate the Mountain Area Planning Committee's assignment to develop a comprehensive plan of the area from Saddleback to Bigelow for submission to the Land Use Regulation Commission. The Department of Transportation needs \$90,000 to place the Airport Snow Removal account for reimbursement to local municipalities on a current basis.

In the area of general government, I am asking for \$25,000 to be used by the Governor's Coordinator to help agencies implement the Management and Cost Survey proposals. A sum of \$2,500 is requested to support the current activities of the Advisory Council on the Status of Women and \$9,375 is needed by the Law Library to purchase the latest volume of the *Maine Reporter*. To begin developing an improved and automated budget system, \$30,827 is immediately needed by the Budget Office. To provide essential fire insurance premiums and operating funds for the Insurance Advisory Board, \$38,000 is necessary. To assure that sufficient funds are available to meet substantial increased fuel costs for state facilities and institutions, I am recommending a \$200,000 addition to the Fuel Reserve Fund and a \$450,000 increase in the State Contingent Account. The Institutional Reserve Fund should also be extended to cover emergencies caused by price increases of commodities. To carry out responsibilities assigned it by the State Legislature, a grant of \$100,000 is imperative for the State Housing

Authority. Necessary operating funds are requested for the Industrial Accident Commission and the Bureau of Labor and Industry.

Like other Maine workers, public employees live on fixed salaries that are vulnerable to dilution of purchasing power by rapid price and tax increases. They depend on the Legislature to provide reasonable salaries at least sufficient to maintain their standard of living and be competitive with similar work in private enterprise. To help public employees cope with continuing inflation, I am asking you to advance the second step of their previously approved salary plan from July 1 to start January 1 of this year. Through salary savings already instituted, I estimate that the general fund appropriation for this year and next will be sufficient to institute this across the board increase of \$8 a week or five percent of the base salary to a maximum of \$14.92, whichever is higher. Allowances will need to be made in dedicated fund accounts. For similar increases the University of Maine and the Maine Maritime Academy will require an additional appropriation of \$946,739 for their professional staff and their classified employees. I am asking for an additional \$2,000 to operate the State Employees Appeals Board because of the increased cost and frequency of its meetings and that twelve cents a mile be allowed for official use of private cars. Inconsistencies should be corrected in the pay plan for unclassified salaries that are set by Governor and Council.

The General Fund Budget is Balanced Without Additional Taxes

During this period of escalating prices and uncertain economic forecasts, I am especially grateful to be able to present Maine people with a budget balanced without a tax increase for the General Fund. My entire budget recommendations as balanced in Chart I and Chart II include the described \$6,098,996 to cover current year deficiencies, \$292,233,097 for authorized 1975 Part I obligations, and a modest supplementary program of \$7,670,181. All these recommendations are for urgent needs that merit serious Legislative consideration. No program of capital construction is contemplated beyond that authorized by the Legislature at the regular session. The "Summary of Undedicated Revenues" in Chart III details the actual and estimated sources of revenues to the General Fund for several years.

Part I: The Current Services Budget for FY 1975

The current services budget for next year is essentially made up of two elements: those items I presented as Part I recommendations in my biennial budget message of January 11, 1973, as approved by the Legislature and the continuation of supplemental items the Legislature also approved for the year in progress. Chart I indicates the recommended General Fund current services for fiscal year 1975 by major functions. You will note that I am recommending a total appropriation of \$292,233,097 for FY 1975 compared with \$237,462,545 for the present fiscal year. As shown in Chart II, of the \$292 million for next fiscal year, \$99,876,704 has already been appropriated leaving a balance of \$192,356,393 to be approved at the Special Session. These dollar increases in Chart I are largely accounted for by greatly increased State subsidies to relieve local tax burden, the reform of the property tax, our increased efforts to provide human services, and necessary salary adjustments to meet the national inflation of commodity prices.

Part II: Supplemental Services for FY 1975

I have deliberately kept supplemental recommendations to an essential minimum. This reflects both my satisfaction that the Legislature at the regular session considered and funded a number of critically needed programs and my intention to keep State government within conservative estimates of available revenue for next year. We all realize that the energy crisis may cause a decline in State revenues from sales, excise and income taxes. Therefore, I have intended to err on the side of prudence in viewing the financial condition of the State a year ahead.

CHART I

**INCREASES OF GENERAL FUND CURRENT SERVICES APPROPRIATION
REQUIREMENTS FOR 1974-75 OVER APPROPRIATIONS FOR 1973-74.**

Description	Appropriated 1973-74	Recommended 1974-75	Increase
Education:			
Subsidies to Local Governmental Units	\$ 50,068,844	\$ 90,674,568	\$40,605,724
University of Maine	32,999,510	37,129,919	4,130,409
Vocational Technical Institutes	5,489,329	5,627,737	138,408
Maine Maritime Academy	1,211,238	1,336,040	124,802
Other Educational and Cultural Services	19,051,132	19,518,852	467,720
Sub-total Education	\$108,820,053	\$154,287,116	\$45,467,063
Finance and Administration	9,084,046	9,588,329	504,283
Judicial	3,190,567	3,257,533	66,966
Legislative	1,073,355	2,410,873	1,337,518
Mental Health and Corrections	30,219,999	30,686,108	466,109
Health and Welfare	41,292,063	43,856,767	2,564,704
Debt Service	16,359,942	18,873,549	2,513,607
All Other Appropriations	27,422,520	29,272,822	1,850,302
Total Recommendations	\$237,462,545	\$292,233,097	\$54,770,552
Amount Appropriated	237,462,545	99,876,704	
Balance to be Appropriated	—	\$192,356,393	
** Subsidies to Local Government Units	1973-74	1974-75	Increase
From General Fund (As Shown Above)	\$ 50,068,844	\$ 90,674,568	\$40,605,724
From Federal Revenue Sharing Fund (Additional to Above)	25,566,889	12,135,026	(13,431,863)
Total Appropriated/Allocated	\$ 75,635,733	\$102,809,594	\$27,173,861

**CHART II
METHOD OF FINANCING**

AVAILABLE FUNDS

GENERAL FUND

Total Undedicated Revenue—Biennium		\$519,915,450
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Total Appropriations—Regular Session	\$350,575,749	
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Appropriation Adjustments—	(13,236,500)	337,339,249
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Special Session		182,576,201
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GENERAL FUND SURPLUS

Balance as of June 30, 1973	42,112,708	
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Estimated Lapsed Balances Current Year	1,500,000	
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Less Amount Already Appropriated	(25,501,476)	18,111,232
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200,687,433

FEDERAL REVENUE SHARING

Increased Revenue Sharing	931,170	
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Increased Investment Income	1,538,493	2,469,663
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203,157,096

INCREASED ESTIMATES OF UNDEDICATED REVENUE

Education	172,500	
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State Lottery	3,078,000	
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Alcoholic Beverages	(112,637)	3,137,863
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TOTAL AVAILABLE FOR APPROPRIATION

\$206,294,959

RECOMMENDED APPROPRIATIONS

Emergency Items—FY 1974		\$ 6,098,996
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Balance of Current Services—FY 1975		192,356,393
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Supplemental Items—FY 1975		7,670,181
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TOTAL RECOMMENDED APPROPRIATIONS

\$206,125,570

BALANCE AVAILABLE FOR LEGISLATIVE DOCUMENTS

\$ 169,389

Providing human services for our people must be a high priority during these times of rapidly accelerating costs. For the Department of Health and Welfare, I am requesting \$2,618,268 to supplement present programs. Of this total, \$134,619 is for twelve staff needed by the Bureau of Social Welfare to administer the new mandated federal programs, \$27,649 as the State share of the salaries of Children Service specialists previously paid entirely from federal funds, \$306,000 to increase payments for foster care and \$150,000 for increased payments for foster home children under Aid to Families with Dependent Children. I am requesting \$2,000,000 for a new payment schedule for persons eligible for AFDC. All together, these supplemental State grants, which in my judgment are the very minimum necessary, will generate about \$6,000,000 of additional federal grants. For Mental Health and Corrections, I recommend \$700,000 to institute a 40 hour week at all the institutions, provide additional staff for Probation and Parole and funds for the Elizabeth Levinson Center. For the State Housing Authority, \$110,000 is needed to provide funds for operating costs. I am requesting \$15,000 to support a field investigator for the Human Rights Commission and \$94,941 to provide five additional employees in the Department of Indian Affairs and additional funds necessary to operate the three reservation housing authorities.

For the Department of Educational and Cultural Services, I am recommending \$705,788. Most of this money is earmarked to staff new facilities and programs at the several Vocational Technical Institutes. Some commodity increases are included as is \$39,100 to install longevity salary adjustments. Also included is \$15,439 for the Bureau of Arts and Humanities and \$24,871 for reclassifications, bookmobile and postage costs to the State Library and \$23,597 to the State Museum for two seasonal positions, reclassification and operating costs.

For the University of Maine, I am recommending \$1,050,000 to assist the University in meeting inflationary costs and to provide a limited expansion of essential programs.

In the vital area of our natural resources and economic development, I have several recommendations for supplemental funding. The Department of Agriculture needs \$98,181 for a Weights and Measures Inspector, for laboratory services and for seven additional positions for Soil and Water Conservation. For the Department of Commerce and Industry, I have earmarked \$180,000 to fund the district offices, the Metric Committee and the Foreign Trade Program. The Department of Marine Resources needs a statistical fieldman, an account clerk, reclassification of the coastal wardens (if the State Police are reclassified) and additional State money to match federal seagrant programs important to the future of Maine's marine industry. I have requested \$114,606 for these purposes.

I am asking the Legislature for a \$241,029 supplement to the budget of the Department of Conservation. Of this amount, \$129,384 will be used by the Bureau of Public Lands, \$11,645 for a planner in the Bureau of Parks and Recreation and the balance for state grants-in-aid for municipal recreation. For the Department of Transportation, \$100,000 is included. Of this, \$54,000 is for the Bureau of Aeronautics to fund the state's share of snow removal at airports, necessary consultant services and communication equipment. Due to decreased revenues \$46,000 is provided for the operation of the State Pier.

In the area of regulation and enforcement, several appropriations are needed. Of high priority is \$268,147 to reclassify 317 State Police and 18 Liquor Inspector positions, to provide six vehicles and to hire one additional liquor inspector and twenty-five new State Police troopers. An amount of \$150,000 is recommended for the six months operation of the Maine Law Enforcement and Criminal Justice Academy starting in January 1975. Funds for the Academy were previously obtained through a one time Federal grant from the Law Enforcement Planning and Assistance Agency. For the Department of Business Regulation I recommend \$39,903 to finance the Commissioner's office and \$38,000 to implement a computerized licensing system for its bureaus. I am asking for \$55,852 for the Department of Environmental Protection to improve the efforts of the Bureau of Land Quality Control.

As State government accepts new functions these additional complexities must be met by an improved ability to operate and manage government. In the Executive Department I request \$55,962 to support the Youth Services Coordinator and a full-time staff for the Advisory Council on the Status of Women for the remainder of my term. The Department of Finance and Administration needs \$368,289 to set up data processing systems in the Bureau of Accounts and Control and the Bureau of Budget, provide four maintenance positions for the Property Management Division and add two engineers and reclassify other employees in the Bureau of Public Improvements. To continue efforts to increase the efficiency of state services, I have included \$15,000 to be appropriated directly to the Maine Management and Cost Survey Commission for its use during the remainder of my administration. I am asking for funds for the State Employees Appeals Board during the second year and for \$75,000 to provide new positions, some reclassifications and additional operating money for our overworked and undermanned Personnel Department, including a specialist in labor-management relations. Finally, I am requesting \$118,715 for the Department of Military, Civil Defense and Veterans Services. Veterans Services would receive \$36,335, and the remaining \$81,084 would provide both permanent and standby staff to support the capability of the Bureau of Civil Defense in monitoring and combating the energy shortages which will likely continue for the next few years.

In addition to the Part II supplementary recommendations I have set aside an amount sufficient to support separate Legislative Bills, which I have included in my call and will describe later in this message.

To keep state expenditures to a necessary minimum and within available state income it may be necessary to institute administrative controls on hirings for new and vacant positions and more extensive controls on agency expenditures. I do not plan these administrative steps unless the economy weakens. Present laws adequately provide for such an eventuality.

**CHART III
GENERAL FUND
SUMMARY OF UNDEDICATED REVENUES**

REVENUE SOURCE —	Actual 1971-72	Actual 1972-73	Budget Recommendations*	
			1973-74	1974-75
State Tax on Wild Land	\$ 2,317,829	\$ 4,280,286	\$ 5,660,000	\$ 6,060,000
Inheritance, Estate and Gift Taxes	7,390,493	6,047,929	6,500,000	8,125,000
Personal Income Tax—				
General Fund Portion	28,179,180	31,307,529	36,268,766**	41,341,017**
Corporate Income Tax—				
General Fund Portion	8,588,225	10,043,942	10,556,000**	14,256,000**
Cigarette Taxes	18,733,670	19,438,210	19,490,511	19,880,321
Sales and Use Taxes—				
General Fund Portion	102,677,940	117,577,970	122,751,050**	130,505,718**
Corporation Taxes	459,600	508,929	518,920	540,920
Public Utility Taxes	6,655,750	7,527,478	7,537,000	7,947,000
Insurance Company Taxes	5,226,451	5,783,745	6,040,500	6,441,000
Commission on Pari-Mutuels	1,195,349	1,114,538	1,218,200	1,218,200
Net Profit from Liquor	19,218,651	19,891,804	20,389,000	21,001,000
Other Revenue	9,972,095	10,790,130	12,027,655	13,641,673
Total Undedicated Revenue	\$210,615,245	\$234,312,496	\$248,957,602**	\$270,957,849**
Biennial Totals	\$444,927,741		\$519,915,451**	

* As Adjusted by
Legislative Action
at Regular Session.

** Amounts Dedicated to
the Local Government
Fund (State-Local
Revenue Sharing) Are
Not Included in These
Figures.

HIGHWAY PROGRAM AND BUDGET

My Highway Transportation message to the Legislature last year included a continued emphasis on safety, a modest increase in highway resurfacing and the development of a construction policy emphasizing smaller scale, less expensive projects.

At the regular session, I proposed a highway construction program which included \$19.3 million of additional bonding. The bonds authorized by the Legislature were reduced to \$7.8 million predicated on a one cent increase in motor fuel taxes which failed to pass. As a result, we are left with an estimated \$10.8 million shortage in State money for highway construction. If this State money is not provided to match available Federal funds, we will lose up to a \$30 million construction program this current biennium.

I believe our economy needs this construction. If the funds are forthcoming, approximately \$17 million worth of projects could be initiated this year, providing employment for an estimated 800 to 1,000 highway construction workers. All of these considerations existed prior to the energy crisis.

The energy shortage is seriously compounding the highway financing problem since a reduction in motor fuel usage will mean reductions in fuel tax revenues. Since the construction program is already inadequately financed, these revenue losses must result in reductions in existing maintenance and town-aid programs, such as snow removal, resurfacing, the State-aid program and other essential activities of the Department of Transportation.

Therefore, I am proposing a temporary increase of two cents per gallon in the motor fuel tax to terminate June 30, 1975.

The basic purpose of the proposed increase is to maintain the level of allocations made from the General Highway Fund during the regular session of this Legislature. Any revenues beyond the amount necessary to maintain approved allocations will be used for highway construction in the interest of providing employment and highway safety.

Because of the energy crisis and recent proposals to eliminate dedicated revenues, I also suggest the creation of a Task Force to evaluate the financing of all transportation programs and to report its findings to the 107th Legislature.

OTHER LEGISLATION

In addition to the legislation previously mentioned, I have included in my call several very important bills for your consideration.

Human Resources

While recipients of categorical assistance are eligible for Federal medical benefits, there are virtually no funds for financial relief to working families burdened with catastrophic illness. Everyone of us has known of hard-working families who have lost everything and still face medical bills they cannot pay as the result of a single unexpected illness. In order to alleviate this problem, I have submitted legislation to expand the Federal Title 19 (Medicaid) program and to establish a fund to assist middle and low income families who have incurred ex-

treme medical expenses. During the Regular Session of the 106th Legislature, a "Catastrophic Illness" bill was introduced, but no money was available to fund the program. As a way of helping those who have suffered too much already, I propose this bill be funded with a two cent increase in the cigarette tax. This increase will raise approximately \$2,840,000. State funds for this program will be matched in part with Federal dollars.

The Equal Rights Amendment to the United States Constitution has been discussed and studied at length since its introduction to the Legislature one year ago. Thirty states have ratified it. Eight more must ratify it before it can become part of our Constitution. I believe we should delay no further in guaranteeing women equal rights under the law. So, I again recommend that Maine continue its tradition of progressive concern for human rights by your ratification of this constitutional amendment prohibiting discrimination on the basis of sex. I have also submitted for your consideration legislation creating a permanent Council on the Status of Women with more adequate provisions for staffing.

Although the Regular Session of the 106th Legislature passed some very important and progressive amendments to the Elderly Householders Tax and Rent Refund Act, further adjustments in this law are required to ensure adequate refunds to those with incomes below \$2,000. In this regard, I will submit legislation providing a total tax refund, up to the statutory limit, for elderly householders with incomes below \$2,000. I also recommend the asset limitation and the "35 percent of household income" clause be eliminated. I have included \$450,000 in my budget to fund this legislation.

In the past few years, we have taken steps to modernize our correctional institutions. In order to continue this effort and to implement the recommendations of the Governor's Task Force on Corrections, I will submit legislation to establish a correctional policy for the State of Maine, to close the Women's Correctional Center at Skowhegan, to establish a nongeographic school administrative district for the Bureau of Corrections, to create a permanent advisory committee on corrections, to make certain changes in the "good time" parole provisions of the Maine Statutes and to set standards for the disqualification of offenders from practice of a trade or occupation.

Due to impoundments of Federal funds, new housing starts in Maine have slowed dramatically in recent months. In addition, as a result of a ruling by the Attorney General, the Maine Housing Authority has been delayed in issuing bonds. In order to remove any obstacles to the issuance of bonds by the Authority and to assist in providing adequate housing for Maine people, I will introduce legislation to increase the authorized bonded indebtedness of the Authority, to amend the industrialized housing law, and to correct certain technical problems with the Maine Housing Authority Act. In addition to the above, I recommend favorable action on a pilot housing rehabilitation project authorizing the Authority to make residential housing rehabilitation loans.

Consumer Protection

The store price of milk in Maine is now significantly higher than in other New England states. To alleviate this situation, I recommend that retail pricing of milk by the Maine Milk Commission be discontinued while still assuring Maine dairy farmers fair payment for their product.

To improve compensation for personal injuries resulting from motor vehicle accidents, to effectuate savings in automobile insurance and to provide adequate protection for the consumer, I urge that the Legislature enact a "no-fault" liability statute.

Legislative Reform

In recent years, the Legislature has made great progress in reorganizing the Executive Branch of State government. It would be a great credit to the 106th Legislature and of great benefit to the people of Maine if reform of the Legislative Branch could also be enacted. For this reason, I will again support legislation to provide for annual legislative sessions, to establish single member districts in the Maine House of Representatives and to abolish the Executive Council. I consider this legislation to be of great importance to the functioning of State government and remain flexible in resolving the precise nature of the reforms.

Campaign Reform

I will support legislation to require gubernatorial candidates to report all donations and expenditures used to further their campaign and to limit the amount of money a gubernatorial candidate may spend. I will also support legislation prohibiting corporate donations to referendum campaigns and limiting the amount of money that may be spent on such a campaign.

Labor

Because the cost of living has risen dramatically in recent months, I will support legislation increasing the minimum hourly wage to \$2.00. I will also seek changes in Maine's Workmen's Compensation Law making coverage mandatory for all nonexempted employers and establishing a State Workmen's Compensation Fund. I will again submit for your consideration modified legislation to establish the Maine Occupational Safety and Health Act.

The Municipal Public Employees Labor Relations Act, since its enactment in 1969, has contributed significantly to the improvement of labor relations between municipal employees and local government and between teachers and school boards. By recognizing the rights of municipal employees and teachers to bargain collectively with their employers, and by providing a procedural and administrative framework within which this bargaining occurs, the act responded to the legitimate aspirations of these public employees to participate more meaningfully in decisions affecting their wages, hours and working conditions and established a uniform basis for carving out the details of this shared authority. The time has now come to extend these rights and this framework to State employees. Four years' experience with the current act has prepared the Public Employees Labor Relations Board to handle this new responsibility. There is simply no fair or reasoned basis for continuing to deny to State employees the rights now enjoyed by municipal employees and teachers. Fourteen states, recognizing this fact, have now extended collective bargaining rights to their State employees.

For these reasons, I will support legislation to provide collective bargaining for State workers.

Natural Resources

In the past few years, we have made considerable progress in planning for the controlled use and development of our natural resources. To continue this effort, I have submitted legislation establishing a State register of critical areas. This bill would identify areas of outstanding scientific and educational interest as well as areas under severe development pressure and encourage their protection and wise use for the continued enjoyment of future generations. This legislation is necessary to develop and carry out the Coastal Plan.

In the past year questions have been raised regarding the operations of Maine's forest products industry. For this reason, I recommend that the Legislature establish a study commission to review these questions.

In addition, I will support legislation clarifying the powers of the State with respect to the public lots.

Economic Development

In support of economic development, I will submit legislation creating the Maine Development Act. This Act is designed to promote economic development by establishing local development commissions to assist in attracting industries.

To implement the planned development of the Portland waterfront, I will recommend certain revisions in the enabling legislation of the Maine Port Authority. I will also recommend legislation authorizing the Department of Transportation to seek establishment of foreign trade zones.

Miscellaneous

In other subject areas, I will introduce legislation to allow the Supreme Judicial Court to modify the rules of evidence, to prohibit certain gambling devices, to impose strict liability on natural gas distributors, and to make changes in the law relating to the Board of Harbor Commissioners for the Harbor of Portland.

MAINE MANAGEMENT AND COST SURVEY

The Special Session of the 105th Legislature two years ago authorized the efficiency study of State government known as the Maine Management and Cost Survey.

A team of Maine's executives from the private business sector worked over a period of 20 weeks on this study. The result, after a substantial cash and manpower contribution from private sources, was a report making 807 recommendations for changes in the way State government operates.

For the past 10 weeks, these recommendations have been subjected to close scrutiny by an Executive Coordinator in my office working in consultation with the various departments and agencies of State government and with officials of the Maine Management and Cost Survey. Proposals requiring legislative action will be submitted to this Special Session in approximately eighty separate bills.

On January 10, I will submit a special written message detailing these recommendations including a status report on each item proposed by the Commission.

CONCLUSION

So this is my program for the Special Session of the 106th Legislature. It was designed to meet a minimum of current demands for important State services. As always in the compilation of such programs, many worthwhile proposals had to be passed by in the process of selecting only the most pressing issues for presentation at this time.

I would like to thank the directors and staff of our various State agencies, and in particular the Budget Office, for their hard work and diligence in the preparation of this program.

I look forward to working with you and offer you my cooperation as you study and debate these issues in the days ahead.

A handwritten signature in cursive script that reads "Kenneth M. Curtis".

Governor of Maine