

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

***One Hundred and Ninth
Legislature***

OF THE

STATE OF MAINE

SECOND REGULAR SESSION

January 2 to April 3, 1980

THIRD SPECIAL SESSION

May 22, 1980

THIRD CONFIRMATION SESSION

July 17, 1980

FOURTH CONFIRMATION SESSION

July 24, 1980

FIFTH CONFIRMATION SESSION

September 12, 1980

**REPORT, HEARING TRANSCRIPT AND
RELATED MEMORANDA OF THE JOINT
SELECT COMMITTEE ON INDIAN LAND
CLAIMS**

STATE OF MAINE
One Hundred and Ninth Legislature
Second Regular Session
JOURNAL OF THE SENATE

February 25, 1980

Senate called to order by the President.

Prayer by the Right Reverend Frederick B. Wolf, Episcopal Bishop of Maine.

Right Reverend WOLF: Let us pray! O'Lord our Governor, bless the leaders of our land, that we may be a people of peace among ourselves, and a blessing to other nations of the earth.

To the President and Members of the Cabinet, to Governors of States, to Mayors of Cities, and to all in administrative authority, grant wisdom and grace in the exercise of their duties. To Senators and especially to this body, and to Representatives, and to those who make our laws in States, Cities and Towns, give courage, wisdom and foresight to provide for the needs of all our people, and to fulfill our obligations in this community of nations.

To the judges and officers of our courts, give understanding and integrity, that human rights may be safeguarded and justice served.

Finally, teach our people to rely on your strength and to accept their responsibilities to their fellow citizens, that they may elect trustworthy leaders, that make wise decisions for the well-being of our society, that we may serve you faithfully in our generation, and honor your holy name. For yours is the kingdom, O' Lord, and you are exalted as head above all. Amen.

Reading of the Journal of yesterday.

**Papers from the House
Non-concurrent Matter**

Bill, "An Act to Amend the Pay Schedule of Physicians to Include Actuaries." (S. P. 707) (L. D. 1843)

In the Senate February 12, 1980, Passed to be Engrossed, in concurrence.

Comes from the House, Passed to be Engrossed, as amended by House Amendment "C" (H-797) and "D" (H-799), in non-concurrence.

The PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Chapman.

Senator CHAPMAN: Mr. President, and Members of the Senate, this is a Governor's bill. It's also a bill which I was asked to sponsor on his behalf, an offer which I was pleased to accept. It will also be my last bill to sponsor before this Legislature, at least for the near future.

It's a very simple straight-forward bill, however, as will happen, it has become the object of much attention over the past several days in the lower body. It now arrives back here in the Senate, in non-concurrence, with 2 House Amendments on it.

I'd like to explain why this measure is before us. Why, when it had its public hearing, no one spoke in opposition or even hinted at concerns with it. Why both the regulators and the regulated insurance industry strongly supported the bill. Why the citizens of Maine stand to benefit from the passage of this measure.

In recent years there have been significant changes in insurance products in response to changes in society. Economic and social inflation have had a tremendous impact on insurance pricing, reserving and investments.

Actuaries are the professionals who are trained to analyze changes and their impact on insurance products. Actuaries are highly trained in mathematics, statistics, insurance and specialized insurance accounting procedures, and who develop policy rates, reserves, dividends, and new insurance products.

The Bureau of Insurance has attempted in the past to carry out its regulatory duties by hiring consulting actuaries on a part-time basis. Beyond the obvious disadvantages of

being unable to undertake a comprehensive review of all large rate filings, the State does not receive primary considerations on contracted work, which has resulted in undesirable time delays.

It is also very expensive to rely on consulting actuaries on a primary basis when there is more than enough work in the bureau to keep a Property and Casualty and a Life and Health actuary busy full-time. Consulting actuaries are getting paid between \$60 and \$120 per hour. It is believed the State can obtain competent full-time actuaries at the rate of \$17 to \$20 an hour.

Maine policyholders are currently paying in excess of half a billion dollars for insurance premiums a year. The Insurance Bureau does not have a single full-time actuary to professionally review rate filings in the public interest.

Attempts to hire full-time actuaries began in 1967 and have continued periodically to the present. The sole reason an actuary has not been hired is because of the unrealistic salary levels set by the Department of Personnel on several occasions. The most recent attempt to hire an actuary was in 1978, and included advertisements in major newspapers and trade journals throughout the country. When this failed to produce a single inquiry, an employment consultant was hired who was then as unsuccessful as the advertisements. The consultant finally advised that the State was wasting its time and money because the salary level was unrealistically low. The salary was currently set at Range 36, which is from \$23,700 to \$31,300, and it is inadequate.

L. D. 1843 will remedy this problem by permitting Schedule 1A of Salary Ranges, which is now used for physicians, to be used also for actuaries. It does not set the salary level for actuaries, but merely opens the 13 pay ranges in Schedule 1A for the appropriate parties to utilize in determining the proper pay range. Obviously it is our hope, my hope, that the resulting salary would be high enough to attract one or two members of this extremely limited and highly paid profession.

The problem lies with the limited number of qualified actuaries in the marketplace, because they are so vital to pricing and reserving insurance products. There are just 650 Property and Casualty Actuaries and 4,100 Life and Health Actuaries in the United States. The insurance industry is willing to pay whatever the going price. Therefore the vast majority of actuaries work for insurance companies, others work for consulting firms.

In order for the Bureau of Insurance to match this professional expertise of the insurance companies and rating bureaus, and carry out its regulatory duties, it must have the professionals to do the job.

This is an unusual bill. It is not a range change. It takes the unusual step of placing this profession, actuaries, for which there would be no more than 2 hired in a special pay table, Schedule 1A. All other State Employees except physicians are under this Schedule 1. Because the ranges in Schedule 1 were not adequate for attracting physicians, Schedule 1A was set up. This bill places actuaries also under this Schedule.

Contrary to what is being said by opponents of this bill, it does not set the salary level for actuaries, but merely opens up 13 pay ranges, in Schedule 1A, for the appropriate parties to utilize in determining the proper salary range. Obviously, it's hoped that the range will be high enough.

Who are the opponents of the bill? Well, they are of course, the State Employees Union, and in particular, MSEA. They have succeeded in having the bill backed up in the House and amended, twice. One amendment, House Amendment "D", under Filing H-799, adds a Fiscal Note. A Fiscal Note, I might add, that is of questionable necessity, since funds come

from dedicated revenues, revenues which are currently being spent for outside consulting actuarial services, which will merely be diverted through salaries for actuaries. Be that as it may, in order to satisfy the position taken by the Speaker of the House, I will move that the Senate Adopt House Amendment "D".

The second amendment, House Amendment "C", under filing H-797, replaces the bill with new language, language which gives permission to the Governor to place actuaries in Schedule 1A, this instead of a firm Legislative Action, that Schedule 1A shall be used.

The effect of this weakened language is to allow the union to challenge the Governor when he acts within this permission. Thereby making his action a subject of bargaining. In other words, it would subject the Governor to a trading session with the union. He would have to give something in return for getting a proper pay schedule for actuaries.

I say this is totally unnecessary, and not in the best interests of the citizens of Maine. For one thing it will delay the hiring of an actuary, for an indeterminate amount of time.

All parties agree that it takes an act of the Legislature to place actuaries in Schedule 1A. The Governor and the Union cannot negotiate them into Schedule 1A. This bill does just that. It places actuaries under Schedule 1A.

When the Commissioner of Personnel, pursuant to this, assigns actuaries to an appropriate pay grade within Schedule 1A, 1 of the 13 grades, the Union if they disagree with such grade assignment may appeal that assignment under existing procedures in labor agreements. Procedures that are in place now for just this sort of situation, and which have been already used in the past.

Ladies and Gentlemen of the Senate, MSEA is attempting to confuse this issue, in order to be able to take the Governor before the Maine Labor Relations Board. I see this as a challenge to the power of the Legislature, and urge you not to abrogate that power by Adopting House Amendment "C", with its side-stepping permissive language.

Mr. President, in order to Adopt House Amendment "D", which adds the Fiscal Note, I now move that the Senate Recede from its action whereby it Passed L. D. 1843 to be Engrossed.

The PRESIDENT: The Senator from Sagadahoc, Senator Chapman, he moves that the Senate Recede.

Is this the pleasure of the Senate?

The Chair recognizes the Senator from Aroostook, Senator Carpenter.

Senator CARPENTER: Mr. President, Ladies and Gentlemen of the Senate, I would oppose the motion to Recede, and if I should be successful, I would then offer the Motion to Recede and Concur.

I have been following this bill somewhat as it went through. For a one page fairly simple looking bill, it seems to have generated a great deal of concern and controversy. I would just like to take a second this morning to share some of my concerns.

I wish everyone would take a look at House Amendment "C", under Filing of House 797, to see actually what it does say, and compare that to what the original bill says. If we go along with the pending motion, we're going to end up with the original bill plus a fiscal note. We're going to mandate into the statutes exactly the salary level, salary range, that actuaries shall be paid under. I don't think that's what the Legislature should be doing. I don't think that's what I want to do.

The bill comes to us this morning in an amended form, as a result of compromise. Compromise designed to reconcile the need of the Bureau of Insurance to hire actuaries, with the desire of some Legislators to stay out of the Collective Bargaining Process.

We went through this many times in the past 2 or 3 years, about whether or not the Legis-

lature should be in the Collective Bargaining Process, and I think on most occasions, we have agreed that that's where State Employees pay raises should be.

The bill, in its amended form, with House Amendment "C", removes the limitation which prevents the Department of Personnel from using the physicians' pay scale. This seems to be at the beginning of this whole fight, the major complaint, that the Department of Personnel could not use the pay scale, the same pay scale as physicians.

In the amended form they may use, but it doesn't force them to. It leaves open the question of whether the administration should bargain this change in wages with the organization, which does in fact represent the employees in these positions. The original bill effectively removes the question of negotiability by preemptive Legislative Action.

When we passed the Collective Bargaining Bill we decided we should be out of the business of deciding what pay individual groups of State Employees should receive. If you remember the Hay Study and the bill that accompanied, you know what a fiasco that was.

This bill, if we go along with the pending motion, re-opens that door and puts us back into that process in granting 1 very small area, we're talking about 2 actuaries, but still, nonetheless, the principle does put us back into deciding State Employees pay.

The amended bill on the other hand, permits the administration to go ahead and use the higher pay scale. I think both sides of this controversy, recognize the fact that there is a problem with hiring actuaries, because of the existing pay scale. The amended bill, the one that I favor, and the one that I'm in opposition to, the position of the Senator from Sagadahoc, Senator Chapman, allows this higher pay scale to be used in order to take care of this critical need.

The parties can go ahead and have the matter of negotiability determined by the Maine Labor Relations Board, which is the proper form to decide this issue. The amendment does not prejudice either party's case.

The bill, without the amendment, in effect, tells the board, we don't care whether this is a negotiable issue or not, we're going ahead and order the change in pay. This effectively blocks the Collective Bargaining Procedure.

There have been arguments made that if we don't pass this bill in its original form, we won't be able to attract actuaries from out of the State, this is a very important point, because of the potential of litigation over the matter.

I believe the MSEA, which as Senator Chapman stated is opposed to the present form of this bill, MSEA has given written assurance that they have no intention of seeking any retroactive action that will reduce the actuaries salary in case they do bring this to the Maine Labor Relations Board.

I would suggest that if we don't pass this bill, as amended, we are guaranteeing litigation, which may cloud actuaries future pay, and as a result prevent us from, in fact, hiring an actuary, which I think, is what the good Senator from Sagadahoc wants.

We're guaranteeing if we pass this bill in its unamended form, or without Amendment "C" on it, that we are going to have litigation. The question of whether or not actuaries will be hired will be clouded and we still won't have an actuary.

There have been arguments raised that the bill in its original form still permits negotiations over the salaries of actuaries. That simply isn't true. The salary assigned to a particular physician, and I would call your attention to the original L. D. 1843, "provides an adjustment to the schedule affecting physicians, psychiatrists, professionals or actuaries". That pretty well locks it up, I think. The salary assigned to a particular physician in the

State pay scale is determined by a complex point system. By placing the actuaries on the physicians' schedule, the same point system will be used but with the result, that there will be approximately an \$11,000 increase. There's not room for negotiation in this process unless the union disagrees with the assignment of points, to this particular job.

By passing this bill, as the good Senator from Sagadahoc, would have us, we are simply granting a special pay increase, and we all admit that there is one needed, to a certain classification of the State Employees.

In the Collective Bargaining Bill passed, it was my understanding that we would not get involved in the question of individual State Employees' pay, the administration has evidently taken the position that these issues are not negotiable.

The MSEA and myself feel that these issues are negotiable and the amendment attached to this bill at the present time, House Amendment "C" is neutral on the question of negotiability. It's permissive language and it doesn't mandate.

I don't feel that the Legislature is the proper forum to decide this issue, just as I've never felt that we should be in the Collective Bargaining procedure as deeply as we have been at other times.

The amendment, along with the assurances offered by the union, should in my opinion satisfy the needs and the desires of both parties and should speed the process, which I think we all are concerned about, and that is the actual hiring of an actuary.

It guarantees the State's ability to hire an actuary, and at the same time, reserves the neutrality of this Legislative Process. So I would oppose the motion to Recede. If my position should happen to have sufficient votes, would offer the motion to Recede and Concur, at a later time. Thank you.

The PRESIDENT: Is the Senate ready for the question?

The Chair recognizes the Senator from Penobscot, Senator Pray.

Senator PRAY: Mr. President, a Parliamentary Inquiry to the Chair, if we defeat the motion to Recede, then the motion to Recede and Concur would be out of order. Is that correct?

The PRESIDENT: That's affirmative. The only available motions are to Insist or to Adhere.

The Chair will order a Division.

Will all those Senators in favor of the motion by the Senator from Sagadahoc, Senator Chapman to Recede, please rise in their places to be counted.

Will all those Senators opposed, please rise in their places to be counted.

24 Senators having voted in the affirmative, and 1 Senator in the negative, the Motion to Recede does prevail.

The Chair recognizes the Senator from Sagadahoc, Senator Chapman.

Senator CHAPMAN: Mr. President, I would move that the Senate now Adopt House Amendment "D".

The PRESIDENT: The Senator from Sagadahoc, Senator Chapman, moves that the Senate Adopt House Amendment "D".

The Chair recognizes the Senator from Aroostook, Senator Carpenter.

Senator CARPENTER: Mr. President, a Parliamentary Inquiry.

Would the motion to Concur be in order at this time?

The PRESIDENT: The Chair would answer in the affirmative.

Senator CARPENTER: Mr. President, I so move.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Pray.

Senator PRAY: Thank you, Mr. President. Mr. President, and Members of the Senate, last year during the negotiations or during the

debate in this Chamber over the negotiations of the contract that took place last year in which this Senate eventually ratified the contract, we ratified a section of that contract, which I have before me. On page 104, issue number 56, Conclusion of Negotiations, where it states in paragraph 8: "The State and MSEA agree that this agreement and the entire agreement terminates all prior agreements or understanding that concludes all collective negotiations during its term. Neither party will during the term of this agreement seek to unilaterally modify its term through Legislation or other means which may be available to them."

I think that the points that the Senator from Aroostook, Senator Carpenter, brought out, basically is summed up in that one paragraph of the contract.

The PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Chapman.

Senator CHAPMAN: Mr. President, I would urge the Senate oppose the motion to Concur. I would just like to make 2 or 3 more comments.

In response to the remarks by the Senator from Aroostook, Senator Carpenter, where he said if we Concur, we would Adopt House Amendment "C". We are not mandating salary level or range changes.

I would like to point out that the original bill is not mandating a salary level or a range to be used. It's mandating that Schedule 1A be used, which has 13 ranges within it, which vary from \$22,800 to \$53,100. Should this be adopted by this Legislature, the Commissioner of Personnel still then has to assign one of those proper ranges to be used, at which time, the mechanism already exists allowing the union to appeal any pay decision pursuant to that, to an arbitrator.

I would suggest that this procedure should be used instead of trying to establish a newer, different procedure to be used.

The PRESIDENT: The Chair will order a Division.

Will all those Senators in favor of the motion by the Senator from Aroostook, Senator Carpenter, to Concur, please rise in their places to be counted.

Will all those Senators opposed, please rise in their places to be counted.

The Chair recognizes the Senator from Penobscot, Senator Pray.

Senator PRAY: I request a Roll Call.

The PRESIDENT: A Roll Call has been requested. Under the Constitution, in order for the Chair to order a Roll Call it requires the affirmative vote of at least one-fifth of those Senators present and voting.

Will all those Senators in favor of ordering a Roll Call, please rise and remain standing until counted.

Obviously more than one-fifth having arisen a Roll Call is ordered.

The pending question before the Senate is the Motion by the Senator from Aroostook, Senator Carpenter, that the Senate Concur on L. D. 1843.

A Yes vote will be in favor of the Motion to Concur.

A No vote will be opposed.

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

YEA—Carpenter, Conley, Farley, McBreairty, Minkowsky, Najarian, O'Leary, Pray, Silberman, Teague, Trafton, Usher.

NAY—Ault, Chapman, Clark, Collins, Devoe, Emerson, Gill, Hichens, Huber, Katz, Lovell, Perkins, Pierce, Shute, Trotzky.

ABSENT—Cote, Danton, Martin, Redmond, Sutton.

12 Senators having voted in the affirmative, and 15 Senators in the negative, with 5 Senators being absent, the Motion to Concur does not prevail.

House Amendment "D" (H-799) Adopted, in concurrence.

House Amendment "C" (H-797) Read.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Senator KATZ: I would like to inquire of the Senator from Sagadahoc, Senator Chapman, whether this amendment is agreeable to him?

The PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Chapman.

Senator CHAPMAN: Mr. President, thank you. House Amendment "C" I would wish to be Indefinitely Postponed, I therefore make that motion.

On Motion by Senator Chapman of Sagadahoc, House Amendment "C", Indefinitely Postponed, in non-concurrence.

The Bill, as amended, Passed to be Engrossed, in non-concurrence.

Sent down for concurrence.

Joint Order

An Expression of Legislative Sentiment recognizing:

Chester Reynolds, of Gardiner, who has unselfishly helped the people of Guatemala since a devastating earthquake and is helping to build a children's hospital wing. (H. P. 1867)

Comes from the House, Read and Passed.

Which was Read and Passed, in concurrence.

Senate Paper

Senator Conley of Cumberland presented, Bill, "An Act to Exempt from Registration Requirement Certain Substance Abuse Counselors Employed in that Capacity Prior to Enactment of those Requirements. (S. P. 767)

Which was referred to the Committee on Health and Institutional Services and Ordered Printed.

Sent down for concurrence.

Committee Report Senate

Ought to Pass — As Amended

Senator Pierce for the Committee on Election Laws on, Bill, "An Act Relating to the Bonding of Voting Device Vendors." (S. P. 694) (L. D. 1816)

Reported that the same Ought to Pass as amended by Committee Amendment "A" (S-423).

Which Report was Read and Accepted and the Bill Read Once. Committee Amendment "A" was Read and Adopted and the Bill, as amended, Tomorrow Assigned for Second Reading.

Enactors

The Committee on Engrossed Bills reported as truly and strictly engrossed the following:

An Act to Provide Arthritic Drugs to Eligible Individuals under the Low Cost Drug Program. (S. P. 654) (L. D. 1693)

On Motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

An Act to Allow Limited Use of Hydraulic Dredges in the Taking of Soft Shell Clams or Quahogs. (H. P. 1633) (L. D. 1743)

An Act to Limit Possession of Lobsters on board Boats Rigged for Otter or Beam Trawling, Seining or Netting. (H. P. 1631) (L. D. 1741)

Which were Passed to be Enacted and having been signed by the President, were by the Secretary presented to the Governor for his approval.

Emergency

An Act to Appropriate Funds for Special Election. (H. P. 1672) (L. D. 1779)

On Motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

Emergency

An Act to Provide Compensation and Benefits Agreed to by the State and the Maine State Troopers Association. (H. P. 1753) (L. D. 1880)

This being an emergency measure and having received the affirmative votes of 26 Members of the Senate, with no Senators voting in the negative, was Passed to be Enacted, and having been signed by the President, was by the Secretary presented to the Governor for his approval.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Conley.

Senator CONLEY: Mr. President, I rise on a point of Parliamentary Inquiry. That is, with respect to an item shown on Page 3 of today's calendar under Bills Held. It was my understanding that on last Friday, or immediately upon completion of the calendar, the Majority Floorleader made a motion that all matters acted upon be sent forthwith. I'd like to have an explanation as to why this is on the calendar today.

The PRESIDENT: The Chair would advise the Senator from Cumberland that the motion to send all matters forthwith was made and acted upon before the bill in question was removed from the table.

Senator Katz of Kennebec, was granted unanimous consent to address the Senate, Off the Record.

Orders of the Day

The Chair laid before the Senate the first tabled and specially assigned matter:

HOUSE REPORT—from the Committee on Health and Institutional Services—Bill, "An Act to Provide for Licensing and Regulation of Adult Foster Homes." (H. P. 1089) (L. D. 1466) Ought to Pass in New Draft Under Same Title (H. P. 1816) (L. D. 1927)

Tabled—February 21, 1980 by Senator Pierce of Kennebec.

Pending—Acceptance of Report.

On Motion by Senator Katz of Kennebec, Retabled for 1 Legislative Day.

The Chair laid before the Senate the second tabled and specially assigned matter:

RESOLUTION, Proposing an Amendment to the Constitution of Maine to Bring into Conformance the Year in which the House and Senate shall be Apportioned. (H. P. 1720) (L. D. 1824)

Tabled—February 21, 1980 by Senator Pierce of Kennebec.

Pending—Passage to be Engrossed.

On Motion by Senator Katz of Kennebec, Retabled for 2 Legislative Days.

The Chair laid before the Senate the third tabled and specially assigned matter:

Bill, "An Act to Authorize Cutting of Trees on State Park Lands." (H. P. 1623) (L. D. 1733)

Tabled—February 22, 1980 by Senator Katz of Kennebec.

Pending—Consideration.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator McBreaity.

Senator McBREAITY: Mr. President and Members of the Senate: I move to Recede from action whereby this Bill was Indefinitely Postponed.

The PRESIDENT: The Senator from Aroostook, Senator McBreaity, moves that the Senate Recede from its action whereby it Indefinitely Postponed L. D. 1733.

Is this the pleasure of the Senate?

The Motion Prevailed.

The Senator has the floor.

Senator McBREAITY: I move to Recede from action whereby House Amendment "A" was Indefinitely Postponed.

The PRESIDENT: The Senator from Aroostook, Senator McBreaity, moves the Senate Recede from its action whereby House Amendment "A" (H-783) was Indefinitely Postponed.

Is this the pleasure of the Senate?

The Motion Prevailed.

The Senator has the floor.

Senator McBREAITY: I present Senate

Amendment "A" to House Amendment "A" under Filing Number S-421, and move its adoption.

The PRESIDENT: The Senator from Aroostook, Senator McBreaity, now offers Senate Amendment "A" to House Amendment "A" and moves its Adoption.

Senate Amendment "A" (S-421) Read,

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Pray.

Senator PRAY: Mr. President, a question through the Chair to the good Senator from Aroostook, Senator McBreaity, if he could tell us what change this makes in the existing bill?

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator McBreaity.

Senator McBREAITY: Mr. President and Members of the Senate: This amendment gives the Parks and Recreation Department exactly what they told us they were asking for with the other amendment, but it clarifies it so that it's a little easier understood.

On Motion by Senator Pray of Penobscot, Tabled until later in today's session, pending Adoption of Senate Amendment "A" to House Amendment "A".

The Chair laid before the Senate the fourth tabled and specially assigned matter:

Bill, "An Act to Develop Elderly Congregate Housing in Maine." (S. P. 724) (L. D. 1873)

Tabled—February 22, 1980 by Senator Minkowsky of Androscoggin.

Pending—Motion of Senator Conley of Cumberland to Recede and Concur.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Minkowsky.

Senator MINKOWSKY: Mr. President and Members of the Senate: Just a point of clarification relevant to the Congregate Housing Bill in the State of Maine, which reverts back to one of the questions I asked to be addressed last week, that was relevant to the appropriation of \$87,360.

In a letter from the Maine State Housing Authority, dated February 14, I would like to read into the Record at least 3 paragraphs, maybe the sponsors or somebody on the committee might be able to explain it a little further.

The first paragraph that I was concerned with was: "The assumption must be made that once the State begins a program which requires financial support, it will continue that policy unless major alterations and circumstances require change in the State's commitment. This is a risk that can be borne by both the State and the bondholder."

Secondly, "moreover the current appropriations requested is designed to provide the appropriate state agencies with the time to reallocate resources and to develop on going funding mechanisms to assure services for the life of the building."

Now this is extremely important, because we're talking now of an \$87,000 appropriation. We're talking the life of the building. Are we saying that we are automatically guaranteeing an \$87,000 appropriation each year for supportive services?

Thirdly, in one sense it is a classic chicken in the egg, according to the writer, system. We need the bond money to build the facilities. Subsequently we need the service money to run the facility, but without the service money available up front, we cannot sell the bonds necessary to finance the building over the long term.

In short the Housing Authority cannot provide long term mortgage financing without the availability of service dollars for the term of the mortgage.

I think possibly that the sponsors might address that particular aspect of it, it would clarify a great deal. Also some assurance that even though the Committee on Aging overdrew their account by \$11,000 last year, and were appropriated about \$70,000 this year, and have al-

ready spent \$52,000, and they only have 6 more months to go. I'm wondering if this particular money that we are speaking about, should it be approved, as I mentioned last week, could be appropriated through an order from the Budget Office to the Committee before that Housing is built?

The PRESIDENT: The Chair recognizes the Senator from Cumberland Senator Najarian.

Senator NAJARIAN: Mr. President and Members of the Senate: As one of the co-sponsors of this Bill, I would like to try to reply to the questions raised by the Senator from Androscoggin, Senator Minkowsky.

First of all, for those of you who might not be familiar with this bill at all. It is an act to establish two pilot projects for Congregate Housing in the State. One in a rural area and one in an urban area.

The one in the urban area would be financed for construction, and payment would be financed by the Maine State Housing Authority. The one in the rural area by the Farmers Home Administration.

This congregate housing is designed for elderly, frail elderly as they are described, over 65 years of age, who can no longer maintain independent living but are not at the point where they need the continual care of a boarding home or a nursing home. They are able to do most things for themselves, but for example, they might need housekeeping services, they might need transportation services, or some personal attention.

There exists congregate housing of this type in several other states, and the idea is in the long run, to provide some alternatives to our present structure, which is either you live by yourself, maintain your own independent living or else the only other alternative is to go to a boarding home or a nursing home.

The Maine State Housing Authority can finance the buildings as they usually do under Section 8, and the tenants would pay 25% of their income and the Federal Government would pay the remaining 75%. There is no provision for the support services and the Committee on Aging, and the Bureau of Maine's Elderly have worked out a system whereby the tenant would pay 1/2 of the cost of the support services, and the State would appropriate the remainder. It comes out to about \$80 per year per person, per month per person. Anyway it comes out to \$87,000 for the two years.

The Maine State Housing Authority can't go ahead with building the structure until they know that the support services are going to be met. That is the reason why the appropriation is in there, to become available, they do not think until after July 1981. It is appropriated to the bureau of Maine's Elderly, the Finance Commissioner can not withdraw that and use it for any other purpose, without getting permission from the Legislature. He can only withdraw less than 10% from it if he does more than that he has got to get permission from the Governor, and notify the Legislative Council and the Appropriations Committee. So there are plenty of safeguards there for that.

The long term financing for this is expected to be derived from savings from people who do not have to go to boarding homes or nursing homes. The congregate housing would cost the State \$9.50 per person per year, and a boarding home, costs over \$3,000, as does a nursing home cost the State about \$3,000 per year per resident.

The Commissioner of Human Services says he figures that we have about 3,000 or 4,000 people inappropriately placed now in nursing homes and boarding homes, so if we can direct people into this less costly mode of living then the savings will be there without additional appropriation. I hope that that answered most of your questions.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Minkowsky.

Senator MINKOWSKY: I thank the good Senator from Cumberland, for her explanation, she did a very commendable job.

The area that still concerns me as it states in the bill, the project is intended to demonstrate the cost effectiveness of congregate housing, when compared to nursing or boarding homes care.

Does this mean now we are putting, or if it does pass, the \$87,000 that this will continue to be an appropriation for the duration of that particular project, every single year?

Now the good Senator brought out the differential between what would be saved if a person went into a nursing home or a boarding home, and indicated somehow or other that that money would be saved and gave me the indication that it would be applied to this particular demonstration project. I am just wondering if I am accurate in that particular appraisal?

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Najarian.

Senator NAJARIAN: Mr. President and Members of the Senate: I think that the legislation calls for the Health and Institutional Committee to reexamine the funding mechanism for this in the 110th Legislature.

Presumably some funding will be necessary for the life of this project, and the appropriation will probably increase with inflation, but so will the cost of boarding homes and nursing homes, because apparently now we are spending \$5,000,000 more a year than we need to because of people inappropriately placed.

I think that the Health and Institutional Services Committee and the Committee on Aging, all the people who have looked into this have studied the financing mechanisms sufficiently for the next couple of years, and have provided steps to take for looking at it for the long term future.

The PRESIDENT: Is the Senate ready for the question?

The pending question before the Senate is the Motion by Senator Conley of Cumberland, that the Senate Recede and Concur with the House.

Is this the pleasure of the Senate?

The Motion Prevailed.

The Chair laid before the Senate the fifth tabled and specially assigned matter:

Bill, "An Act to Permit the Department of Transportation to Acquire Railroad Operating Equipment." (S. P. 666) (L. D. 1720)

Tabled—February 22, 1980 by Senator Katz of Kennebec.

Pending—Enactment.

On Motion by Senator McBreaity of Aroostook, under Suspension of the Rules, the Senate voted to Reconsider its Action whereby L. D. 1720, was Passed to be Engrossed.

Senator MCBREAIRTY: Mr. President and Members of the Senate: I submit Senate Amendment "A" under Filing Number S-422 and move its Adoption.

The PRESIDENT: The Senator from Aroostook, Senator McBreaity offers Senate Amendment "A" to L. D. 1720 and moves its Adoption.

Senate Amendment "A" (S-422) Read, and Adopted.

The bill, as amended, Passed to be Engrossed, in non-concurrence.

Sent down for concurrence.

The Chair laid before the Senate the sixth tabled and specially assigned matter:

Bill, "An Act to Increase the Fees for the Driver Education Evaluation Program." (H. P. 1691) (L. D. 1801)

Tabled—February 22, 1980 by Senator Katz of Kennebec.

Pending—Enactment.

On Motion by Senator Katz of Kennebec, Retabled for 1 Legislative Day.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Senator KATZ: Mr. President, is the Senate in possession of L. D. 1728, "An Act to Establish \$10,000,000 as the Limit of the Maine Coastal Protection Fund?"

The PRESIDENT: The Chair would answer in the affirmative, L. D. 1728, An Act to Establish \$10,000,000 as the Limit of the Maine Coastal Protection Fund having been held.

Senator KATZ: I move that the Senate Reconsider its action whereby this Bill was Passed to be Engrossed.

The PRESIDENT: The Senator from Kennebec, Senator Katz, now moves that the Senate Reconsider its action whereby this Bill, "An Act to Establish \$10,000,000 as the Limit of the Maine Coastal Protection Fund." (H. P. 1618) (L. D. 1728) was Passed to be Engrossed.

On Motion by Senator Katz of Kennebec, Tabled, pending the Motion by Senator Katz of Kennebec.

The Chair laid before the Senate: Bill, "An Act to Authorize Cutting of Trees on State Park Lands," (H. P. 1623) (L. D. 1733) tabled earlier in today's session, by the Senator from Penobscot, Senator Pray, pending the Motion by Senator McBreaity of Aroostook.

Senate Amendment "A" to House Amendment "A" Adopted.

House Amendment "A" (H-873) as amended, Adopted, in non-concurrence.

The Bill, as amended, Passed to be Engrossed, in non-concurrence.

Sent down for concurrence.

On Motion by Senator Pierce of Kennebec, there being no objections, all items previously acted upon were sent forthwith.

On Motion by Senator Pierce of Kennebec, adjourned until 10 o'clock tomorrow morning.