

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE**

**SECOND REGULAR SESSION**  
**January 6, 2010 to April 12, 2010**

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**Augusta, Maine**  
**2010**

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**STATE OF THE STATE ADDRESS  
OF  
GOVERNOR JOHN ELIAS BALDACCI  
JANUARY 21, 2010**

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Madam President, Madam Speaker, Madam Chief Justice, members of the Legislature, members of the Cabinet, distinguished guests and my fellow citizens:

I can not remember a time that has presented Maine with such hard choices and such great opportunities.

It's a bit of a contradiction – to talk about economic hardship and opportunity in the same breath.

But that is the situation we face today.

In the last 12 months, State revenues have fallen by \$1.1 billion dollars. Unemployment has topped 8 percent; housing and businesses are struggling; and people are uncertain and anxious.

It's a time of great turmoil.

But it's also a time of incredible opportunity and revolutionary change.

A time when our State is breaking with the comfortable past to blaze a new trail.

We have come together to say enough, to put our foot down and to put an end to the circumstances that have held our people and our economy hostage.

Today, we are laying the groundwork for economic revitalization and freedom from the tyranny of foreign oil.

Are we there yet? No.

But we are on our way.

Despite the difficulties we face, the hard choices and hard work ahead, the next chapter in Maine's history will be one of resurgence, growth and opportunity.

As I report to you tonight on the State of the State, I am not sullen or deterred by the road ahead.

Because I know beyond question or doubt that the people of this State – our greatest resource – can persevere and overcome any challenge.

And they are looking to us, the men and women gathered here in this great hall of the people, to lead.

To balance tough choices and compassion.

To reach forward to welcome a bright future, but also to make sure opportunity doesn't leave anyone behind.

I see a Maine that is energy secure, with highly educated and successful people.

Natural resources that are protected, accessible and put to work.

A place where innovation and creativity prevail.

And cities, towns and villages draw people from around the world to a quality of life unmatched.

This is our job.

We are in the midst of unprecedented times.

Locked in a struggle between recession and recovery.

The choices we make will help to determine which way Maine goes.

About a month ago, I submitted to the Legislature my plan to close a \$438 million dollar shortfall in the State budget.

It continues themes you've heard from me before: A leaner government, increased efficiencies and frugality.

The causes of the shortfall are well-known.

Our State and country are beset by a global recession that has destroyed jobs and wealth, and undermined consumer confidence.

My plan includes tough choices and pain.

There's no way around that hard truth.

It will impact people and their communities.

It won't be easy.

During public hearings on the budget, we heard people talk about their economic plight.

Many of them told compelling, personal stories about how State government touches their lives, the good work that it does, especially in the area of human services.

I am committed to maintaining life-sustaining services, but we can't avoid reductions.

We must change the way we help people.

And we'll continue our mission to reduce administration, so there are more dollars available for what's really important.

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If we can't break down the walls between State agencies to save money during this crisis, how can we tell other folks they need to go without?

My budget proposal also contains new efforts to streamline government.

I've suggested improving cooperation between the State's four natural resource agencies – the folks who help us manage our forests, fish, water and wildlife.

They have so much in common, but are artificially broken into four pieces.

We can save money and improve results by helping them to work better together.

During the last seven years, my administration has been aggressive about cutting the size of State government.

We've eliminated 1,000 positions, about 8.8 percent of the State's workforce.

State workers have taken shutdown days, lost pay raises and are now required to pay a portion of their health care.

We've combined State agencies and departments, school administrations, and county and State corrections.

And we are continuing our efforts to find efficiencies and to reshape government at all levels to be less expensive.

I am convinced that government at all levels can operate more efficiently, that administrative costs can be reduced through greater cooperation.

We've seen it work with the Board of Corrections and with regional school units, saving millions of property tax dollars.

Every dollar that we save from reduced administration means more resources for direct services – those places where the money does the most good.

It's hard to change structures. But we must.

About 46 cents of every dollar brought into the General Fund is returned to county and municipal governments.

There is no way that the State can absorb such a sharp reduction in revenues without impacting other levels of government.

Through school administrative consolidation and our unified correction systems, we have reduced the load on local governments.

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But the times demand more.

While it's a tentative first step, I was encouraged by the election results in Brewer this fall. Voters there approved a ballot question that will begin the process of greater cooperation between their city and Bangor.

Maine has almost 500 municipalities plus 16 counties. We have a local government for every 2,500 State residents.

We cannot afford that redundancy and the duplication.

But we have also recognized that local governments need help.

With our unified corrections system, we have curbed State and local spending for jails and frozen property taxes needed for this area, helping counties to hold increases to their lowest level in many years.

The system is projected to save \$189 million dollars in property taxes over the next five years.

In addition, school funding for this budget will still be \$352 million dollars more than it was when I took office seven years ago, even after the proposed reductions.

And over the last five years, State aid to schools has increased faster than the cost of essential programs and services for the classrooms.

For communities willing to change, they can find a way through this recession.

Now the budget is in your hands, the Legislature.

Just last spring, we worked together to cut State spending by \$500 million dollars.

At the time, it might have seemed impossible.

But leaders in the Legislature showed courage and resolve. They put aside partisanship and they trusted one another.

When the work was done, the cuts were made and we didn't raise taxes. For some, on both sides of the aisle, it was a hard vote to cast. But it was the right thing to do.

Now, we are again faced with the necessity to cut spending.

And once again, I am confident that working with the Legislature we can find a bipartisan path forward.

There should be no illusions.

There are no easy answers.

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We must balance core government functions while protecting the vulnerable and safeguarding our economy.

While we still have a long way to go, there are signs that things are beginning to turn around.

When I addressed this body last year, I spoke about my visit to Domtar in Washington County. The plant had just announced that it was indefinitely closing.

I'm happy to say that today, 300 workers are back on the job and the owners of the company are committed to finding a business model that will work.

Maine is ready to help. We want to keep those men and women working.

We shouldn't take any action that will jeopardize recovery.

I will not support a tax increase to balance this budget.

Working families and businesses simply can't afford it.

I don't question the motives of those who seek a tax increase. They look around and see real problems and people struggling.

Their heart tells them they have to do something. My heart says the same thing.

But I know that the best way to help all Maine people is to promote job growth and economic recovery.

To spread opportunity and give our people a chance for prosperity.

We can't tax our way out of our problems, but we can grow our way out.

As President Kennedy said: "A rising tide lifts all boats."

And that's why I have an aggressive agenda that is already creating jobs today and will continue to create jobs for years to come.

It begins with our people and our natural resources.

Right now, Maine is leading New England in wind power generation.

And every day this important sector is growing.

Producing renewable and safe electricity.

But we have only begun to tap the potential for wind.

Work going on today by Habib Dagher at the University of Maine, with private-sector partners and critical

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support from the federal government, is positioning our State at the forefront of a new energy revolution.

We have it within our power to develop new, cutting edge sources of energy that can help to forever reshape the world.

From start to finish, Maine has a role to play. We can develop the technology; use composites from the University of Maine to build the turbines; and lower electricity rates.

That means good jobs.

It's also important for communities to see the benefits of new energy development.

That's why I am supporting legislation that makes sure wind projects produce tangible benefits to host communities.

Real benefits that communities can see and feel, like lower property taxes or improved public services.

There is a burning urgency to the work we are doing. We can not wait; too much is in the balance.

What's remarkable is that the right and left should be united on the need to free ourselves from foreign oil and all that dependency does to our people, our economy and our world.

Whether you believe in global warming or not, ending our dependency on foreign oil is a matter of national security that demands action now.

In 2008, this Legislature set a goal of producing 2 Gigawatts of wind power by 2020.

With 430 Megawatts already permitted, Maine is ahead of the schedule.

We are on the brink of a new day;

Will we allow the clock to be turned back to midnight or will we embrace the dawn?

The choice is as stark as night and day.

In the coming weeks, I will submit legislation to continue our aggressive pursuit of offshore wind energy.

The plan, which is the result of my Ocean Energy Task Force, will help to spark this new industry and confirm Maine's leadership role.

We will set a target of producing 5 Gigawatts of electricity from offshore turbines by 2030. That sounds like a long time from now, but in the birth of a new technology it's just a blink.

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In just two years, there will be a prototype turbine in the water, producing electricity. And in five years, the amount of power produced will double.

Already, our efforts are being recognized.

The DeepCwind Consortium at the University of Maine already includes more than 35 public and private partners.

The project has earned nearly \$25 million dollars in competitive grants and is in line for additional federal support.

Maine competed nationally and was one of just 12 sites in the entire country that has received this support to construct an offshore wind laboratory.

There are no sure things, but the plan has tremendous potential to create thousands of jobs in Maine and attract billions of dollars worth of investment.

Permitted and approved wind power development in Maine already represents more than \$1 billion dollars of capital investment in our economy.

When it comes to energy, Maine's potential is not limited to wind alone.

Matt Simmons of Rockland is one of the world's leading thinkers about the oil industry and its limitations.

Matt founded the Ocean Energy Institute, which is working with some of the most prominent researchers in the world to develop a new source of energy.

Matt is working on an innovative approach that would utilize wind and tidal power to make ammonia, which could be handled and used much like propane.

Imagine, using the power of the wind and waves to create a new energy source almost literally out of thin air. Matt's imagined it, and he's working to make it real.

My administration is working with the Ocean Energy Institute, which is planning to build a pilot plant within the next two years.

And Maine is right in the middle of the action.

Our future doesn't solely depend on new technologies. Maine can also look to its forests to help provide for an independent future.

Just as our woodlands powered Maine's industrialization, they can contribute to new industries. Bio-fuels, like ethanol, and a new generation of boilers can turn

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wood into the energy and electricity we need for our industries and our homes.

Whether it's our ability to produce energy ourselves from sustainable resources or our strategic location between energy-rich Canada and the needs of southern New England, Maine is in a position to benefit.

I'm talking about new jobs, lower electricity rates and cleaner air and water.

It goes beyond turbines on a ridge or biomass boilers at paper mills. Our new energy future can reach into every home, bringing benefits that are felt throughout our economy.

Maine is a national leader in weatherization and conservation efforts. We know that any serious effort to reduce our dependency on oil starts with conservation.

It's where we get the biggest bang for the buck.

Two weeks ago, Maine awarded nearly \$9 million dollars in grants to companies around the State committed to reducing their energy consumption, which will leverage about \$81 million dollars in private investment.

Using estimates from the Department of Energy, that translates into more than 950 jobs.

But for Tex Tech Industries in Monmouth, the grants are a little more personal. The investment will pay for improvements that will save between 45 and 50 jobs that were slated to head offshore.

Those good jobs will be saved because energy improvements will help Tex Tech hold its costs in line with its competitors in the Far East.

Conservation means jobs.

And for those families at Tex Tech, it's the difference between hope and despair.

Our efforts aren't limited to just businesses.

We also have a new program for homeowners that can provide rebates of up to \$3,000 dollars for weatherization and heating upgrades.

That's money coming right back to families who make the investment to cut their energy bills.

It's available to anyone, regardless of income.

The program helps families determine how to be more energy efficient and make the improvements, and the results can cut energy bills by up to half.

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Government can't solve every problem, but as the grants and rebate program show, it can give businesses and families the tools to find their own answers.

For as long as I can remember, people have talked about "Two Maines."

I've always rejected that notion. We are one people, united in the things that matter most.

But there is truth to the idea that we live in different communities, each with its own strengths and challenges.

We can't be satisfied with an economy that favors one region or one industry. We need statewide growth, building on the assets that make each part of Maine unique and strong.

That is the idea behind the Great Maine Forest Initiative.

I believe it's the key to a successful rural economy, and can find the right balance for tourists and sportsmen, energy and industry.

A group of dedicated and diverse people have been working since last summer to develop a pilot program for this initiative.

The idea is to create large-scale conservation that maintains access for traditional uses;

It protects Maine's valuable forest resources from development;

And provides a stable source of wood, sustainably managed, for our forest products industries and our growing energy sector.

If we make wise choices, and keep our forests as forests, there are enough resources for everyone.

In the last seven years, Maine has conserved nearly 1.3 million acres of land, including completing Governor Baxter's vision for Baxter State Park.

We've done it through a State trusted program, Land for Maine's Future, with federal and private resources and, most importantly, with local support.

Environmentalists, private landowners, sportsmen and industry have bridged the gaps that in the past had kept them from working together.

This is the model the Great Maine Forest Initiative will build upon.

In February, we will present this innovative plan to the Obama Administration, where it will be considered as

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a national model of how conservation can be done in a new, cooperative way.

No initiative can be successful without the most important ingredient.

Our people.

If we want our economy to grow, then our people need the tools to succeed.

On February 9th, I will be holding a Jobs Summit at the Augusta Civic Center.

This is a cooperative event between the Maine Chamber of Commerce, Department of Economic and Community Development and the Department of Labor.

We'll listen to people who are growing their businesses in this tough economy and take away the lessons they can share.

We want to put people to work today.

We're also going to make sure that Maine businesses are aware of the tax incentive and business development programs that are available.

For example, Maine's Pine Tree Zone program was expanded statewide last spring. The program is an important tool for companies that create new jobs or relocate here.

For 2009, Maine received 65 applications for the program, more than any other year since it was introduced and despite the recession. Of those, 27 came from York and Cumberland counties, which were just made Pine Tree Zone eligible.

These companies are creating jobs right now. And that's good news.

Also at the summit, I want to introduce my proposed new structure for the Department of Economic and Community Development.

Our economic development efforts are going to be more locally and regionally based, growing from the ground up and not from Augusta down.

This new approach will build on local assets and will be more friendly to businesses looking for assistance.

Over the long-term, jobs creation depends upon having a quality workforce.

And that starts with a quality education.

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Despite mounting financial pressures, Maine continues to demonstrate that our children are our highest priority.

Education spending accounts for half of every dollar spent by State government.

I want to do more, but a good education depends upon more than just money.

My administration has made it a focus to reduce administrative costs for education, so resources can be directed to the classroom where they matter the most. And in those districts that have reorganized, there are real savings.

We have never sacrificed quality to save money. And we won't start now.

The voters this fall validated our approach to reducing unnecessary school district administration.

And I will not support changes that undermine the law. We must move forward, not back.

But I also recognize administrative reform can take you only so far.

We are at a crossroads in education. We must make changes.

President Obama has set aside significant incentive dollars as part of a national Race to the Top competition. For states to be eligible for the increased funding, they must answer some difficult questions.

Beginning with accountability.

Teachers and principals are responsible for their classrooms and the students in them. Student achievement must be part of how they are evaluated.

There are many factors that contribute to student performance, some of them outside the control of hard-working teachers. But we know that effective teachers get better results.

It's time we put that common sense into policy.

I know this proposal will be controversial in some quarters. But no less an authority than Randi Weingarten, the president of the American Federation of Teachers, acknowledges that student performance must be part of teacher evaluations.

How can we, in good faith, hand out grades to students based on how they perform if we fail to do the same thing for the people teaching them?

Recognizing good teachers is an overdue reform.

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Next, we need to provide schools with the flexibility to succeed.

Under my plan, schools will be encouraged to innovate.

They will be able to manage their budgets on the school-level, set their own schedules, and try creative approaches to curriculum and instruction.

For example, we could see schools try a year-round schedule with a science-based theme that runs through the curriculum.

And we must address low-performing schools and reduce dropout rates.

We can do it by empowering parents and districts, and encouraging programs like Jobs for Maine's Graduates that we know are effective in keeping kids in school and preparing them for a career or college.

It's not enough to have good schools if too many of our kids don't go to them.

We will also adopt national standards for performance.

Maine already has rigorous standards, but because most states use different ones, comparisons are difficult.

By adopting core national benchmarks, we will be able to better understand the places where Maine excels and the areas where we need more work.

Look around and the world is a much different place than when I was in school.

The challenges are greater, and they require a focus on science, technology, engineering and math – or STEM for short.

Schools are partnering with businesses to create STEM-related internships, to engage students and introduce them to a world of possibilities.

Later this month, we'll hold our STEM Summit, where Maine's leading high-tech industries and thinkers will come together.

Companies will locate to places like Maine with a highly skilled workforce.

Attention to early childhood education is also critical for laying the foundation for success in life.

Even during these difficult times, we know that we have to invest in early childhood education.

Last year, working with the Legislature, we created New England's first and only Educare site, a public-



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private partnership that will help improve early childhood education in every part of the State.

Educare wouldn't have happened without the vision and determination of the First Lady.

She is a dedicated educator and advocate for children and families.

She is here tonight with our son, Jack. Would you both please stand and receive the greetings of the chamber?

Thank you.

Maine is blessed with an active and committed people, determined to make our State better.

We see it every day in big ways and small, whether its donations to churches, relief efforts and spaghetti fundraisers, or big gifts to support our soldiers or our students.

And we see it from individuals like Stephen and Tabitha King or the Alford Foundation, who continually contribute to worthy causes, and from groups like State workers, who contributed more than \$340,000 to their communities through our coordinated campaign.

Tonight, I would like to recognize Richard Collins, who is here with us.

Dick and his wife, Anne, have contributed \$6 million dollars to support the University of Maine, providing one of the largest gifts in the school's history.

It's an example of how the people of Maine support their communities and partner with government on issues that matter.

Dick grew up on a Maine potato farm and despite great success never forgot about his alma mater or his State. His contribution will help thousands of students and Maine's flagship university.

Dick, would you please stand and receive the greetings of the assembly.

Thank you.

There's a temptation to look around and see our challenges and feel like the terms of our economy are being dictated by others:

Financiers.

Wall Street.

Oil companies.

They've all certainly taken their toll.

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But come June, Maine voters will have a chance to take control and make a real and lasting difference in our economy.

No, I'm not talking about the 23 – or more – people who are running so they can give this speech next year. Although that's important too.

I'm talking about an investment package and tax cut that will appear on the ballot.

Maine has an opportunity to invest in economic development and innovation, green energy, clean drinking water, higher education and the redevelopment of Brunswick Naval Air Station.

About \$69 million dollars in bonds will go to voters in June.

I understand that during a recession, voters might be reluctant to approve new borrowing.

But the truth is, we can't afford not to make these investments.

They will put people to work, make our universities and colleges stronger, and help our critical Midcoast economy weather the storm of the air station's closing.

This is an investment in our people and our future. It's strategic and timely.

We must make it.

Also on the ballot in June will be a question opposing an income tax cut.

Last spring, we passed legislation that cuts income taxes in Maine. The Wall Street Journal editorial page called it the "Maine Miracle."

We lowered the rate from 8.5 percent, one of the highest in the country, to 6.5 percent for people making \$250,000 or less.

We did it by closing loopholes in the sales tax and by increasing the tax on meals and lodging to spread the burden onto visitors who come to Maine but who don't pay taxes here.

Maine Revenue Service says 90 percent of Maine families will benefit and more of our tax burden will be exported to tourists.

After all, when you and your family plan a vacation, you don't check to see how much the lodging tax is before you go.

This is a middle-class tax break that rewards work.

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If you earn a paycheck, you'll be able to keep more of your wages.

And the lower income tax burden will attract new investors to Maine, where they can create needed private-sector jobs.

In June, I urge you to vote NO on this misguided effort to raise the personal income tax again.

Working families and small businesses deserve a tax break, and Maine needs new jobs now.

In Washington, there's a loud debate centered on health care.

The policy choices are far from clear cut, but the States are struggling, and we need relief both in terms of increased financial support and better policies so that everyone has access to affordable and high quality care.

It's a big issue and it touches every family and business in Maine.

Reform is difficult work. We know because Maine has been a leader, enacting the first comprehensive health reform effort in the country.

While we know we need a national solution, we will continue on our path of increasing access, quality and reducing costs.

Tonight I'm announcing another part of that effort.

Each one of us can help lower health care costs by taking better care of ourselves and taking responsibility.

As a doctor once told me: We can't show up at the emergency room and pretend we had nothing to do with getting there.

Tomorrow, a new resource will be available to help Mainers take control of their own health.

It's not health care reform from Washington or Augusta, but better health in the hands of the individual.

By logging on to "KeepMEWell.org," people can sign up and learn more about their health status and lower their risk for disease.

The confidential Web site will connect people to information and resources they need to be healthier and lower their health care expenses.

It will connect them to low-cost health services and community resources built through our sustained commitment to using tobacco settlement money for

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improved health and the Healthy Maine Partnerships that are located throughout Maine.

We need systematic improvements in health care. But we also have an obligation as individuals to take responsibility.

No matter the challenges we face as individuals or as a State, the people of Maine are always willing to help others even when money is short at home.

As we work to balance a difficult budget and to set Maine on the course for a prosperous future, I keep coming back to how lucky we really are to live in such a wonderful place.

Last week, the tiny island nation of Haiti was devastated by an earthquake.

The capital was destroyed, and it's hard to imagine the scale of the destruction and the terrible loss of life.

A country and its people precariously cling to life.

Mainers are already answering the call.

They rushed into chaos to provide aid and comfort, and to tell the stories of life and death.

Our State stands ready to do its part to help Haiti.

Soon, 324 members of the Maine Army National Guard will deploy to Afghanistan.

Whether it's at home during a disaster, or overseas in the fight against Al Qaida or delivering humanitarian assistance to a battered neighbor, Maine's National Guard is ready.

Every time I meet these men and women, I am overwhelmed with pride. They are among our best, they do us proud and they keep us safe.

The Herald tonight is Lieutenant Colonel Diane Dunn.

Colonel Dunn recently returned from Afghanistan, where she led a team of 81 National Guard soldiers. She is the first woman to lead a Maine National Guard battalion in either Iraq or Afghanistan.

The unit performed its mission with professionalism and courage.

Colonel Dunn please stand and accept the appreciation of the assembly for a job well-done and for bringing our soldiers home safely.

Thank you.

Tonight, I make this promise to the people of Maine.

We will not relent.

We will drive forward regardless of the obstacles that confront us.

We will sacrifice today, and we will make strategic investments for tomorrow.

We face hurdles and hardships, but we are not afraid to make decisions, to break new ground and to build. To set the bar high. To challenge old and outdated limits.

We are called to act prudently and responsibly. But we are called to act.

This is not an easy time.

But we are not adrift. We are grounded in the Maine values of hard work and integrity, and by a spirit of determination.

We are not trying to just get by. We are making changes so that Maine can be at the forefront of recovery and a new economy.

Our State is small enough where you know everyone, but big enough to get the right things done.

We have the power, the ability, the skills, the resources and the people.

On January 4th, 1972, Sen. Edmund Muskie came home to Maine to announce that he would run for President.

That night, he said:

"There is not a single problem we do not have the resources to solve if we overcome our fears and quiet our doubts and renew our search for the common good."

"Ultimately, of course, what is at stake is your future. I am not telling you that I can guarantee the best of all possible worlds. All I am asking is that we pledge a new beginning."

Tonight I say to you, the future is ours to make.

God bless you. God bless Maine and God bless the United States of America.

Thank you.