

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

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INAUGURAL ADDRESS

OF

GOVERNOR JOHN R. McKERNAN, JR.

January 3, 1991

INAUGURAL ADDRESS
JANUARY 3, 1991

Mr. President, Mr. Speaker, Members of the 115th Legislature, Mr. Chief Justice and Members of the Judiciary, Mr. Secretary of State, Members of the Clergy, and Fellow Citizens:

Before I begin, I want to say to the members of the Legislature, that I know we meet here tonight with heavy hearts, having lost a colleague this past week, one of the most respected members of the Legislative branch of government: the House Chairman of the Appropriations Committee, Representative Don Carter. I know his tragic death has left us all saddened. His commitment to public service and his view that our job is to do what is best for the people of Maine should inspire us to work together during these next six months to reach agreement on the many crucial financial issues facing our state. He expected no less and the people of Maine share his expectations.

There have been few times in the history of this State when the dual threats of war and a faltering economy have so dramatically and precipitously affected our lives. In the next two weeks, our President may have to decide whether or not this country will fight in the Persian Gulf. Each one of us has been affected by that impending conflict. Two weeks ago, I watched John Cashwell, director of the Maine Forest Service, and Dave White, the state pilot, depart for Germany with their National Guard unit. These are people with whom I've worked closely, and I know that every person listening this evening probably has a similar story.

The threat of war has cast a pall over the nation. In barbershops and supermarkets and workplaces all over the country, people are talking about the Middle East, and they are apprehensive. Here in the Northeast, this uncertainty has compounded our economic problems. People have adopted a "wait and see" attitude; businesses are preparing for the storm. And Maine has suffered because of it. Our budget problems are the manifestation of thousands of personal misfortunes all across our state. Every one of us knows someone who has lost a job or is having trouble paying their bills. Earlier this week I, personally, had to make one of the toughest decisions I've had to make as Governor -- to lay off almost 500 of our state employees. I agonized over this decision because I am fully aware of the personal hardship for these employees and their families. And I empathize with others all across the state who will be affected by similar decisions as we face the reality of a recession.

As your Governor, I will do whatever is necessary to guide us through these difficult times and prepare us for a brighter future. I will always put the common good above the special interests.

We are grappling with economic problems that are shaped by events beyond the borders of our state and, indeed, our nation. But they have happened on my watch. And it is my obligation to steer us through the troubled times. I accept that responsibility, and, more importantly, I accept the inevitable criticism that goes with it. John F. Kennedy once said, "When things don't go well (people) like to blame the Presidents, and that is one of the things presidents are paid for." Governors are no different.

Like most of our neighboring states, we did not accurately predict the magnitude of the impending economic downturn, and we have been roundly criticized for that error. The downturn has been quick and deep. One economist was recently quoted as saying our economy is "showing signs of caving in, almost falling off a cliff." And a recent *Wall Street Journal* article called these times a "steep economic downturn."

Maine has not escaped the trend. In November, our unemployment rate jumped from 5.1 percent to 6.6 percent, the largest single-month increase in over 30 years. Also in November, the New England Economic Project revised their 1991 economic projections sharply downward from moderate real growth to an actual decline. Economic and budget forecasters are now saying that without corrective action Maine's budget will be out of balance by over \$100M by June.

The sudden downturn in the economy has caused some to ask why we didn't see this much earlier. Believe me, we wish we had. But the fact is that just this week we ended December, half way through our fiscal year, with our revenues actually ahead of projections. Yet because of the now-predicted recession in the next six months, there is a consensus among the experts that by June our revenue projections will turn out to have been overly optimistic. We misjudged the economy as did at least 28 other states also facing budget deficits. The Northeast has been most severely hit. Last month in New York, Governor Cuomo worked with the Legislature to close a \$1 billion deficit. Three days later, the projected budget shortfall had grown by an additional \$500 million. And the problems in Rhode Island and Connecticut are even worse.

Despite the enormity of our challenge, make no mistake about the fact that we shall balance the budget. This is going to be a painful process. But we owe it to the taxpayers of this state to determine the size of state government Maine people can afford. Now is the time to examine exactly what services state government ought to provide. Legislators -- and Governors -- do not usually come to Augusta to eliminate programs. We come with good intentions and the desire to meet the needs of

our constituents. A booming economy gave us the luxury of meeting more of those needs than ever before. But the new economic realities call for restraint and discipline. They call for saying "no" instead of "yes" to new spending.

The simple truth is that the State cannot be all things to all people. Maine people cannot afford it. However well motivated, some programs must be reduced, and some must be eliminated altogether. It is time to restore the concept of value to government. It is time to create a state government Maine people can afford. And we must begin now.

We cannot allow the delay and paralysis we have seen in Washington, and which has plagued our neighbors, to derail our efforts in Maine. These are not ordinary times. They call for swift and decisive action.

To my colleagues in the Legislature, I acknowledge that the decisions we need to make will be politically unpopular, but the consequences of not acting will be far more harmful to those who depend on state government. With every day that passes, the impact of the decisions we must make will become more disruptive and more painful.

We have worked around the clock to formulate plans for dealing with declining revenues. As soon as we have had information, we have shared it. As soon as we have developed plans, we have shared them. We have made every effort to act quickly and responsibly. The people of Maine expect and deserve no less. That is why I have put forth two budget proposals. You have rejected one already. I now call upon you for your cooperation, and most importantly, for your action in finding savings in state government. If we cannot work together, then, for the good of the State, I must act alone.

But our budget problems will not end with this fiscal year. We must be equally diligent and decisive as we look to the next two year budget.

To ensure we operate state government as efficiently as possible, I am proposing to you tonight that we form a commission to work with our state employees to streamline the structure and services of state government. I do not believe it is fair or proper to turn to taxpayers for new taxes unless we have examined every other alternative. I will also be proposing to double the size of our Rainy Day Fund so that we can put money aside during good times to allow us to better weather the bad times.

And we must endeavor to meet the challenge confronting us without raising taxes. Special interest groups will be clamoring for a tax increase. But in my opinion, now is not the time to take more money out of the pockets of Maine's working men and women. Economically distressed states that raised taxes last year found that it did not solve their fiscal problems.

Therefore, I do not intend to raise taxes to solve our problems for the remainder of this fiscal year. Nor will I be including broad-based taxes in our 1992-93 budget next week. My approach will allow us to identify exactly what services Maine people will and will not receive within our existing tax revenues. Only in this way will the taxpayer be sure we engage in a proper cost-benefit analysis of our budget priorities before deciding whether to take more money out of the pockets of hard-working Maine men and women. I will amend my budget package and propose new revenues only if it is necessary in order to maintain vital services, and only after I've exhausted every other alternative for reducing the cost of state government. We cannot afford "business as usual" in Augusta.

As difficult as these times will be, we cannot neglect programs important to our future. As Franklin Delano Roosevelt said, in times much more difficult than these, "This great nation will endure as it has endured, will revive and will prosper." And so will Maine.

In my Inaugural Address in 1987, I said I envisioned Maine as the "Opportunity State." That is still the case, and if you ask the workers who have benefited from our job training programs, the students who have participated in drug prevention programs, the teachers who have helped formulate our Common Core of Learning, the families who have benefited from our student aid efforts, and the adults who have received their GED degrees, they will tell you that Maine people have had new opportunities.

And perhaps most important, we have made a commitment to our young people. We created the Common Core of Learning to define the skills our high school graduates should possess and we have begun restructuring our schools. We began giving schools report cards and intensified the effort to make our kids aware of the danger of drugs. We focused on our University, technical colleges, literacy training, and adult education. In fact, when Isabelle LeBorgne received her GED degree two years ago at age 82, she reminded us all that learning is a life-long process.

To ensure that more of our young people will be life-long learners, we have also focused on a more intangible component of our children's development, their aspirations. Across the state, businesses working with the schools in their communities have formed aspirations compacts to give kids opportunities they could only dream about in the past. We have tried to teach our young people that to aspire is to succeed, for if you set out to become a Nobel-prize winner, teacher of the year, or an Olympic athlete, you are bound to accomplish great things.

I continue to believe the key to prosperity and opportunity for Maine in this decade and beyond will be a well-trained and well-educated workforce. This education must begin in the family and with the schools in our communities. Over the past four years, we have made substantial investments in our schools. The economic times do not allow us to sustain the rate of that growth. Now is the time to focus on the other components of successful education. I believe the greatest variable in educational performance -- more important than money, or buildings, or even teachers -- is parental involvement. We can spend millions of dollars on a revolutionary curriculum, but it won't mean a thing if there isn't someone in the home willing to turn off the television. In the 1990's, homework will be for parents, too.

Just as the American work ethic shaped this country, the education ethic will be imperative for success in the years to come. I'm reminded of a boy from Kuwait who attended the same college as my son. His father insisted that he graduate in three years, which seemed an excessive demand at the time. He explained quite prophetically, "In this part of the world, you never know what will happen or where you will end up. But if you have a degree, then you will be valuable anywhere."

That advice is just as important for our own children. We must be sure that parents of the children of our state understand this new reality. To begin the process of educating our parents on how they can better prepare their children for the next century, we will initiate a program of parental involvement in the early education of their children called "Parents as Teachers."

All of us, especially Maine businesses, have recognized that we have not only an obligation to help our schools but a vested interest in their performance. In this regard UNUM and L.L. Bean have been leaders in the business community, providing not only financial support but encouragement for employees to be actively involved in the schools. I encourage other companies to follow their lead.

We also must ensure that all children have an equal chance when they begin formal schooling, and we plan to focus on our pre-school programs for children who need additional help.

And we must continue restructuring our schools. Our goal is to have an educational system that responds to the needs of our children, not a system that forces our children to fit a rigid structure which no longer meets the demands of our times.

We intend to reduce the drop-out rate by expanding our Jobs for Maine's Graduates program and helping many of our at-risk youth with the critical school-to-work transition.

And to be sure the door to higher education is open to all students regardless of their families' financial situation, I will, once again, propose a state guaranteed "Loan of Last Resort." This program will send the powerful message to the young people of our state that their future will be determined not by the size of their families' wallets but by their own abilities and academic accomplishments.

These investments in education are essential to lay the foundation to make Maine the "Opportunity State." The cornerstone of our economic agenda will be to promote the creation of good jobs for Maine workers. Jobs and economic growth are the best way for us to increase revenues to state government so we are able to meet the needs of our citizens. We must aggressively position Maine businesses to compete in the new global economy in Europe, Canada, and the Far East.

In the coming months, we will announce the results of a task force I formed last spring to examine both short and long term measures to create jobs. There are three areas where we have already identified the need for reforms: workers' compensation; our environmental permitting process; and health care. In talking with thousands of employers from Madawaska to Kittery, those are concerns I have heard time and again.

Our current workers' compensation system places Maine employers at a competitive disadvantage and, more importantly, results in lost jobs and lower wages for our workers. The 1987 reforms we instituted stabilized the system and averted a crisis. Now is the time to eliminate our competitive disadvantage by bringing our costs more in line with our neighboring states.

We must also tackle the high cost of health care while maintaining its high quality. Spiralling health care costs remain the single greatest barrier to providing greater access to health care for all citizens. When health care costs are no longer affordable for the average working Maine family, it is a problem that requires a solution. To help maintain and expand access to health care for the employees of small business, I shall be proposing legislation to allow a basic, more affordable health insurance policy for employees of Maine's small businesses.

The third area we need to address is the streamlining of the DEP permitting process so that projects that will create jobs and stimulate the economy can be completed sooner. Over the last four years we have shortened the permitting time by one third and cut the backlog of applications in half. But more needs to be done. We will be filing legislation this session to further streamline the permitting process in an attempt to provide better service to those who seek environmental permits. We will, however, continue to be vigilant in our efforts to enforce our environmental laws. Our environmental decisions will

largely determine the quality of life in this state for decades to come. Our environment cannot be neglected, in good times or bad.

From the early days of our bottle bill, the people of Maine have made a commitment to cleaning up our environment, reducing solid waste, and recycling. We now have the most aggressive recycling goals in the country. I intend to see that commitment honored and do whatever is necessary to ensure we meet our recycling goals for 1992 and 1994. I urge all of you to join with me in reaffirming our dedication to that effort.

We face some daunting challenges. As we look at the next six months, we face the two choices anyone has when dealt a difficult hand: we can wallow in the problem and pity ourselves or we can do something about it. We can bemoan the cards we were dealt or we can play the hand to the best of our ability. Nothing brought that home to me more than Frances Peabody, a woman who should be an inspiration to anyone considering folding a bad hand and giving up.

Frannie Peabody is 87. Six years ago she lost a grandson to AIDS. The loss was a tragedy, compounded by the fact that the disease was not fully-understood, nor was society accepting of its victims. The temptation was to curse fate, mourn the loss, and move on.

But Frannie decided to tackle the problem. A few years shy of 90, she founded the AIDS Project in Portland. She devoted herself to educating the community about AIDS, caring for those afflicted, and comforting their families. She did not wallow in her problem or make excuses for inaction. She acted and she made a difference.

And that is what we have to do. The cards have been dealt, and nobody is going to argue that we have a good hand. But now is not the time to point fingers. Now is the time to act -- to prepare our state for a better tomorrow. In times like these, the people of Maine put their trust in us to make the difficult but right decisions. Only by working together will we prove worthy of that trust. I am confident we will not fail.