

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**  
**ONE HUNDRED AND SIXTEENTH LEGISLATURE**

**SECOND REGULAR SESSION**

**January 5, 1994 to April 14, 1994**

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**J.S. McCarthy Company**  
**Augusta, Maine**  
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**THE STATE OF THE STATE ADDRESS  
OF  
GOVERNOR JOHN R. MCKERNAN, JR.  
January 19, 1994**

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Mr. President, Mr. Speaker, Members of the 116th Legislature, Fellow Citizens:

It is said that "to every thing there is a season." To those of you under forty in the audience, that saying may recall the musical group "The Byrds" more than the Bible. But as I thought about what I wanted to say to you and the people of Maine during my final State of the State address, my mind kept returning to one of the verses from Ecclesiastes: "There is a time to weep and a time to laugh; a time to mourn and a time to dance... a time to rend and a time to sew ... a time to keep silence and a time to speak ... a time to break down and a time to build up ... a time of love and a time to hate ... a time of war and a time of peace."

These past seven years have been marked by tremendous contrasts. And so I thought it would be appropriate to make tonight a time to thank and a time to reflect; a time to challenge and a time to dream ... to dream about what Maine's future can be.

First, this is a time to thank you -- the men and women of this 116th Legislature -- for setting aside partisan bickering and making decisions last year that moved our state in the right direction. Even cynics can not dismiss the positive signs we have seen after we passed reforms to our workers' compensation insurance system. Nor can we ignore the dramatic shift in the size and scope of government, again encouraged by your debate and approved by your vote.

To Legislative leaders and others who put aside partisan differences, I thank you for working with me to do the business of the people of Maine. To those of you -- both here in this Chamber, and across the state -- who offered your personal support, kindness and encouragement through some tough times for me personally, I also thank you for your friendship.

I would also like to single out the leaders of the Appropriations Committee: Senator Mike Pearson, Representative Lorraine Chonko, Senator Ruth Foster and Representative Judy Foss, and my Commissioner of Administrative and Financial Services, Sawin Millett -- all of whom provided invaluable leadership, support and guidance in building our budget during the most trying of times. And to the members of my Cabinet, who are seated in the Gallery: thank you for serving our state with distinction and innovation during the most difficult economic times since the Depression.

My appreciation also goes out to Maine's dedicated state workers, who have worked hard and well to deliver state

services during uncertain times; to the leaders of our state employee unions, for forging a new partnership with management to change the way we do business through our quality initiatives; and to all of the citizens of Maine, thank you for your perseverance in a tough economy -- especially to those of you in the business community that worked hard to save Maine jobs.

Finally, on a personal note, I would like to thank my family -- my mother is here tonight -- for supporting me throughout my term. And especially Olympia -- who is also in the Gallery tonight -- thank you for your guidance, love and support.

In 1986, when I ran for Governor, my goal was to make Maine the very best place in America to live, work and raise a family. I saw Maine as a state of opportunity, a place where, as Henry David Thoreau wrote, one could, "advance confidently in the direction of his dreams." In many ways, we've done that. In the years following 1987, Maine's economy grew with unprecedented speed. But as fast as the economy grew in the 1980s, so did it collapse in the 1990s. And we have worked together to change our state government to adapt to the changed economic reality.

Ours was not the only state to suffer the consequences of this recession. Each of our neighbors in New England has swallowed the bitter pill of budget reduction -- and three of every four states in our nation have struggled with tough choices made necessary by the recession. But we are slowly recovering. And I believe that Maine today is the best place to live and raise a family -- and we are improving as a place to work.

Over the course of my Administration, we have followed broad goals in our approach to government: to encourage economic growth and improve our business climate; to provide opportunities for our citizens; to help those most in need; to protect our natural resources and quality of life; and to restore trust in our government. Because of our penchant as a society to focus on the bad rather than the good, many of our advances toward those goals have been lost in the cloud of this recession. So before I outline our program for this legislative session, I would like to highlight what I believe we have accomplished together.

When I took office in 1987, our state was on the cusp of rapid economic growth, but our economic development strategies were fractured and our state divided. We unified our economic strategy and created a Cabinet-level Department of Economic and Community Development, and we eliminated the destructive perception of "two Maines": one,

in the south, rich and vibrant with opportunities of tomorrow; the other, to the north and west, bypassed by prosperity.

We formed a coordinated RETI Team to respond to the needs of dislocated workers as our jobs base changed. And we worked to build an infrastructure that would prepare our citizens for jobs of the future, with job training and telecommunications. We invested in large industries like tourism, but also helped small retailers market their wares with our Maine Products Marketing catalogue.

And we pursued a customer focus, helping large corporations like Keyes Fiber in Waterville with their needs, while aiding small farmers in agriculture, who today for the first time have standards guaranteeing quality that have helped us increase agricultural trade from \$360 million in 1987 to \$472 million today. We've also encouraged high skill jobs across Maine. Today, you can visit -- as I did last week -- Graphic Color Service, a state-of-the-art printing shop in Fairfield that international corporations like DuPont use to test new colors and color separations. We're building the jobs of tomorrow in all parts of our state -- building on the skills and work ethic of our people.

We've made tough choices that improved our business climate. Maine in the 1980s attracted business because we had a great quality of life, a good workforce, and we benefited from a labor shortage in southern New England. In the 1990s, we can't count on our state's beauty or its workforce alone. The world has become more competitive, and we must aggressively compete for jobs with any available tool. We must treat businesses as customers, making TQM stand for "Total Quality Maine." We're creating highly-skilled workers through training funds, and we've also streamlined regulations but kept high standards in environmental laws. When I entered office, a backlog at the DEP was keeping more than eleven hundred permit applicants waiting for more than a year. Today, the backlog has been reduced by 85 percent, and permitting time cut by two thirds -- even though applications increased by 20 percent last year alone.

But perhaps our biggest achievement is in reforming workers' compensation, which has dogged businesses in Maine for over a decade. Unfortunately, it took a government shutdown to accomplish it, but I do believe we are finally on the right track. In November, the insurance industry requested a rate decrease for the first time in two decades, and the Blue Ribbon reforms should yield even greater savings. Our system is back under control. Finally, we've tamed a runaway system that was driving precious jobs out of Maine. Our changes have realigned the workers' comp culture so that injured workers and businesses are again our main concern.

Today, our challenge is to ensure world-class jobs and opportunities not only for today's existing workers, but to future generations of Maine students as well. To do that, we have invested in our schools and ensured that our

schools adapt to the changing realities of the 1990s. We made good on the 1984 reforms for education, increasing state spending for local schools by 66 percent since I took office -- strong funding for education even during tough times. But we also realized that with increased funding must come improved motivation, accountability and results. We created the Maine Aspirations Compact, helped parents evaluate their schools with report cards, and worked to break the cycle of failure in schools, whether in first grade with Reading Recovery, or in middle and high school through programs like Re:Learning and youth apprenticeship.

We also maintained our support for the Maine Education Assessment tests, which allow us to measure our progress. And we are making progress -- Maine 4th graders continued a trend of rising test scores by scoring first in the nation in mathematics, and second in science. And our 8th graders rank among the best students in the nation as well, scoring fourth in the nation in math.

We can be proud of our students' achievements and of the steps we have taken to make Maine schools second to none. With MAINE 2000, the Common Core of Learning, the Coalition for Excellence in Education and the Beacon Schools model, we are leading the nation in reforming our schools -- and preparing our kids for quality lives and jobs in the next century.

But state support of education can't end at high school. We have also worked to expand access to post-secondary education for Maine students. Over the years, we have expanded the reach of classes through interactive television at the Community College of Maine. And by centering student financial aid at the Finance Authority of Maine, we have more than doubled available scholarship dollars. We're helping young people navigate the labyrinth of college loans.

With the changing needs in the workplace and the move to a global economy, however, we have also invested in students who -- until now at least -- have not planned to go on to college. We eliminated the fee for GED exams, helping almost 20,000 high school dropouts get their diploma. The Jobs for Maine's Graduates program has grown from serving just 100 at-risk students in 1989 to more than a thousand last year.

And we are restoring relevance to the classroom -- and learning to the workplace -- through youth apprenticeship. This year, our program will serve over 150 students statewide, helping them learn at school and at work, and complete their 3-year apprenticeship with their high school diploma, a year of college, and certifiable skills. Our program has won national prominence. This fall, I was proud to accept, on behalf of President John Fitzsimmons at the technical colleges and our youth apprenticeship staff, the National Alliance of Business's first annual award for outstanding school-to-work transition program. Our commitment to education restructuring, and to innovation in

programs like JMG and youth apprenticeship, is encouraging our children to reach their highest potential.

Some of our citizens, though, dream not only of good jobs and good training, but of economic self-sufficiency. For those who need a hand up, we have maintained our economic safety net. Our system has been tried -- severely -- over the past few years, as thousands of our citizens entered the unemployment and welfare rolls during the recession. But we have done what we could to end the crushing cycle of welfare and keep even our neediest citizens on the track for jobs and re-employment.

We encouraged welfare clients to go to work with programs like ASPIRE, providing training and education to thousands more, and easing the financial burden by removing our neediest from the income tax rolls. And we've gotten tough on "deadbeat" parents who fail to meet their responsibility to their children, raising close to \$5 million from more than 7,000 delinquent parents since September.

There will always be those for whom state intervention is the only alternative. For the mentally ill, we are moving increasingly to community-based care that will provide quality care closer to loved ones.

Concerns about our health and our loved ones reaches to the core of our values. We have extended peace of mind to our citizens in our health care system with reforms that make coverage affordable, fair and comprehensive. Today, our laws ensure insurance portability for workers who change jobs; protect citizens with preexisting medical conditions; and keep premiums on an even keel by ensuring similar costs for similar benefits with community rating. This year, we will position Maine to respond to federal reforms with a Health Resources Advisory Council, and we will extend an affordable, "no frills" health care package to individual policyholders. Maine's system must be one taxpayers can afford, not another uncontrolled government bureaucracy.

To stop the scourge of drugs, we have expanded the DARE program and our innovative school drug curriculum. And the Maine Drug Enforcement Agency, now five years old, has built an impressive record of drug arrests as our nation's only interdepartmental drug agency. We have worked to make Maine's streets and communities safer. The crime rate has steadily decreased over the past decade, and hit a new low in 1992. And we extended protection to victims of stalking and domestic violence. We strengthened our OUI laws, and reduced traffic fatalities. We've eased prison overcrowding with the new Supermax prison in Warren, and by privatizing some health care services, we are offering prisoners health care at a lower cost to the state.

And as important as investments in jobs and our people are, we have always strived to maintain our commitment to our environment. One of my earliest legislative successes came when in 1974, when I sponsored and Maine passed the first-in-the-nation "bottle bill." Today, we recycle everything from bottles to batteries, and Maine boasts the best

overall recycling program in the nation. We've also passed laws to protect our environment. Over the past seven years, we've implemented laws to protect our groundwater, clean up our rivers and streams, replace leaky underground tanks and to protect our precious estuaries, from wetlands in Wells to Casco Bay and the Gulf of Maine.

We have invested in our state for today and tomorrow. The Land for Maine's Future Commission helped us preserve 51,000 acres over the past six years -- including 105 miles of shoreline -- that could otherwise have been developed. We have leveraged federal and state highway dollars to boost our economy -- and that will make 1994 the highest year of contract awards for highway and bridge projects in our history, with close to \$200 million in contracts.

And we've set priorities, eliminating three cabinet-level agencies, reducing by one third the positions that I appoint as Governor, and downsizing our state workforce. And we have restructured the cost centers of state government, to control runaway spending growth and keep Maine on sound fiscal footing for the future. In the process, we've rethought the way we do business. Our MFASIS human resource program helps our employees better handle budgeting, accounting and, soon, personnel systems.

And we have begun the long process of bringing "total quality" to state government, encouraging shared vision and values, and targeting areas we agree need work: our purchasing system, encouraging injured employees to return to work, streamlining our licensing process, and others. When I complete my term next year, every state agency will be focusing on the needs of you, our constituents and "customers," instead of doing things "the way they've always been done."

Winston Churchill once said "History will be kind to my administration, for I intend to write it." I don't know who will write the history of these times, but I believe that they will say our Administration was a watershed, both economically and politically. I believe they will say we've made significant progress together. But if we stop now, I believe they will also say that much more needed to be done. I have just one year left in office. Many have told me that this is my year to coast -- but I have rejected that advice.

I am convinced that if we continue to work together, we can make progress toward our goals. We must continue to make short- and long-term investments to poise our state for the future, but to understand why these investments are important, we have to also understand what Maine is and what Maine isn't. I don't think that Maine will become headquarters to many FORTUNE 500 companies -- at least in my lifetime. Our state is too rural. But fortunately, the FORTUNE 500 companies aren't creating the new jobs. Instead, new jobs are coming from entrepreneurs, regional enterprises, and the small businesses that are predominant in our state. And just look at our assets: We have extraordinary natural resources. We have a superior telecommuni-

cations system. We have excellent educational institutions. And we have an unparalleled workforce.

But we need to make investments in our state if we are to make the most of our assets and ensure opportunities in Maine for all of our citizens. As I just outlined, we've made investments over the past seven years: in education, to improve our business climate, to instill personal responsibility in our citizens, and to protect our natural resources. Our package for this legislative session continues that approach.

We will make a number of long-term investments to give our citizens the education and skills they will need to hold the jobs of the future. I will propose a \$10 million distance learning bond issue to ensure that geography will not determine the quality of our children's education. I want every student -- whether they are in Machias, on North Haven, in Fort Kent or in Kittery -- to access, through our interactive television system, diverse classes taught by the best teachers of physics, calculus or languages.

We will make sure that every youngster who goes through our system gets the kind of education that he or she needs to be a success ... and we will start in the first grade. Our Reading Recovery program will guarantee every single first-grader in this state that we will give them the individual attention they need to ensure that they read at first grade levels when they leave the first grade. Twenty percent of our first graders aren't reading at grade level now -- and most never recover for the remainder of their school days.

We will also propose Magnet Schools, as I announced last week. In Northern Maine, we will create a School for Science and Mathematics, and in southern Maine a School for the Visual and Performing Arts. Our investments in science, technology and mathematics will let us join this economic revolution in the information age, and make sure that our most gifted youngsters have the most challenging instruction so that they can lead our new world economy. And because the arts are so integral to an enlightened society, our School for the Visual and Performing Arts will give kids who are most talented in the arts the opportunity to express themselves and develop their talent here in Maine -- so they will not have to leave and go elsewhere.

We will also continue to expand on our youth apprenticeship program. Half of the kids who have gone through our school system historically have not received the attention to which they are entitled -- let alone the kind of attention that will help them become productive, contributing citizens in the 1990s and into the next century. Our kids deserve better -- and our youth apprenticeship system will give them that opportunity.

As we merge our education system into one that truly prepares youngsters for the world of work, we also need to adjust to the new world of work. That is why we are going to bring our regulated utilities into the modern era. We will take advantage of surplus power to create more jobs, while

stabilizing electric rates for homeowners all across Maine. We will also reform telecommunications regulation so we can take advantage of the burgeoning telecommunications industry in the information age. There are a number of industries that won't ever create jobs in Maine because of our geographic location. We can't change that. But we can prepare our state for jobs that do fit with the appropriate telecommunications infrastructure and regulatory policies. Maine can welcome jobs in industries that rely on telecommunications by becoming a leader in modern and flexible telecommunications regulation.

If we are going to be successful in attracting good jobs to Maine, and luring expanding businesses with incentives, we must also upgrade the skills of both our children -- and the skills of workers who are already in our workforce. To do that, we are proposing that Maine state government train all of the workers necessary for any business that wants to make a significant expansion or start a new business in this state. This system has been used effectively in other states, and I think it is a system that Maine people deserve.

Our citizens who are willing to work hard ought not be denied employment because they do not have the skills necessary to do the job. I am convinced that our Maine Quality Centers can in fact make a difference -- in part because of the outstanding work ethic that we have in our state. And I believe that work ethic exists as well among those who are down on their luck and need a helping hand. If we design our welfare system in a way that gives people the tools that they need to improve their status in life, I believe they will willingly do so. That is why we are proposing changes to our welfare system that will restore personal responsibility.

First, we will once again introduce legislation to deny more money to welfare families that have additional children while receiving state assistance. And we will continue to step up our efforts on our deadbeat parents program to make sure that those who are under court order to make payments for their children do so. Parents who refuse to meet the basic obligation of supporting their family should not have the benefit of state licenses and permits.

Finally, in order to restore a sense of personal pride and respect to our welfare system, we will propose that every welfare recipient engage in at least 20 hours of productive activity per week, whether it is for pay or as a volunteer, in return for state assistance. In fact, "Project Opportunity" will design a new system to subsidize employers that hire people who are on the welfare rolls. We believe that by giving employers an incentive to hire people off the welfare rolls and requiring those who receive job offers to accept that employment, we can reduce our welfare rolls by thousands of people each year. Our proposal will not only be good for employers. It will also finally give welfare recipients the chance to climb the economic ladder.

If these proposals are to be successful, I believe that Maine state government also has to do its part. That is why I have

personally spent so much time in our quality management effort, and why I have continued to help our employees look for efficiencies. We have tried to change the face of government to be more customer-oriented and to realize that the taxpayers are the ones who pay our bills. We are examining proposals to restructure our human service departments so that we can better serve that population. And we are proposing to reform this Legislature, reducing the size and cost of the Legislature, and the way we select our Constitutional Officers. We do not need a Legislature that is among the largest in the nation.

I am convinced that keeping close tabs on the costs and services of state government will help us to regain the confidence of the taxpayers of the state.

And we will begin that effort tonight, reassuring both taxpayers and businesses that we are serious about attracting good jobs to our state. Governors in New Hampshire, Massachusetts, New York and New Jersey have all said they will reduce their taxes. I believe we must do the same if we intend to compete with them for jobs. We will introduce legislation to phase in an across-the-board 20 percent reduction in personal income tax rates. We will accomplish this by freezing revenues from the income tax at the \$610 million level currently in our 1995 budget. Each year thereafter, our State Tax Assessor will be directed to reduce our tax rates across-the-board by the amount necessary to maintain revenues at that level.

I think one of the greatest legacies that we can leave for an increasing and improving economy will be a reduced tax rate that will show those who want to create jobs in Maine that we are serious about helping our citizens reach their economic potential.

This is indeed a full plate for this, my last legislative Session, the Second Regular Session of the 116th Maine Legislature. These are issues I feel very strongly about, and that I believe are necessary for us to truly make Maine the opportunity state that it should be for our citizens.

But on a more personal note, as I think back over the last seven years, I think about the goodness of Maine people. Examples abound, such as the worst flood in fifty years that hit during my third month as Governor, when I saw dedicated state employees leaving the State House to go help shopkeepers along the Kennebec fill sandbags to protect their stores.

I think about the looks on the faces of youngsters who are getting the extra help that they wouldn't otherwise have through our Reading Recovery Program, to enjoy the world of words and reading that they have never experienced before. I think about the words of a father whose daughter had participated in our youth apprenticeship program. He told me, "I have always loved my daughter, but after seeing how she has matured and developed through this program, now I respect her, too."

I recall the horrible 13 days of government shutdown in 1991, a time I believe was both a low point as well as the turning point for Maine state government. And I knew we had Maine on track, when I listened to Dan Glidden talk about TQM during his final meeting as MSEA President. He said after being skeptical at the first meeting, he had been impressed that management and labor were willing to share power in the interest of "total quality."

I remember when Olympia and I announced that we were going to be married and she received a congratulatory card at her home in Auburn which was addressed to Olympia Snowe and Joe Brennan. And I will never forget Representative Babe Dutremble's eyes which were filled with tears of pride as I swore in his son Duke as President of the Maine State Senate.

I could identify with that fatherly pride, remembering my own son's short life and the feelings I had about his own important successes. Those feelings of pride for our families should be the same feelings of pride we as public servants have for our state and our successes.

We should remember the words of Henry David Thoreau on one of his historic trips to the Maine woods 140 years ago. He arrived at my hometown of Bangor and wrote, "There stands the City of Bangor, the principal lumber depot on this continent, like a star on the edge of night, already overflowing with the luxuries and refinement of Europe, and sending its vessels to Spain, to England, and to the West Indies for its groceries."

We have the opportunity this session to make the investments that will again place Maine on the map "like a star on the edge of night," sparkling with the promise and energy of new opportunities. Our investments will poise Maine for success in a new millennium, and make the most of the lessons of the past.

These first seven years of my two terms as Governor have set the stage for a brighter Maine future. But this, my last year, will determine whether we can be fully successful. I ask for your help, I ask for your guidance, and I ask for your support as we address very important issues -- issues that will determine the kind of lives that the citizens of our state will have in years to come.

I look forward to working with you, and know that if we work together, we will not fail.

Thank you.