

MAINE STATE LEGISLATURE

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Legislative Record
House of Representatives
One Hundred and Twenty-First Legislature
State of Maine

Volume I

First Regular Session

December 4, 2002 – May 23, 2003

Pages 1-776

ONE HUNDRED AND TWENTY-FIRST LEGISLATURE
FIRST REGULAR SESSION
11th Legislative Day
Wednesday, February 5, 2003

The House met according to adjournment and was called to order by the Speaker.

Prayer by Chaplain E. Scott Dow, Augusta Mental Health Institute.

Pledge of Allegiance.

The Journal of yesterday was read and approved.

SENATE PAPERS

The following Joint Resolution: (S.P. 163)

JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES TO SUPPORT THE FULL PURSUIT OF DIPLOMATIC RESOLUTIONS AND WEAPONS INSPECTIONS

WE, your Memorialists, the Members of the One Hundred and Twenty-first Legislature of the State of Maine now assembled in the First Regular Session, most respectfully present and petition the President of the United States, as follows:

WHEREAS, there is an urgent need for genuine multilateral action to eliminate weapons of mass destruction worldwide; and

WHEREAS, most governments around the world oppose unilateral action regarding Iraq and support the full pursuit of diplomatic resolutions and weapons inspections before any further military action is taken against Iraq; and

WHEREAS, a war with Iraq will jeopardize the lives of American soldiers and will kill many innocent Iraqi civilians who have already suffered enormously under Saddam Hussein's rule and sanctions of the United Nations; and

WHEREAS, a United States military attack on Iraq threatens the stability of the Middle East region; and

WHEREAS, military action will likely result in a long-term United States military presence; and

WHEREAS, conflict in the area may result in the widespread destruction of the environment and the civilian infrastructure of Iraq; and

WHEREAS, military expenditures will cause ballooning federal budget deficits, further weakening an already sluggish economy and ensuring reductions in federal aid to the State; and

WHEREAS, the State of Maine is suffering from a fiscal crisis such that its ability to stabilize the taxes of the people of the State is being threatened, and programs that benefit working people and the poor are being threatened by severe budget cuts; and

WHEREAS, it has been estimated that a war in Iraq would likely cost the United States taxpayers over \$100 billion which would include \$267,000,000 from Maine taxpayers, an amount that could go a long way to meeting our health and education needs; and

WHEREAS, if the country does go to war, this resolution should in no way be interpreted as not supporting our troops, and We, your Memorialists, stand in full and unwavering support of our brave men and women of the Armed Forces whenever they are called into action; now, therefore, be it

RESOLVED: That We, your Memorialists, respectfully urge and request that the President of the United States support the full pursuit of diplomatic resolutions and weapons inspections; and be it further

RESOLVED: That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable George W. Bush, President of the United States, and to each Member of the Maine Congressional Delegation and the Governor of the State of Maine.

Came from the Senate, **READ** and **ADOPTED**.
READ.

On motion of Representative RICHARDSON of Brunswick, **TABLED** pending **ADOPTION** and later today assigned.

The following Joint Resolution: (S.P. 170)

JOINT RESOLUTION URGING THE DEPARTMENT OF TRANSPORTATION TO UNDERTAKE PROJECTS ALONG THE EAST-WEST HIGHWAY IN A MANNER CONSISTENT WITH FUTURE GROWTH

WHEREAS, in 1997, the Maine Legislature established an East-West Highway of Maine, consisting of the following roads in our State: Route 9 from Calais to Bangor, Interstate 95 from Bangor to Newport and Route 2 from Newport to Rumford to New Hampshire; and

WHEREAS, in 2002, at the request of Maine's Congressional Delegation, the United States Secretary of Transportation directed that this corridor be studied for designation as a National High Priority Corridor, which would qualify it for significant federal funding; and

WHEREAS, an East-West Highway will ideally one day be a limited-access, divided 4-lane highway that will connect the less-traveled parts of Maine to Canada and the rest of the United States and will result in a more equitable distribution of our highways' loads; now, therefore, be it

RESOLVED: That We, the Members of the One Hundred and Twenty-first Legislature, now assembled in the First Regular Session, on behalf of the people we represent, urge the Department of Transportation to take into account that projects being considered by that department along the existing route of the East-West Highway should be undertaken in such a way to be consistent with the intent to eventually build a larger 4-lane highway linking Maine to other areas; and be it further

RESOLVED: That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Commissioner of Transportation with our best wishes that cooperation between the Legislature and the Department of Transportation benefit the people of the State of Maine.

Came from the Senate, **READ** and **ADOPTED**.
READ.

On motion of Representative RICHARDSON of Brunswick, **TABLED** pending **ADOPTION** and later today assigned.

The following Joint Resolution: (S.P. 172)

JOINT RESOLUTION HONORING THE ASTRONAUTS OF THE SPACE SHUTTLE COLUMBIA

WHEREAS, on the morning of February 1, 2003, the space shuttle Columbia with its 7 National Aeronautics and Space Administration astronauts, returning from an extraordinarily successful scientific mission, was tragically and abruptly lost just minutes before its scheduled landing; and

WHEREAS, the brave and daring crew of gifted men and women, 6 representing the very finest of this Nation and one representing the State of Israel as its first astronaut, were eagerly returning from a mission hailed for its achievements in advancing science in several areas; and

WHEREAS, the space shuttle Columbia has continued the pioneering legacy of its predecessors, having been the first space shuttle to fly into Earth orbit in 1981 and having flown 28 missions; and

WHEREAS, the 7 astronauts dedicated their lives to meeting scientific challenges, advancing the knowledge of space for all,

and did so with happy hearts, willingly and with great enthusiasm; now, therefore, be it

RESOLVED: That We, the Members of the Senate and the House of Representatives of the One Hundred and Twenty-first Legislature now assembled in First Regular Session, pause in our deliberations to pay this tribute to: William C. McCool, Rick D. Husband, Michael Anderson, Kalpana Chawla, David M. Brown, Laurel Blair Salton Clark and Ilan Ramon and to join the people of the State of Maine in expressing to the families of the deceased our deepest understanding and prayer and to inscribe upon our journals this token of sympathy and condolence to all who share this great loss; and be it further

RESOLVED: That We respectfully request that when the Legislature adjourns this date it does so in honor and lasting tribute to each of the deceased; and be it further

RESOLVED: That suitable copies of this Joint Resolution be prepared and presented forthwith to these beloved families on behalf of the Legislature and the people of the State of Maine.

Came from the Senate, **READ** and **ADOPTED**.

READ.

On motion of Representative RICHARDSON of Brunswick, **TABLED** pending **ADOPTION** and later today assigned.

Bill "An Act To Increase Educational Certification for Humane Agents and Animal Control Officers"

(S.P. 149) (L.D. 431)

Came from the Senate, **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** and ordered printed.

REFERRED to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** in concurrence.

Bill "An Act to Enhance Services for the Blind"

(S.P. 157) (L.D. 438)

Came from the Senate, **REFERRED** to the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** and ordered printed.

REFERRED to the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** in concurrence.

Bill "An Act To Clarify That the Maine Juvenile Code Does Not Preclude Sharing Information with School Administrators for Purposes of School Safety, Order and Discipline"

(S.P. 145) (L.D. 427)

Bill "An Act To Amend the Law Regarding Revocation of Probation"

(S.P. 167) (L.D. 495)

Bill "An Act To Amend the Period of Probation for Class D Crimes"

(S.P. 168) (L.D. 496)

Came from the Senate, **REFERRED** to the Committee on **CRIMINAL JUSTICE AND PUBLIC SAFETY** and ordered printed.

REFERRED to the Committee on **CRIMINAL JUSTICE AND PUBLIC SAFETY** in concurrence.

Resolve, Directing the President of Each University Campus To Meet With Local Municipal Officers To Negotiate Reasonable and Appropriate Financial Support for Municipal Services Provided

(S.P. 161) (L.D. 442)

Came from the Senate, **REFERRED** to the Committee on **EDUCATION AND CULTURAL AFFAIRS** and ordered printed.

On motion of Representative CUMMINGS of Portland, **TABLED** pending **REFERENCE** and later today assigned.

Resolve, To Increase Allowance Levels for Nursing Home Residents

(S.P. 147) (L.D. 429)

Bill "An Act To Amend the Maine Health Data Organization Laws"

(S.P. 150) (L.D. 432)

Resolve, To Provide Equitable Services to Persons with Congenital Brain Anomalies

(S.P. 158) (L.D. 439)

Resolve, To Provide Equitable Treatment of Graduate Students

(S.P. 159) (L.D. 440)

Resolve, To Maintain Flexibility and Safety in Caring for People with Severe and Persistent Mental Illness (EMERGENCY)

(S.P. 165) (L.D. 480)

Came from the Senate, **REFERRED** to the Committee on **HEALTH AND HUMAN SERVICES** and ordered printed.

REFERRED to the Committee on **HEALTH AND HUMAN SERVICES** in concurrence.

Bill "An Act To Eliminate the Department of Professional and Financial Regulation, Bureau of Insurance Travel Restrictions for Obtaining Health Care"

(S.P. 146) (L.D. 428)

Bill "An Act To Amend the Patient's Bill of Rights Laws"

(S.P. 152) (L.D. 434)

Bill "An Act To Restrict the Cancellation of Health Insurance Coverage During an Enrollee's Period of Incarceration"

(S.P. 154) (L.D. 435)

Resolve, To Study the Feasibility and Effectiveness of Providing Consumers with Consumer Reports on Health Care Services (EMERGENCY)

(S.P. 169) (L.D. 497)

Came from the Senate, **REFERRED** to the Committee on **INSURANCE AND FINANCIAL SERVICES** and ordered printed.

REFERRED to the Committee on **INSURANCE AND FINANCIAL SERVICES** in concurrence.

Bill "An Act To Allow Certain Persons Representing Business Entities To Appear in Court in Forcible Entry and Detainer Cases"

(S.P. 143) (L.D. 407)

Came from the Senate, **REFERRED** to the Committee on **JUDICIARY** and ordered printed.

REFERRED to the Committee on **JUDICIARY** in concurrence.

Bill "An Act to Expand Payment Options on Sales of Alcoholic Beverages by Licensees"

(S.P. 151) (L.D. 433)

Came from the Senate, **REFERRED** to the Committee on **LEGAL AND VETERANS AFFAIRS** and ordered printed.

REFERRED to the Committee on **LEGAL AND VETERANS AFFAIRS** in concurrence.

Bill "An Act To List Agriculture as a Designated Use in Water Quality Standards"

(S.P. 162) (L.D. 443)

Came from the Senate, **REFERRED** to the Committee on **NATURAL RESOURCES** and ordered printed.

REFERRED to the Committee on **NATURAL RESOURCES** in concurrence.

Bill "An Act To Create a Minimal Excise Tax for Farm Trucks"

(S.P. 155) (L.D. 436)

Came from the Senate, **REFERRED** to the Committee on **TAXATION** and ordered printed.

REFERRED to the Committee on **TAXATION** in concurrence.

Resolve, To Designate Route 201 as Part of the East-West Highway

(S.P. 144) (L.D. 406)

Bill "An Act To Encourage the Development and Use of Domestically Produced Renewable Motor Vehicle Fuels"

(S.P. 160) (L.D. 441)

Came from the Senate, **REFERRED** to the Committee on **TRANSPORTATION** and ordered printed.

REFERRED to the Committee on **TRANSPORTATION** in concurrence.

Bill "An Act To Clarify Ownership Rights to Repossessed Vehicles"

(S.P. 148) (L.D. 430)

Came from the Senate, **REFERRED** to the Committee on **TRANSPORTATION** and ordered printed.

On motion of Representative USHER of Westbrook, **TABLED** pending **REFERENCE** and later today assigned.

Bill "An Act To Ensure Opportunity for Public Comment at Meetings of Sanitary Districts"

(S.P. 156) (L.D. 437)

Bill "An Act To Revise the Funding Formula for the Public Utilities Commission and the Public Advocate"

(S.P. 166) (L.D. 479)

Bill "An Act To Preserve Competition in the Long-distance Telephone Market"

(S.P. 164) (L.D. 481)

Came from the Senate, **REFERRED** to the Committee on **UTILITIES AND ENERGY** and ordered printed.

REFERRED to the Committee on **UTILITIES AND ENERGY** in concurrence.

COMMUNICATIONS

The Following Communication: (H.C. 28)

STATE OF MAINE
121ST MAINE LEGISLATURE

January 23, 2003
Honorable John E. Baldacci
Governor of Maine
1 State House Station
Augusta, ME 04333
Dear Governor Baldacci:

We are pleased to invite you to deliver your Budget Address at a Joint Session of the 121st Maine Legislature on Wednesday, February 5, 2003 at 7:00 p.m.

We look forward to seeing you then.

Sincerely,
S/Beverly C. Daggett
President of the Senate
S/Patrick Colwell
Speaker of the House

READ and **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 29)

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0001

January 29, 2003

The Honorable Beverly C. Daggett
President of the Senate
Augusta, Maine 04333
The Honorable Patrick Colwell
Speaker of the House
Augusta, Maine 04333

Dear President Daggett and Speaker Colwell:

It is with pleasure that I accept your invitation to address a Joint Session of the 121st Maine Legislature on Wednesday, February 5, 2003, at 7:00 p.m., to deliver the Budget Address.

I look forward to working with the 121st Legislature!

Sincerely,
S/John E. Baldacci
Governor

READ and **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 30)

MAINE STATE LEGISLATURE
AUGUSTA, MAINE 04333
COMMISSION ON FATHERHOOD ISSUES

January 29, 2003

The Honorable Beverly C. Daggett, President
The Honorable Patrick Colwell, Speaker
121st Maine Legislature
State House
Augusta, ME 04333

Dear President Daggett and Speaker Colwell:

This letter is to inform you that the Commission on Fatherhood Issues has submitted the attached final report to the Legislative Council pursuant to Resolve 2001, chapter 121. Copies of the report have been placed on file with the Law and Legislative Reference Library. Copies will be transmitted to the Joint Standing Committee on Judiciary.

Sincerely,
S/Senator Michael J. McAlevee, Senate Chair
S/Representative Deborah L. Simpson, House Chair
READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (S.P. 153)

**STATE OF MAINE
121ST LEGISLATURE**

January 30, 2003

Sen. Bruce S. Bryant

Senate Chair, Joint Standing Committee on
Agriculture, Conservation and Forestry

Rep. Linda Rogers McKee

House Chair, Joint Standing Committee on
Agriculture, Conservation and Forestry

121st Legislature

Augusta, ME 04333

Dear Senator Bryant and Representative McKee:

Please be advised that Governor John E. Baldacci has nominated Robert W. Spear of Nobleboro as Commissioner of the Department of Agriculture, Food and Rural Resources.

Pursuant to Title 7, M.R.S.A. §1, this nomination will require review by the Joint Standing Committee on Agriculture, Conservation and Forestry and confirmation by the Senate.

Sincerely,

S/Beverly C. Daggett

President of the Senate

S/Patrick Colwell

Speaker of the House

Came from the Senate, **READ** and **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY**.

READ and **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** in concurrence.

The Following Communication: (S.C. 34)

**MAINE SENATE
121ST LEGISLATURE
OFFICE OF THE SECRETARY**

February 4, 2003

Honorable Patrick Colwell

Speaker of the House

2 State House Station

Augusta, ME 04333

Dear Speaker Colwell:

In accordance with Joint Rule 506 of the 121st Maine Legislature, please be advised that the Senate today confirmed the following nominations:

Upon the recommendation of the Joint Standing Committee on Agriculture, Conservation and Forestry, the nomination of Patrick McGowan of York, for appointment as the Commissioner of the Department of Conservation.

Upon the recommendation of the Joint Standing Committee on Insurance and Financial Services, the nomination of Robert Murray of Bangor, for appointment as the Commissioner of the Department of Professional and Financial Regulation.

Sincerely,

S/Joy J. O'Brien

Secretary of the Senate

READ and **ORDERED PLACED ON FILE**.

**PETITIONS, BILLS AND RESOLVES REQUIRING
REFERENCE**

Bill "An Act To Stimulate Economic Recovery and Growth"

(H.P. 388) (L.D. 503)

Sponsored by Representative CRESSEY of Baldwin.

Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** suggested and ordered printed.

REFERRED to the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** and ordered printed.

Sent for concurrence.

Bill "An Act To Ensure Supervision and Oversight of the Board of Registration for Professional Engineers"

(H.P. 385) (L.D. 500)

Sponsored by Representative BARSTOW of Gorham.

Cosponsored by Representatives: BULL of Freeport, DUNLAP of Old Town, FISCHER of Presque Isle, JACKSON of Fort Kent, PARADIS of Frenchville, USHER of Westbrook, Senator: HATCH of Somerset.

Bill "An Act To Allow Local Plumbing Inspectors To Assist the Plumbers' Examining Board in Establishing the State Plumbing Code"

(H.P. 386) (L.D. 501)

Sponsored by Representative KANE of Saco.

Cosponsored by Senator PENDLETON of Cumberland and Representatives: LEMOINE of Old Orchard Beach, O'NEIL of Saco.

Committee on **BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT** suggested and ordered printed.

REFERRED to the Committee on **BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT** and ordered printed.

Sent for concurrence.

Bill "An Act To Allow a Parent To Choose Not To Vaccinate a Child Against Chicken Pox for School Attendance"

(H.P. 384) (L.D. 499)

Sponsored by Representative McNEIL of Rockland.

Committee on **EDUCATION AND CULTURAL AFFAIRS** suggested and ordered printed.

REFERRED to the Committee on **EDUCATION AND CULTURAL AFFAIRS** and ordered printed.

Sent for concurrence.

Bill "An Act To Expand the Education Tax Credit"

(H.P. 387) (L.D. 502)

Sponsored by Speaker COLWELL of Gardiner.

Cosponsored by Senators: CATHCART of Penobscot, President DAGGETT of Kennebec, Senator BRENNAN of Cumberland and Representatives: CUMMINGS of Portland, DUPLESSIE of Westbrook, GAGNE-FRIEL of Buckfield, LEMOINE of Old Orchard Beach, NORTON of Bangor, RICHARDSON of Brunswick, Senator: MITCHELL of Penobscot.

Bill "An Act To Strengthen the Taxpayer Bill of Rights"

(H.P. 389) (L.D. 504)

Sponsored by Representative CRESSEY of Baldwin.

Cosponsored by Senator YOUNGBLOOD of Penobscot and Representatives: ANNIS of Dover-Foxcroft, BOWEN of Rockport, CAMPBELL of Newfield, DUPREY of Hampden, GLYNN of South Portland, MOORE of Standish, SNOWE-MELLO of Poland, STONE of Berwick.

Bill "An Act To Promote Maine Farm and Dairy Products in Place of Soft Drinks in Public Schools and To Create a Maine Residency Program for New Dentists"

(H.P. 390) (L.D. 505)

Sponsored by Representative MILLS of Cornville.

Committee on **TAXATION** suggested and ordered printed.

REFERRED to the Committee on **TAXATION** and ordered printed.

Sent for concurrence.

At this point, a message came from the Senate, borne by Senator Treat of Kennebec of that Body, proposing a Joint Convention of both branches of the Legislature to be held in the Hall of the House at 6:30 in the evening for the purpose of extending to His Excellency, Governor John E. Baldacci, an invitation to attend the Convention and to make such communication as pleases him.

Thereupon the House voted to concur in the proposal for a Joint Convention to be held at 6:30 in the evening and the Speaker appointed Representative RICHARDSON of Brunswick to convey this message to the Senate.

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following item appeared on the Consent Calendar for the First Day:

(H.P. 372) (L.D. 483) Bill "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2003" (EMERGENCY) Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-6)**

On motion of Representative RINES of Wiscasset, was **REMOVED** from the First Day Consent Calendar.

The Committee Report was **READ** and **ACCEPTED**. The Bill was **READ ONCE**. **Committee Amendment "A" (H-6)** was **READ** by the Clerk.

Representative RINES of Wiscasset **PRESENTED House Amendment "A" (H-7)** to **Committee Amendment "A" (H-6)**, which was **READ** by the Clerk.

The **SPEAKER**: The Chair recognizes the Representative from Wiscasset, Representative Rines.

Representative **RINES**: Mr. Speaker, Men and Women of the House. As many of you are keenly aware of the budget situation in the state, I do not make this amendment lightly, but I would like to read this to you. The State Emergency Response Commission was established as a result of a federal law in 1986 known as the Superfund Amendment Reauthorization Act, Title 3 or SARA. This was created as a result of a series of hazardous materials spills, both in this country and overseas where citizens and first responders were injured and in some cases killed, as a result of their exposure to these released substances.

The State of Maine codified these laws in '87 and strengthened several of them in order to collect more information on how the chemicals are stored and transported. They required facilities to plan for releases and initiated a fee system. The state law also created the Emergency Response Commission funded to be used by Maine Emergency Management Agency as a non-

lapsing fund for carrying out the purposes of this subchapter and all fees collected under the subchapter shall be credited to this fund.

In addition, the law states that disbursements for the fund could be made for the following purposes, to employ personnel within the agency to manage and coordinate data collected pursuant to the subchapter, to fund county training programs for local and emergency planning committees, to provide training grants to bide for the resources need of local emergency planning committees. The fees that are collected come from very varied locations from around the state from storage facilities with 10,000 pounds or more of hazardous substances and in some cases in extremely hazardous materials, 500 pounds or less, depending on the quantity.

The locations include places such as chemical warehouses, industrial facilities, manufacturers and along with a myriad of other locations. In recent years about \$28,000 is collected in fees from these facilities and the majority of which is returned to the local level. I repeat local level for use in training first responders. The amount collected from these funds have been shrinking due to facilities using less and storing less hazardous materials.

In light of recent events like 9-11, it is imperative that these funds continue to grow. Last year in 2002 the state trained 1,050 local firefighters in hazardous materials responses. This equated to \$164,141 or \$150 a head. This is local dollars spent in your local community, collected from businesses operating in the State of Maine, funding training for your firefighters and your fire departments.

I would urge that you support this bill. With the times the way they are, hazardous materials being what they are, \$78,000 is a small price to pay. Currently there are many programs on hold around the state in hazardous materials because this money is being deappropriated. This is money that is going to your fire fighters and your departments to train your people. Last year all 16 counties enjoyed having this training. Now this training is being put on hold. When the vote is taken, Mr. Speaker, I would request the yeas and nays.

The same Representative **REQUESTED** a roll call on the motion to **ADOPT House Amendment "A" (H-7)** to **Committee Amendment "A" (H-6)**.

Subsequently, Representative RICHARDSON of Brunswick reported that he had delivered the message with which he was charged.

Representative BRANNIGAN of Portland moved that **House Amendment "A" (H-7)** to **Committee Amendment "A" (H-6)** be **INDEFINITELY POSTPONED**.

The **SPEAKER**: The Chair recognizes the Representative from Portland, Representative Brannigan.

Representative **BRANNIGAN**: Mr. Speaker, Men and Women of the House. The many special and important funds have contributed to the work we have done together to put this budget together working with the Governor's Office and with many committees. This is the best job and good job that we can do and many people would like to restore some of those funds, but that is not something that we can do at this point. I hope you will support the Indefinite Postponement motion.

The Chair ordered a division on the motion to **INDEFINITELY POSTPONE House Amendment "A" (H-7)** to **Committee Amendment "A" (H-6)**.

Representative RINES of Wiscasset **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "A" (H-7) to Committee Amendment "A" (H-6)**.

On motion of Representative RICHARDSON of Brunswick, **TABLED** pending the motion of Representative BRANNIGAN of Portland to **INDEFINITELY POSTPONE House Amendment "A" (H-7) to Committee Amendment "A" (H-6)** and later today assigned. (Roll Call Requested)

The Chair laid before the House the following item which was **TABLED** earlier in today's session:

Bill "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2003" (EMERGENCY)

(H.P. 372) (L.D. 483)

Which was **TABLED** by Representative RICHARDSON of Brunswick pending the motion of Representative BRANNIGAN of Portland to **INDEFINITELY POSTPONE House Amendment "A" (H-7) to Committee Amendment "A" (H-6)**. (Roll Call Requested)

Subsequently, Representative RINES of Wiscasset **WITHDREW** his request for a Roll Call.

A division has been ordered. A vote of the House was taken. 118 voted in favor of the same and 7 against, and accordingly **House Amendment "A" (H-7) to Committee Amendment "A" (H-6)** was **INDEFINITELY POSTPONED**.

Subsequently, **Committee Amendment "A" (H-6)** was **ADOPTED**.

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-6)** and sent for concurrence. **ORDERED SENT FORTHWITH**.

The Chair laid before the House the following item which was **TABLED** earlier in today's session:

Joint Resolution Honoring the Astronauts of the Space Shuttle Columbia

(S.P. 172)

Which was **TABLED** by Representative RICHARDSON of Brunswick pending **ADOPTION**.

On motion of Representative NORBERT of Portland, the rules were **SUSPENDED** for the purpose of adding all House Members as co-sponsors.

Subsequently, the Joint Resolution was **ADOPTED** in Concurrence.

The House recessed until 5:30 p.m.

(After Recess)

The House was called to order by the Speaker.

The following item was taken up out of order by unanimous consent:

**ENACTORS
Emergency Measure**

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2003

(H.P. 372) (L.D. 483)
(C. "A" H-6)

The **SPEAKER**: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative TRAHAN: Mr. Speaker, Ladies and Gentlemen of the House. Contained within this supplemental budget is a curtailment that is very troubling to me, but I am going to get past that and I am going to tell you why. First, I want to tell you about the curtailment. Last year the State and Local Government Committee, along with many members in this House, including Representative Dunlap of Old Town and leadership in both corners worked on legislation to create an evaluation process. That new evaluation process is called the Office of Program Evaluation and Government Accountability. Many of us here feel that that is one of the more important pieces of legislation that we passed in the last session for many reasons.

We, as a bipartisan group, believe that we can improve our state government with this new program. Unfortunately in this supplemental budget the initial funding for this program has been curtailed.

I was prepared to come here and present an amendment and fight for that restoration of funding, but after discussing this with the Speaker, members of this chamber, I have been assured that we are going to continue to work together to try to bring a package in the next budget cycle that restores that funding and creates this new program and gets it underway.

For that reason and because I respect the Appropriation Committee and the work of our new Governor, I will not submit that amendment. Instead, I will ask you to join me in support of this bipartisan budget and let's move on and begin our important work. For that, Mr. Speaker, I thank you.

The **SPEAKER**: The Chair recognizes the Representative from Kennebunk, Representative Murphy.

Representative MURPHY: Mr. Speaker, Men and Women of the House. It is nice to get up on a budget and not be figuring out who on the other side is getting ready to make a motion to Indefinitely Postpone. The reason I am up this evening, and I will be voting on this budget, is because of concerns that have come from both caucuses. It has to do with the curtailment on the special education costs or reimbursements for state boards and agency youngsters that are in our communities.

The Department of Education has written to your superintendents and your boards instructing them as of April 1st, they will be holding back that monthly reimbursements. The local units just pass the bill on. They submit it every month. In the last quarter, April, May and June, they will be holding those billings and not paying reimbursement.

The Education Committee had been told by the Commissioner that he thinks the money will be there. The former Chief Executive whose idea this was to begin with is gone and this Commissioner will soon be gone, but those youngsters will still be in our towns and cities and the bills will still be there. There is a potential that if that assurance of the money being there isn't, then our local taxpayers are going to have to pick that up. I am asking and the committee has asked and I think the

Appropriations Committee was responsive, that these monthly payouts can be followed. The department can report them immediately. With the reduced amount of money that is available, we will be able to follow month by month if we are going to get to the end of the year and be able to do full reimbursement back. It needs monitoring. We should be able to have some predictability.

Ronald Reagan had said, "Trust, but always verify and then verify again." What I am asking the Appropriations Committee to do is verify and verify. I understand curtailments and I understand cuts. That means the money is not there. A program is reduced or it is eliminated. This is a curtailment where the Commissioner of Education has said, I think the money will be there. It isn't a cut. They aren't expecting that cut. They have been given an assurance. If it does turn out that we are not going to meet that target, then I am hoping that in the next supplemental budget, we will immediately restore the necessary funds.

Many of you don't know yet that you have these group homes. Some are just discovering that. It is a very quiet secret in all of our communities, because we have welcomed these homes into our towns and cities. We haven't put up barriers and these youngsters that are the responsibility of the state, we understand they are all of our youngsters. We do not want a situation where those communities in the last quarter of their fiscal year could take hits up to half a million dollars at the close of their year.

There is no pattern to these communities. Some are urban, some are suburban, they are scattered in every region of this state. The assurance has been given and if it turns out not to be accurate, then I am hoping through the Appropriations and their monitoring and verifying, that we can take steps so that we don't have an additional hit on the local property taxpayers come June. Thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Raymond, Representative Bruno.

Representative **BRUNO**: Mr. Speaker, Men and Women of the House. First, I want to thank the Chief Executive and I want to thank the Appropriations Committee for laying out a plan that starts us in the right process of working together to solve our fiscal problem that we have in this state. This is not going to be easy, but this is a good first step.

If you look back 10 years ago, the last time we had a billion dollar shortfall, and there are a few of us in this room, who were here at that time. You realize that we did work together at that time. There was disagreement over certain things, but we also came together and voted for a two-thirds budget that solved that \$1 billion problem then. We can do the same thing this time. We have reached out as the House Republican Caucus across the aisle to talk to the Chief Executive and to work with him and said that we can work together on this issue. Let's put this behind us. Don't forget that we will have, more than likely, another supplemental budget in front of us to solve the '03 fiscal problem.

We must look ahead. We must support the Governor on his pledge of no new taxes going forward. We must set a direction for the State of Maine by working together. If we do not work together, we will not solve this problem. It will divide the state. It will divide this body and this is not what we should be doing. I hope you all support this budget. We worked hard on it. The committee has worked hard on it. I praise the Chief Executive for presenting this budget. I know that this will be a fruitful session for us if we continue to work together.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Richardson.

Representative **RICHARDSON**: Mr. Speaker, Men and Women of the House. I first want to thank the good Representative for earlier having withdrawn his roll call so we could pursue this budget and pass it tonight prior to the Governor's State of the State Address. I think it is significant and it demonstrates a certain tone, which I hope will flow through this House down to the other chamber and with the Governor in the future.

I do want to take this opportunity to thank the Republican Leadership, the rank and file members, the Speaker, the Chief Executive, the Appropriations Committee and most of all the rank and file members who really make what we do here happen. We have heard a lot about what is wrong with Maine. Tonight we have a lot to celebrate about what is right with Maine. We have a unique opportunity tonight to move Maine forward to make Maine more competitive, to bring Maine in line so that we can provide the good quality high paying jobs, which are essential to keep our children here in Maine.

Tonight, I look and say, there is not much wrong with Maine and what you are demonstrating here tonight in providing a uniform and a unanimous budget from the Appropriations Committee and hopefully a very strong vote will send a message to Maine people that we are here doing the business with which we have been charged to do. We have set aside our partisan interests for the Maine interests and because of that, I want to thank you. On behalf of the Democrats, which I represent, and on behalf of the Maine people, I thank you tonight in anticipation of your support of the supplemental budget. I am hoping very much that this will set the tone. The kind of tone that we will need to work together, Democrats and Republicans, the upper body, the lower body, the second floor and all those vested interests working together we can move Maine forward. I thank you in advance tonight.

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 130 voted in favor of the same and 0 against, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate. **ORDERED SENT FORTHWITH.**

At this point, the Senate came and a Joint Convention was formed.

In Convention

The President of the Senate, the Honorable Beverly C. Daggett, in the Chair.

The Convention was called to order by the Chair.

On a motion by Senator GAGNON of Kennebec, it was ORDERED, that a committee be appointed to wait upon First Lady Karen Baldacci and members of the Baldacci family, the Constitutional Officers, and the State Auditor, inviting them to attend the Joint Convention now assembled in the Hall of the House for the purpose of extending to Governor John E. Baldacci, an invitation to make such communication as pleases him.

The Order was Read and Passed.

The Chair will appoint the following:

The Sen. from Androscoggin, Sen. Rotundo

The Sen. from York, Sen. Lafountain

The Sen. from Cumberland, Sen. Gilman

The Rep. from Cape Elizabeth, Rep. McLaughlin
 The Rep. from Kossuth Township, Rep. Bunker
 The Rep. from Gorham, Rep. Barstow
 The Rep. from Madison, Rep. Ketterer
 The Rep. from Portland, Rep. Suslovic
 The Rep. from Greenbush, Rep. Peavey-Haskell
 The Rep. from Ellsworth, Rep. Crosthwaite
 The Rep. from Rockport, Rep. Bowen
 The Rep. from Berwick, Rep. Stone
 The Rep. from Union, Rep. Sukeforth

Subsequently, Senator ROTUNDO of Androscoggin, for the Committee, reported that the Committee had delivered the message with which we were charged and are pleased to report that the First Lady and members of the Baldacci family, the Constitutional Officers, and the State Auditor, will attend forthwith.

The Chair recognized in the House Gallery the First Lady of the State of Maine, Karen Baldacci, accompanied by their son, Jack.

The Chair also recognized in the House Gallery the Constitutional Officers of the State of Maine, Secretary of State Dan A. Gwadosky, Attorney General G. Steven Rowe, State Treasurer Dale McCormick and State Auditor Gail Chase.

On a motion by Senator TREAT of Kennebec, it was ORDERED, that a Committee be appointed to wait upon the Honorable John E. Baldacci, Governor of the State of Maine, and extend to him an invitation to attend this Convention and make such communication as pleases him.

The Order was Read and Passed.

The Chair will appoint the following:

The Sen. from Penobscot, Sen. Cathcart
 The Sen. from Androscoggin, Sen. Rotundo
 The Sen. from Cumberland, Sen. Turner
 The Rep. from Portland, Rep. Brannigan
 The Rep. from Lewiston, Rep. Mailhot
 The Rep. from Hallowell, Rep. Cowger
 The Rep. from Portland, Rep. Dudley
 The Rep. from Bangor, Rep. Faircloth
 The Rep. from North Haven, Rep. Pingree
 The Rep. from Bucksport, Rep. Rosen
 The Rep. from Cornville, Rep. Mills
 The Rep. from Waterford, Rep. Millett
 The Rep. from Augusta, Rep. O'Brien

Subsequently, Senator CATHCART of Penobscot, for the Committee, reported that the Committee had delivered the message with which we were charged and are pleased to report that the Honorable John E. Baldacci, Governor of the State of Maine, will attend forthwith.

The Chair is pleased to welcome the Honorable John E. Baldacci, Governor of the State of Maine, accompanied by the Honorable Leigh I. Saufley, Chief Justice of the Maine Supreme Judicial Court.

The Chair is pleased to welcome the Honorable John E. Baldacci, Governor of the State of Maine.

Governor Baldacci then addressed the Convention.

Governor **BALDACC**: Madam President, Mr. Speaker, Madam Chief Justice, Members of the 121st Maine Legislature, distinguished guests, one month ago when I took the oath of office, I told the people of Maine that the immediate goal of my Administration was to balance the state budget and grow our economy.

That pledge was the basis of my campaign. And when I said I would close the state's billion-dollar revenue gap without a tax increase, some people were skeptical. Easier said than done. Well, they were right. It was a lot easier to say it than to do it. But do it we must!

Tonight I'm proud to report that I am submitting for your consideration my proposed state budget for the next two years that

- Balances the state's finances
- Eliminates the shortfall
- Maintains essential services while positioning the state for future growth
- Contains no gimmicks, shutdowns or furlough days
- And most important does not raise taxes on the people of Maine.

Before I get to the details, I want to say a few things about how we got into this financial predicament, and the philosophy I used to make the very difficult decisions to get us out of it.

But it's not all bad news. We cannot let a temporary budget problem divert us from the real challenge of growing our economy and building a foundation for future growth and prosperity.

Despite our financial troubles, we must keep our eye on creating good jobs, providing health care coverage for everyone in Maine and giving our young people the best education opportunities in the nation.

The budget I'm presenting tonight will keep us moving toward these goals.

In the simplest terms, we have a serious revenue shortfall because there isn't enough money coming into the state to pay for all the programs and services that we offer.

Almost every other state in the nation is in the same predicament. Decisions that were made when the economy was strong and the state was running a surplus seemed sensible at the time.

But when the economy softened and revenues fell, the cost of many of the programs and services that were put on the books continued to rise, leading to the shortfall.

Along with huge increases in the cost of state provided health care that are beyond our control, and cutbacks in federal support to states, Maine's revenue gap is projected to be over \$1.1 billion over the next two years.

I liken this deficit to facing an economic and financial ice storm — unavoidable and unrelenting. Like the real ice storm of five years ago, it will take all of us pulling together to get us out of it.

There will be difficult days ahead, there will be sacrifices and hardship for all of us...but we will get out of it. We will get out of it because, as during the ice storm, Maine people will pull together. We will help each other weather this financial storm. By working together, we can solve this problem. Just like the ice storm, there will be a thaw. When this storm ends, I'm confident we'll be stronger and better prepared for the future.

The beginning of the thaw has already happened. I want to thank the leadership and members of the Maine Legislature for today passing the supplemental budget and bringing state

finances into balance this year. The people of Maine appreciate your bipartisan approach.

I also appreciate the many e-mails Maine citizens have sent to our web site suggesting ways to tackle our next budget.

In my inaugural address, I asked citizens from around the state to submit their ideas on how best to handle our billion-dollar deficit. The interactive budget-balancing tool on my web site was intended to solicit ideas and demonstrate to the public the challenging task at hand.

Over 1,000 people have sent me suggestions. The overwhelming consensus is that we can balance the budget without raising taxes.

I have gone through these messages--which I have right here. Some of the people have actually sent a road map, because if I didn't get it in their message, they kind of wanted to draw it out for me too. It just shows you a little bit of the Yankee ingenuity and what people are able to do on their own, given the opportunity. I am proud of the people of Maine. I am proud to be their Governor and I want to give them the leadership that they deserve. The ideas on consolidation, restructuring and making cuts were very thoughtful.

Hearing directly from people has made this difficult process more bearable. Reading these messages has further convinced me that the intelligence and capacity of Maine people can turn any challenge into an opportunity.

So what do we do? How do we solve the financial problems we face? There are really only two ways.

We can raise taxes, or we can reduce expenditures.

I choose the latter. Let me tell you why.

Right now, tonight, in Millinocket, more than 1,000 workers and their families face an uncertain future. The paper mill that has provided steady work and steady incomes for decades has been shut down since December.

Many of us right here in this room have worked hard to get the Great Northern mill operating once again. Today, we moved closer to a solution when the court approved the new management team and health care benefits for workers and retirees.

This is good news, and a first step toward preserving the jobs of 1,000 workers and 5,000 related jobs in the economy.

During this past month, I have worked daily with community leaders, workers, management, unions, creditors, local hospitals and potential buyers.

Our congressional delegation--Senator Snowe, Senator Collins, Congressman Allen and Congressman Michaud--have worked closely with me. A solution would not have been possible without their efforts.

We were successful because we worked together and had someone, trusted by all sides, on the ground moving this along. That person, and the key to our success, is Jim Giffune. Jim has done an extraordinary job assessing the condition of the mill so that it is attractive to a long-term buyer. Thank you Jim for working so hard and for turning this situation around. Jim is doing this because he loves the area, loves the people and loves the state. He is also joined with Tom Griffin and Walter Richardson who are part of that team. We thank you for working along side all of us so that we can get the workers back to work and our state moving again.

The plan approved by the court today--developed by Norm Ledwin, president of Eastern Maine Healthcare and Trish Riley of my office--will provide necessary healthcare coverage. This agreement was also made possible through a generous donation by the Libra Foundation.

The teamwork demonstrated in our Great Northern effort can serve as an example of how to do business here in Augusta.

Still, despite our efforts, Great Northern families are making tough choices about balancing household budgets. They're canceling vacations, putting off home improvements, getting by without a new pair of shoes or a new winter coat.

As the reorganization takes place, the workers in Millinocket have only one choice: to pare back. There's no way for them to give themselves a raise and bring more money into their homes. The only thing they can do is tighten their belts and reduce expenditures.

It should be no different for state government.

I know the temptation is to tax our way out of our problem. That's an approach many other states are taking to face their shortfalls.

But here in Maine, I believe raising taxes at this time is the wrong way to go. It sends the wrong message to our citizens and our businesses, who, quite frankly, can't afford more taxes.

Anyone who wants to raise taxes should have to go to Millinocket or to Calais or Wilton or Freeport and look the workers in the eye who have recently lost their jobs, or their employers who are struggling or out of business, and say to them, "Oh yeah, and on top of that, we're raising your taxes too."

Now is not the time to raise taxes. Now is the time for fiscal restraint and discipline. Now is the time to show the people of Maine that we will spend their money responsibly, efficiently and effectively. We can do it.

Once the decision is made not to raise taxes, the really difficult decisions begin.

In creating this budget, I was guided by four principles:

First, I tried as hard as I could to take an objective look at government services and expenditures. In these tough budget times we must assess honestly whether Maine people are receiving the benefits they deserve from the money we spend.

Second, I applied a test of fairness. I wanted to be sure that, to the extent it makes sense, we treat recipients of services, state employees, and government agencies equally.

Third, I tried to develop this budget with compassion. Our focus must be on our fellow citizens who need our help the most.

Finally, I want Maine to take advantage of the opportunity this financial difficulty presents. Since we're forced to make changes, let's make them in ways that support our future economic growth and prevent recurring cycles of budget shortfalls.

These are the principles I applied to the budget challenge. This challenge is great. Our budget deficit represents \$1,000 per man, woman and child in Maine. That would cost \$4,000 for an average family of four.

That's a large deficit indeed. So tonight, I am submitting a balanced state budget for the next two years without raising taxes and without payroll pushes or shutdown days.

I now want to tell you the results of our budget work. Here are the details:

My budget balances the state's finances while keeping the BETR and Circuit Breaker programs untouched. We maintain and restructure the Homestead Exemption. And by delaying federal tax changes we avoid increases in state taxes.

My budget creates a tax amnesty program for a limited period and increases tax enforcement.

It does raise fees in a few areas. I accepted increases where users are not bearing a realistic share of the cost.

And it's time, finally, to get the state out of the liquor business. This budget privatizes wholesale and retail liquor operations. The private sector has proven that it can run Maine's liquor business with the same scrutiny and greater efficiency.

My proposal substantially reduces state agency budgets while maintaining the essential services of government. Unfortunately,

this budget does contain some layoffs. But we worked hard to make this impact as minimal as possible.

There will be reductions of nearly 325 positions. However, almost half are currently vacant.

And, we can place over half of the employees affected in other positions, with comparable salaries. I'll work closely with the state employees' union to implement these changes.

The budget also provides money for retraining and other services to those who are laid off.

In addition, we are keeping Maine state government open for business. Again, there are no furlough days in my budget.

My budget also delays new and phased-in initiatives until the next biennium. At that time we can evaluate whether they should go forward. Starting new initiatives not directly related to improving our financial condition in Maine is unrealistic now.

We obtain other savings from state agencies through reduced expenditures, streamlined administrative operations, program reductions and eliminations. In essence, I am proposing to give each department the same amount of money they received last year.

I know this will not be easy, and contains sacrifices. In the midst of this challenge, I want to say how much I appreciate the hard work of state employees.

They have a unique role to play in protecting our poorest and most vulnerable citizens, and we will continue this commitment. Our goal was to have the least impact on Maine's people in greatest need.

We will not balance the budget by reducing the number of people eligible for Maine Care and Cub Care. To do so would only add to the ranks of the uninsured and that is unacceptable.

Instead, we will ask providers to accept current levels of funding. We'll ask them to do business differently to help us protect citizens in need and bring in every federal dollar available to us.

Sadly, the federal government still denies us our low cost drug program, despite hard work by our congressional delegation and DHS. As a result this budget reflects that loss of federal help. And it includes some targeted service reductions.

We all must pay our way in this budget and we will ask many Maine Care participants to make modest payments toward their care.

Our budget also realizes savings from consolidating the Departments of Human Services and Behavioral and Developmental Services. This is an opportunity to eliminate duplication and improve services to citizens.

There will be no retreat from our obligations to provide crisis services. We will ensure that our institutions are strong and that we maintain the services required to address — and resolve — the issues laid out by the courts.

For too long the Department of Behavioral and Developmental Services has been operating under court orders and settlements, spending precious dollars on court masters, lawyers, and days in court. We need to reverse this trend. Dollars must be spent on people in need. Time must be spent in managing our programs more effectively.

We will tighten controls on prescription drug costs, and we will work with you to enact mental health parity. It's the right thing to do and it will end cost shifting and save Maine Care dollars.

Keeping Maine healthy is our goal, and this budget continues Maine's leadership in using funds from the tobacco settlement on our health care needs. While changes in allocations are needed, all of the Fund for Healthy Maine dollars remain invested in health care.

Our proposal creates an affordable and responsible social services and health care budget. And it does so without reducing eligibility.

This is also important to me: Even in these difficult budget times we must make investments and provide incentives to move Maine forward.

Unfortunately, given the large portion of the state budget represented by education funding, it must play its part in addressing the shortfall. However, I am pleased to report to you that my budget provides some additional funding to education, over the flat funding required of other agencies. In fact, as a percentage of the overall state budget, education funding will increase.

My budget proposes a one percent increase over flat funding—an additional \$7.5 million—in General Purpose Aid in the first year. This will allow schools time to generate efficiencies through resource-sharing that will aid them in the second year. For the second year, I propose an increase in school funding of almost \$5 million.

To confront our school funding problem, we must do more. I challenge education leaders to think and act creatively, to share resources and achieve efficiencies.

In my inaugural address, I promised to create a Task Force to help us devote as much of our education resources as we can to instruction. Tonight, I am signing an Executive Order to create that Task Force. I am going to do that right now.

The Task Force will do the legwork to help schools enhance the education of our children even in tough times. It will bring people together to protect Maine's education excellence while modernizing education administration.

We also must do all we can to invest wisely in higher education. Recently, I attended a dedication of the new Mid Coast Center for Higher Education in Bath. This co-location of higher education offerings by the University and Technical Colleges provides a model for better serving Maine people beyond high school.

At the dedication, Chancellor Westphal of the University of Maine System and President Fitzsimmons of the Maine Technical College System signed an agreement to increase cooperation and efficiency. I want to recognize Chancellor Westphal and President Fitzsimmons here tonight. They are setting an example of thinking and acting outside of traditional boxes. That is what we all need to do.

To further encourage our institutions of higher education, my budget provides \$1 million in incentive funding for the University of Maine System, Technical Colleges and Maine Maritime Academy. This money will be distributed based on a demonstration of resource sharing that creates savings.

My budget also offers incentives to municipalities. While it delays the anticipated increase in municipal revenue sharing, it restores one-half of the amount in each of the next two years. All municipalities will benefit in the first year. In the second year, those who demonstrate resource-sharing that creates savings will benefit.

In this way municipal residents will benefit twice: once when local services are streamlined, and again from additional revenue sharing.

In tackling this budget, I have had the help of a dedicated staff. I want to thank Commissioner of Administration and Financial Services Becky Wyke for her tireless work.

Commissioner Wyke was my first Cabinet appointment. I'm pretty proud of that choice, and I know you in the Legislature agree.

And I want to thank Becky and Chief of Staff Jane Lincoln for marshaling the team that put this budget together. Thank you very much.

These decisions to close the budget gap were very difficult. Some are sure to be unpopular.

But again, like the ice storm, this is only temporary. And even with these budget restraints, there is plenty we can do to improve opportunities in Maine.

We have a responsibility to look beyond this budget crisis and position Maine for the future. We all share the same goal: to create a strong sustainable economy in which our businesses thrive and our people prosper.

To prosper as many of our traditional jobs move overseas, our workers will need different skills and more advanced education.

For too many of our high school graduates or mid-career workers, post-secondary education is out of reach. The Maine Technical Colleges and Maine Adult Education Association have signed over 60 agreements partnering adult education programs with technical colleges. This is a step in better preparing Maine's next generation of workers.

But, each June, over 6,000 students—43 percent of graduating seniors—leave high school and do not enroll in higher education. Maine must break this cycle.

A top goal of my administration is to bring college within reach of those who have not traditionally gone on. To do so we must offer them an affordable and accessible option.

That is why I will submit legislation this session to change our technical colleges into a true community college system for Maine.

In my budget, I have included \$1 million to transition our technical colleges into full community colleges. We will then join 45 other states, including every other state in New England, in having a two-year college system that offers career and transfer programs, low tuition, and a supportive environment. It is time to complete the transformation of the technical colleges and create the Maine Community College System.

Helping Maine families afford the cost of college in other ways is also important. I will submit legislation to use \$50 million in Maine's tax-exempt bond authority to reduce the interest on student loans.

As we work to provide education opportunities for Maine citizens, we must lay the foundation for a strong economy in other ways. To do so, I am submitting a detailed economic development plan that includes:

- Pine Tree Opportunity Zones that reduce taxes and offer pre-permitted construction sites in areas of Maine that need it most;
- An International Trade Zone to take advantage of the business opportunities between Maine, the Maritime Provinces and Quebec;
- A \$70 million economic development bond for research and development and affordable housing;
- A Blaine House Conference on Maine's Natural Resource Based Industries;
- The continuation of BETR, the investment program that has proven itself to be an effective job creator for Maine;
- And a One Step Initiative to better coordinate the state's economic development programs.

Let me talk briefly about all of these.

I will propose the establishment of eight Pine Tree Zones where unemployment levels are high and income levels are low.

The zones will take advantage of Federal incentives already available in Maine so that we get the biggest bang for our buck.

We will establish zones in Aroostook, Androscoggin, Penobscot and Washington Counties. Four other zones will be awarded on a competitive basis. Preference will be given to applications that encourage regional cooperation.

Maine will also join with Quebec and the Maritime Provinces to create an International Trade Zone to promote joint efforts in trade, transportation and tourism. I have contacted the Premiers of Nova Scotia, Prince Edward Island, New Brunswick, and Quebec to enlist their support and coordinate our efforts.

These are positive steps we can take now to enhance our economic prospects. There is another bright spot for Maine in these troubled financial times: the state's ability to bond is in great shape. We have the capacity to make more investments in capital projects while interest rates are at an historic low.

In creating my bond package, I have been guided by four principles:

- Bonds must provide regional benefits;
- They must target well-defined projects ready for funding, that will provide a quick delivery of money into our economy;
- There must be a demonstrated and compelling need for funding; and
- Bonds must be used in ways that provide environmental or educational benefits to our state.

Governor King and the Legislature began the process of investing in Research and Development to bring Maine's economy into the 21st Century. That investment has encouraged a partnership between the University System and private research facilities like the Maine Medical Center Research Institution, the Foundation for Blood Research, and Jackson Laboratory.

This shows we can build a world-class research collaboration with spin-off development in emerging industries. In recent years, Maine has added jobs that pay an average of \$47,500 in biomedical research.

In Bangor, Engineered Materials of Maine has begun manufacturing wood composite products developed through research at the University of Maine. This will provide up to 100 jobs within the first year. Other research has resulted in small business start-ups like Stillwater Scientific Instruments that opened recently in Orono.

These efforts need to be expanded. Tonight, I am proposing a \$70 million economic development bond issue that includes \$43 million for research and development. The funds will support the joint biomedical research efforts of the University System, Jackson Laboratory, and the other biomedical research organizations around the state. I want to thank Warren Cook of Jackson Lab who has been a strong promoter of this partnership.

Other funds will continue our research in natural resource based industries in the University System. We also establish a revolving loan fund to assist in equipping new business start-ups that have evolved from the natural resource industries research.

And, as I've said, affordable, accessible higher education is crucial to growing our economy. My economic development bond includes support for equipment needed by the Technical Colleges to move toward their new community college mission.

Housing is another key to economic development. I am proposing bond funds to stimulate development of workforce housing for renters and owners. I want to target these funds to those areas of the state where affordable housing is a major problem.

I have to say I was with Don Gean this morning in Portland for a fundraiser for a homeless shelter, the Preble Street Resource Center, and I think it is important that we recognize those efforts that are undertaken for all of our citizens. That is what is going to pull us through. I just wanted to make particular note of that. I have also included match money for municipal projects that are ready to be built, but have been stalled by local budget constraints. This will help ease the pressures on local property taxes while allowing communities to complete needed projects.

As we look to the new economy and jobs of the future, we must not forget the natural resource based industries that have long been the economic backbone of Maine. Fishing, farming, aquaculture, forestry and tourism face serious challenges today that threaten their long-term viability. Yet these industries play an important role in the economy and culture of Maine's rural communities.

I am organizing a Blaine House Conference to focus on Maine's natural resource based industries. We are planning a summit in April and a full Blaine House Conference in the fall. These industries are important to Maine, they always will be and we need to find ways to make them stronger.

Energy use is also important to the Maine economy. I'm pleased to tell you that the State will soon sign an agreement with Maine Natural Gas, the regional supplier for the Augusta area. We will become the anchor customer needed to get gas pipelines brought to the Statehouse complex to help lower our energy bills and reduce air emissions and hopefully setting an example throughout the state.

Saving energy saves jobs. Another initiative that has generated jobs for Maine people is the BETR program. Maine is one of only a few states in the northeast that imposes a personal property tax on machinery and equipment. This puts us at a serious disadvantage in attracting new businesses or new investment. BETR was designed to level the playing field, and it works.

Fraser Papers, located in Madawaska, is the largest manufacturer of lightweight opaque papers in North America. The Fraser paper mill is Madawaska's largest employer providing over 1,000 jobs. Since 1995, BETR has enabled the company to invest \$ 125 million in job retention.

Because of the BETR program, management of Interface Fabrics Group chose to invest \$30 million in its Guilford plant instead of plants outside of Maine. That investment helped save the jobs of its 500 employees statewide.

At Dingley Press in Lisbon, 70 good paying jobs would have been eliminated if the BETR program hadn't been available. But as a result, in 1998 Dingley Press invested \$30 million in a new web offset press, and has since added 190 new jobs.

At a time when manufacturing jobs are disappearing in Maine and across the nation, we have too few tools to attract or retain good paying jobs. BETR is a program that has proven itself.

I am committed to an overall economic development strategy for Maine that is coordinated and efficient. We need a one-step process that is more user friendly. To that end, I am appointing a seven-member working group, chaired by Dana Connors, president of the Maine State Chamber of Commerce, to review our current system and report back in 90 days with recommendations to meet our objectives.

As you can see, we've set the bar high for ourselves and for our state.

It's been said that budget is policy. If so, the policy we are announcing tonight will rein in spending and invest in the future without raising taxes.

It won't be easy, but we have to do it.

I know all of you in this room have your own ideas about the state budget. You have your own priorities about cutting and spending, and they may look a little different than mine.

I look forward to working with you in the days ahead to ensure that the final budget we produce is the absolute best one for Maine.

This is a difficult time. It's a challenging time. But it's also a time of great opportunity. Our Yankee background, heritage and ingenuity equip us to meet the challenge and use the opportunity.

Last week we lowered the flag to half-staff in honor of seven astronauts who seized opportunity and took on challenges. Tonight we are raising the flag to full staff. This symbolism speaks of respect for what's lost, and the knowledge that, even in great sadness, we must look to the future.

The citizens of Maine want us to look to the future. They want us to solve our budget problems without partisanship and blame.

Maine people are watching and waiting, and we can't let them down. They are looking to us to bring our state through this financial ice storm.

We can't shrink from this responsibility. We weren't elected to take the easy way out. We were elected to make tough decisions.

With your help, and with the help of everyone in Maine, I know we can do this. Pulling together—as we did in the ice storm—we can balance this budget, put Maine on the road to better times, and create opportunity for all Maine people. Thank you. Good night and God bless you.

At the conclusion of the address, Governor John Baldacci, withdrew amid the applause of the Convention, the audience rising.

The purpose for which the Convention was assembled, having been accomplished, the Chair declared the same dissolved.

The Senate then retired to its Chamber.

(After the Joint Convention)

The House was called to order by the Speaker.

On motion of Representative RICHARDSON of Brunswick, the House adjourned at 7:52 p.m., until 10:00 a.m., Thursday, February 6, 2003 in honor and lasting tribute to the seven astronauts who perished on the Space Shuttle Columbia.