

MAINE STATE LEGISLATURE

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State of Maine

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ONE HUNDRED AND TWENTY-SECOND LEGISLATURE
SECOND REGULAR SESSION
6th Legislative Day
Wednesday, January 18, 2006

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

Prayer by Reverend Gary Hubley, United Methodist Church, Strong.

National Anthem by Birdie Newman Katz, Augusta.

Pledge of Allegiance.

The Journal of yesterday was read and approved.

SENATE PAPERS

Bill "An Act To Ensure the Ability of Municipalities To Provide Assistance to Their Citizens" (EMERGENCY)

(S.P. 755) (L.D. 1965)

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

REFERRED to the Committee on TAXATION in concurrence.

**Pursuant to Statute
Maine Turnpike Authority**

Report of the Maine Turnpike Authority pursuant to the Maine Revised Statutes, Title 23, section 1961, subsection 6 asks leave to report that the accompanying Bill "An Act To Make Allocations from the Maine Turnpike Authority Funds for the Maine Turnpike Authority for the Calendar Year Ending December 31, 2007"

(S.P. 756) (L.D. 1966)

Be REFERRED to the Committee on TRANSPORTATION and printed pursuant to Joint Rule 218.

Came from the Senate, Report READ and ACCEPTED and the Bill REFERRED to the Committee on TRANSPORTATION and ordered printed pursuant to Joint Rule 218.

Report was READ and ACCEPTED and the Bill REFERRED to the Committee on TRANSPORTATION in concurrence.

Non-Concurrent Matter

Bill "An Act To Establish a Maternal and Infant Death Review Panel"

(H.P. 984) (L.D. 1420)

(C. "A" H-728)

FAILED OF PASSAGE TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-728) in the House on January 10, 2006.

Came from the Senate PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-728) in NON-CONCURRENCE.

On motion of Representative MILLER of Somerville, TABLED pending FURTHER CONSIDERATION and later today assigned.

By unanimous consent, all matters having been acted upon were ORDERED SENT FORTHWITH.

The House recessed until 6:30 p.m.

(After Recess)

The House was called to order by the Speaker.

Doctor of the day, Douglas Jorgensen, D.C., Manchester.

The following items were taken up out of order by unanimous consent:

REPORTS OF COMMITTEE

Change of Committee

Report of the Committee on STATE AND LOCAL GOVERNMENT on Bill "An Act To Amend the Law Governing Warrant Funding for Education"

(S.P. 659) (L.D. 1742)

Reporting that it be REFERRED to the Committee on EDUCATION AND CULTURAL AFFAIRS.

Came from the Senate with the Report READ and ACCEPTED and the Bill REFERRED to the Committee on EDUCATION AND CULTURAL AFFAIRS.

Report was READ and ACCEPTED and the Bill REFERRED to the Committee on EDUCATION AND CULTURAL AFFAIRS in concurrence.

CONSENT CALENDAR

First Day

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

(S.P. 389) (L.D. 1127) Resolve, To Establish a Pilot Project To Assist Towns Interested in Multitown Cooperation and Governance Committee on STATE AND LOCAL GOVERNMENT reporting Ought to Pass as Amended by Committee Amendment "A" (S-434)

There being no objections, the above item was ordered to appear on the Consent Calendar tomorrow under the listing of Second Day.

At this point, a message came from the Senate, borne by Senator Brennan of Cumberland 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 CUMMINGS of Portland to convey this message to the Senate.

By unanimous consent, all matters having been acted upon were ORDERED SENT FORTHWITH.

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

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

In Convention

The President of the Senate, the Honorable Beth Edmonds, in the Chair.

The Convention was called to order by the Chairman.

On motion of Senator BRENNEN from Cumberland, it was ORDERED that a committee be appointed to wait Upon the First Lady, Karen Baldacci and son Jack Baldacci 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 Penobscot, Sen. Schneider
The Sen. from Androscoggin, Sen. Rotundo
The Sen. from York, Sen. Andrews
The Rep. from Gorham, Rep. Barstow
The Rep. from Auburn, Rep. Sampson
The Rep. from Old Town, Rep. Blanchard
The Rep. from Portland, Rep. Harlow
The Rep. from Blue Hill, Rep. Schatz
The Rep. from Ellsworth, Rep. Crosthwaite
The Rep. from Boothbay, Rep. Bishop
The Rep. from Dennysville, Rep. McFadden
The Rep. from York, Rep. Moulton
The Rep. from Fryeburg, Rep. Muse

Subsequently, the Senator from Penobscot, Senator SCHNEIDER reported that the Committee had delivered the message with which they were charged and are pleased to report that the First Lady and son, Jack, will attend forthwith.

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

The Chair recognized in the House Gallery the Constitutional Officers of the State of Maine, Secretary of State, Matthew Dunlap; State Treasurer, David G. Lemoine; Attorney General, G. Steven Rowe and the State Auditor, Neria Douglass.

The Chair recognized in the House Gallery Chief Brenda Commander of the Houlton band of Maliseet Indians and Vice Chief Michael Bear of the Penobscot Nation.

The Chair recognized in the House Gallery Joseph Lemoine, son of David G. Lemoine, Treasurer of State of Maine.

On motion of Senator from GAGNON, 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 Androscoggin, Sen. Rotundo
The Sen. from Aroostook, Sen. Martin
The Sen. from York, Sen. Nass
The Rep. from Portland, Rep. Brannigan
The Rep. from Portland, Rep. Dudley
The Rep. from Lewiston, Rep. Craven
The Rep. from Presque isle, Rep. Fischer
The Rep. from Augusta, Rep. Lerman
The Rep. from Farmington, Rep. Mills
The Rep. from Waterford, Rep. Millett
The Rep. from Oakland, Rep. Nutting
The Rep. from Lockport, Rep. Bowen
The Rep. from Scarborough, Rep. Curley

Subsequently, the Senator from Androscoggin, Senator ROTUNDO for the Committee reported that the Committee had delivered the message with which they were charged and are pleased to report that the Honorable John E. Baldacci, Governor of the State of Maine, accompanied by Chief Justice Leigh I. Saufley, will attend forthwith.

The Chair recognized in the House Gallery, Justice Warren Silver, Judge Ann Murray, Deputy Chief of the District court, and William Saufley, the husband of Chief Justice Leigh I. Saufley.

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 recognized the evening's Herald, Senior Master Sergeant Patrick Crowley and was pleased to introduce his wife, Mrs. Julie Crowley.

The Chair welcomed the Honorable John E. Baldacci, Governor of the State of Maine, to the rostrum.

Governor Baldacci then addressed the convention.

The GOVERNOR: Madame President, Mr. Speaker, Madame Chief Justice, members of the Legislature and distinguished guests.

Good evening my fellow citizens.

Tonight, I am proud to report that the state of this state is strong, secure and healthy. More people are working than ever before. More of our children are going to college. More families are healthier and have healthcare. More families are getting tax relief. And -- Empire Falls won two Golden Globes. That's some of the good news. But this past year, in fact the past three years, have not been short on challenges.

When I took office, we inherited a \$1.2 billion dollar revenue shortfall ---that's 20 percent of the state budget. The rainy day fund had a zero balance. When I came into office, we were borrowing \$275 million to pay bills from one year to the next and on top that, several paper companies announced they were going to foreclose ---and that my friends was the first day. I recalled what my mother used to say about hard work and growing up in a small business family. She said, "it never hurt any of us to work hard and it instilled good values." As Mainers we face these challenges, we work hard together to get it done.

We balanced the budget and we did it without raising broad-based sales or income taxes and we've continued to do this every year since. We've reduced our borrowing by more than fifty percent. Today, with my proposed supplemental budget we

will save another \$35 million to put in the rainy day reserve fund, growing our reserves from zero to over \$100 million dollars in just three years.

During my administration, we have cut the size of state government by more than 600 positions. I want to thank state workers who went without a pay raise for two years to help balance the budget. It helped us move the state in the right direction. I want to thank them for their high quality work and dedication to the people of Maine.

In Penobscot County more than 1400 Mainers whose jobs were threatened by bankruptcy are still working at paper mills in Lincoln, Millinocket and Old Town. That's \$75 million in direct payroll with a ripple effect that reaches across central and northern Maine. And, for the mill that didn't reopen in Brewer, this budget is going to appropriate \$500,000 to redevelop that site and make it a job generator once again.

Together we successfully took on the Department of Defense when they tried to close our three military bases. We saved 4800 jobs in Kittery and almost doubled the jobs in Limestone. Joining us tonight in the gallery are representatives from these two places, Paul O'Connor and Dave Schofield from the Kittery Metal Union and Carl Flora representing Limestone workers. I ask that they please rise and accept the greetings of the chamber.

I stand before you tonight to let you know that Maine's finances are healthier. In fact, over the past four years state government spending has grown at just over three percent. That's the lowest increase in spending in over thirty years. In fact, the Maine State Budget growth is the eighth lowest of all 50 states according to a survey by the National Governor's Association.

In addition, we put spending caps at the local, county and state level. LD 1 increased direct property tax payments to Maine residents. Two hundred and twenty five thousand people are now eligible for direct property tax rebates. While keeping spending down, we have also been able to invest almost \$300 million additional dollars in local education. Evidence shows that in many towns LD 1's increased education funding resulted in property tax relief. Over the next three years, millions of additional state dollars will flow to schools and towns. But, there is even more progress to make. I will support legislation to provide property tax relief as LD 1 is fully implemented to require that ninety percent of that full funding be returned directly to Maine taxpayers in the form of lower property taxes.

We can do this while continuing our tradition of excellence in education.

We must do more. Tax rates are only part of the problem. The other is the assessed value of your property. I don't think anybody should be taxed out of their home because someone paid an outrageous price for the house next door. That's why I've proposed a constitutional amendment that will put in place a fair and workable way to value property and keep taxes low.

Maine's economy is healthy and that is because of Maine people. Increasing every Mainer's opportunity for a good paying job continues to be my top priority. People are the most important resource in our economic plan. We are moving toward a knowledge-based economy and in that economy Maine people are the new economic engines. Today we have more people in our community colleges, more investments in research and development, and more technology for businesses and people. We are getting our children ready with early childcare, increasing the number of students in college and training our adult workers with new skills and creativity.

Maine will triumph in the global competition if we continue to invest in our citizens. We need to give people the tools to maximize their full potential and realize their dreams. Every

young person should have the option to stay in Maine to build a career and a family and with our initiatives they are going to continue to find those chances in Maine.

We kept our mills and bases open because of the quality of our people – the quality of our workers. Chairman Principi of the BRAC Commission called Maine workers the "gold standard". We must do more to train our workers and upgrade their skills. We must do more to reward Maine workers. Maine men and women should be able to earn a livable wage so that they can support their families. There is no safety net better than a job with benefits and training. Our minimum wage should not lag behind other states in our region. I ask you to support to increase Maine's minimum wage over the next two years so that people can keep pace with the cost of living.

When people talk about the cost of doing business in Maine I refer to the Milken Institute, a non-partisan, independent research organization that says that Maine was one of five states last year that did the most to reduce the cost of doing business. In fact, it now costs less to do business in Maine than any other state in the northeast.

Maine's unemployment taxes are among the lowest in the nation. Maine's workers' compensation costs have gone from among the highest in the nation in the 1990's to within the national average today. When we compete nationally we can win and attract Fortune 100 companies like at the Pine Tree Zone in Oakland, with T-mobile. We competed nationally and Maine was selected and won that competition. They have 700 to 800 good paying jobs with health care benefits. TD Banknorth just announced last week the addition of more than 100 new jobs in Lewiston at the Bates Mill complex bringing their total in Maine to over 2,700. They could have gone anywhere, but they chose Maine.

Over the past three years, over 1400 new small businesses were launched in Maine and small businesses created nearly five thousand new jobs in our state. In Patten, Maine, the Anderson Hardwood Flooring Company is opening a new plant there that will employ forty to fifty new people. The Jackson Labs in Bar Harbor is announcing that they will be adding several hundred new jobs over the next five years and tomorrow I will be announcing that Idexx Laboratories in Westbrook will begin a multi-million dollar expansion resulting in several hundred new jobs over the next few years, in our state.

While our economic plan is working, the rising tide of our economy must reach every corner of the state. If we stay the course of our plan with added investments and hard work, we will grow 25,000 new jobs in Maine in the next five years.

As part of my economic plan, last fall I presented the State Science and Technology plan that calls for Maine's annual investment in research and development, including both private and public funding, to reach one billion dollars by 2010. Maine currently ranks tenth in the nation in non-profit R&D activity, but we need to do more to compete. My budget includes a down payment, matching money for marine research in the Gulf of Maine and for new businesses launched by the University of Maine. Now more than ever, we must continue strategic investments in research and development and infrastructure.

After today, I'll be proposing additional investment tools.

My Pine Tree Zone economic program is creating more than 3,000 jobs throughout the state. Tonight I ask for your support in expanding Pine Tree Zone eligibility in Washington County, and designating Pine Tree Zones in the MidCoast to redevelop the Brunswick Naval Air Station once it's closed.

My budget also provides a military retirement tax exemption. This exemption will benefit the military men and women of the

Brunswick naval air station who want to stay in Maine, and will attract other high skilled military retirees returning from overseas.

I would like to thank Speaker John Richardson and President Edmonds for your leadership in the Midcoast redevelopment efforts. Thank you very much Mr. Speaker and Madame President. Thank you.

In the gallery are other leaders helping in the Midcoast – Bill Babin, Union President and member of my advisory council. They are excited about the future of the Midcoast. They have accepted the challenge of leadership. I ask that they please rise and accept the greetings of the chamber. Bill.

In Skowhegan and Waterville, novelist Richard Russo and the award winning film "Empire Falls" brought \$34 million to our economy. We have a growing number of media production firms in studios all across Maine. My budget fully funds the Maine Attraction Film Tax Incentive Program and it also supports the creative economy initiative by proposing an additional \$500,000 in community grants to preserve and grow our cultural heritage.

Job growth also depends upon sound tax policy. It is time now to eliminate the personal property tax on new business investments and jobs security. It is time and I appreciate the bipartisan leadership that has been shown to resolve this issue. Thank you very much to both Democratic and Republican leadership for your efforts to repeal this tax once and for all. Thank you very much.

Last year I came to you with a bold proposal to "Connect Maine" – to serve 100% of Maine communities with cell phone coverage by 2008, and 90% of Maine homes and businesses with broadband by 2010. We're ahead of schedule on both and will meet the broadband goal later this year. We've made a lot of progress, but there is more to do. Later this month, I will submit "Connect Maine" legislation to further expand the availability and quality of broadband and wireless phone service throughout the State of Maine. We have got to be able to do business here and connect around the world.

Speaking of infrastructure, I ask for your support as we rebuild our roads and bridges. Facing reduced federal funds and inflation, the Department of Transportation has been forced to postpone \$130 million in road and bridge projects, which would support more than 1,000 construction jobs. I want to thank Senators Damon and Savage and others and others that are part of that task force to restore those projects and I look forward to your report. Thank you very much.

Maine's educational system is healthy. We know that the success of each Maine person matters. Skills and knowledge will define our ability to compete in the new economy. If you want to succeed, and if you want your children to succeed, education is the foundation of that success. Maine's schools and teachers are truly exceptional. Our reading and science scores are among the nation's best. Our math scores are up and more of our students are going to college.

In February, the College Board will recognize Maine's success for increasing the number of high school students taking college level placement courses.

With the help of educators and legislators, we've done much over the last three years to support education at all levels. We've adopted new early childhood education standards to focus on young children in all parts of Maine. People who have quality early childcare and education have a better shot at succeeding. Many people have worked long and hard to promote care and education during early childhood. Tonight, I want to recognize two people for their contributions.

The first is the First Lady; she is a champion for youngsters. I want to thank her for her work on behalf of children and I also want to recognize the leadership of our Attorney General, Steve

Rowe. He knows first hand from his job in the courts what a difference early quality childcare can have in a youngster's life. I ask that they stand and accept the greetings of the chamber.

I'm further directing the addition of a childcare development expert to the Brunswick Naval Air Station Reuse Planning Groups.

Quality childcare requirements require quality childcare workers. That's why my budget will include \$1.5 million dollars of increased scholarship funding for students who enter the childcare professions.

As any working parent will tell you, finding qualified, affordable healthcare is one of the biggest obstacles they face. Tonight I'm asking the legislature to join me in supporting an expansion of the childcare tax credit. This half million-dollar investment will provide immediate relief for Maine's working families. I support bringing together childcare, Head Start, health, counseling, adult education and other services into one location. I commend Bucksport for its model, The Bay Area Early Childhood Network.

I want to give all places in Maine, especially in rural Maine, opportunities to make schools centers of their communities in new ways. Tonight, I am directing the commissioner of education to recommend school construction that includes these regional resource hubs.

I understand that sustaining small schools is vital to many communities. That's why I am including in my budget an additional \$3 million to support high performing small schools. Right now we're leading the nation in investing education dollars in the classroom. Only two states – Maine and New York – put more than 65% of their education budgets into instruction. We need to continue that effort. It's already happening in Maine with the Western Maine Collaborative, the Penobscot River Partnership, the Sebago Alliance and the Casco Bay Alliance. To help further that effort, I am restoring \$1 million for the Fund for Efficient Delivery of Educational Services and \$1 million for the similar Fund for Local and Regional Services to help our schools and our towns. Thank you very much.

Quality education also requires excellent teachers. Teachers are our students' most valuable resource. I appreciate the outstanding job that these dedicated hard-working professionals do every day to teach the next generation of Maine citizens. We ask, and expect, a lot from our teachers. In return, we must support their work. The average teacher salary in Maine is under \$27,000. For our students, we must retain and recruit the best and the brightest. My budget proposes raising starting teacher salaries to \$30,000 starting next year.

We must also be careful that emphasis on testing doesn't overwhelm teachers' time and ability to educate and giving teachers time to teach is very important. We must be accountable and also report on student achievement but we can meet these new obligations in new ways.

The Commissioner of Education has modified the Maine Educational Assessment reporting requirements at all levels to be integrated, so that we can get the testing done better without having the inordinate amount of administrative burden at the local level. This will reduce the need for more testing at the local level. Therefore, I've directed the commissioner to submit to the legislature a moratorium on our current local assessment program. It must be done. We must have our teachers spending more time with our children teaching them and not just worrying about testing them.

Three years ago we transformed higher education in Maine by establishing the Maine Community College System. It has been a great success. Enrollment has increased by 42%. The Early College for ME Program has helped many first generation

college students make the transition to a community college. One parent said this program, "gave our daughter the chance her father and I never had." Tonight I'm proposing to add another \$500,000 dollars for the college level courses to be taught for high school students, getting them ready for higher education.

Saving for college has also been a barrier for too many Maine families. I'm pleased to announce tonight that the Next Generation Program is going to give every baby born in Maine this year a \$50 grant towards opening that first college savings account. And, to make college more affordable, I am also proposing we expand the student loan deduction on the Maine Income Tax forms this upcoming year. We will be able to open the doors of education wider than they have ever been opened before. We are going to be able to start getting our children ready to learn and to graduate ready to succeed here in our state.

Learning never ends. Maine must support the educational aspirations of our seniors. The Osher Lifelong Learning Institute at the University of Southern Maine provides educational opportunities for nearly 5,000 Maine adults, ages 50 and older. The foundation named the institute as the "national center" for 73 such programs throughout the country. My budget provides financial assistance for USM to take on this new leadership role. Congratulations to the University of Southern Maine.

From early childhood to our senior years, Maine people want and need educational opportunities. I'm pleased with all we've done. Maine must not only be prepared with these initiatives, we must be prepared to succeed with these initiatives and Maine people are going to be better for it because a knowledge based economy and education provide the foundation for success.

Maine people are healthier.

Accessible, affordable, quality healthcare is critical to the health of our citizens and the health of our economy. That's why I brought forward a comprehensive package in Dirigo Health reform. Dirigo is more than just an insurance product. It's about improving the quality of our health. It's about reducing healthcare costs and making Maine the healthiest state in the nation.

Despite budget challenges we faced early on, we have retained our commitment to our tobacco settlement funds, spending them for critical preventive services. We also supported grassroots efforts through our Healthy Maine Partnerships and community health coalitions.

Our investments in tobacco prevention are showing results. Last week, Maine was named number one in the country and received straight A's from the national lung association for our success in reducing teenage smoking. We've cut smoking by teenagers in half since 1997. This will pay huge dividends, not just for the teens themselves, but also in lower health care costs down the road. That's why I'll ask the legislature to provide \$4.6 million additional dollars to the Fund for a Healthy Maine to assure our ability to continue important prevention services critical to our efforts.

We have made great strides in other areas of healthcare as well.

Accessing critical health and social services in the communities we live in is about to become a whole lot easier. Maine will become the 15th state to offer statewide 2-1-1 services. By just dialing 2-1-1 or going on line you will be connected to over 5,500 local crisis centers, employment support, and other health and social services. A pilot program will start next month in Washington and Cumberland counties and the State of Maine recently joined Maine's ten United Ways and various non-profit and corporate supporters, to provide the resources necessary to take 2-1-1 statewide by July of this year.

I just want to take a moment and recognize the incredible and demanding work performed by those in the healthcare field our healthcare providers are on the frontlines of healthcare and our institutions provide quality healthcare that is recognized nationally in many publications, and for that we say thank you for a job well done.

We recognize there is a high demand for health care professional education in Maine. My budget provides \$750,000 to educate more nurses at both the University of Maine and the Community College System.

Healthcare continues to push itself to the forefront. Recently, we stepped in to assure that all Maine seniors are protected and they get the drugs they need during the difficult transition to the federal Medicare Part D Drug Program. Maine was the first state in the nation to take action and today over 20 states have joined us.

The problems have been very real for our seniors.

Within hours of this new program taking effect, my phone rang and on the other end was a woman who couldn't get her medication for kidney dialysis because the feds had signed her up for the wrong program. With our help she got what she needed. She and thousands of others like her are in similar situations that should never have happened and the crisis should never have begun in the first place. We are going to make sure the federal government meets its obligations to all Maine people.

No matter how much we invest in public health and prevention the simple fact remains – without healthcare coverage people wait too long to get care, show up in costly emergency rooms, and pay the highest price for that care. The cost of being uninsured in human terms is great—people end up suffering from illnesses and disabilities that could have been avoided, and the financial cost is real and paid by all of us.

Each year we spend over \$175 million dollars on people who do not have health insurance, but seek healthcare in our state – that means each of us who has health insurance is picking up the cost. That's something we could avoid if all of us had health insurance. And that is the goal of Dirigo Health. That is why we want to push for universal healthcare access for every single Maine citizen and Maine business.

A recent report by the Kaiser Family Foundation tells us that Maine is one of only 11 states, and the only one in New England, that reduced the rate of people without insurance in the last four years.

Our answer is two fold, Dirigo works and Dirigo saves money.

Today over 10,000 Maine people and 2,000 businesses across the state have enrolled in Dirigo Health. We're expanding to cover more Maine families and more small businesses so they can be successful in our state. Dirigo saves money. Rate increases for small business are half what they cost last year. The Superintendent of Insurance identified nearly \$44 million in savings in the healthcare system because of Dirigo. Those are real savings that belong in your pocket – not in the pocket of an insurance company.

I want you to know that I intend to support legislation to require insurance companies to pass those savings back to the people of the State of Maine, But, that is not enough; we need to create transparency in the health insurance market so that you know what you are paying for.

Health reform is really hard work, and it takes time, but we are already seeing successes, not only in the Dirigo choice product, but also in the broader Dirigo reforms. Dirigo is about innovation – doing whatever needs to be done to expand coverage to more working families and small businesses. We will build on our success and we will take the next important step.

We were successful a decade ago in creating a new solution to deliver workers' compensation insurance – the Maine Employers Mutual Insurance Company was established. Tonight I am starting the process to make sure that Dirigo can expand affordable coverage for more Maine citizens.

I have asked Steve Tringale, a nationally respected health insurance expert, to work with my health care team. They will begin to examine if we can build and expand upon Dirigo a new model to deliver health insurance in Maine, for Mainers and by Maine. When it comes to affordable healthcare for Maine families and businesses, I will leave no stone unturned.

When it comes to the health and well-being of our people, our economy and our state, we must also protect and preserve our natural resources. We are working towards cleaner air for all Mainers. We have placed stringent standards on vehicle emissions. We are in the forefront of state and regional efforts to reverse global warming through reductions in greenhouse gas emissions and we are taking toxic materials out of our environment through the nation's first program to recycle old computers and televisions, and through new measures to reduce the amount of toxic mercury and lead in our land, air and water.

Maine leads in conserving and protecting land for our children and for future generations. In the last three years, we completed land conservation projects totaling more than 700 thousand acres in our state and Maine is a leader in sustainable forestry. More than 7 million acres, or 40% of our working forest is certified as sustainable, and that's good for the environment and the economy.

When I took office the subject of energy wasn't a hot button issue. Even so, I created the Office of Energy Independence and Security. I knew that increasing our independence and efficiency along with tapping into our renewable energy resources would be good for Maine and good for our economy.

Today energy costs are on everyone's mind. As the first order of business in 2006, this legislature in a bipartisan effort, joined with me to provide \$5 million to help people who needed help paying their fuel bills. My administration negotiated with Citgo so that millions of gallons of home heating oil at a discounted rate could be delivered quickly and efficiently to those most in need.

My goal is to keep people safe, warm and secure.

The people of Maine have stepped up too. School children – there were three from Franklin County that brought their allowance forward so that we would have money for the Home Heating Oil Fund – small businesses and volunteers have winterized seniors' homes throughout Maine. Those same people are contributing to the fuel fund. The Eastern Maine Funder's Initiative alone has raised over one-half million dollars in charitable contributions. I say thank you to all Mainers because they are making sure that Maine people are going to be safe, secure and warm this winter.

Maine state government is leading by example. We reduced travel, tripled the number of hybrid vehicles in the state fleet, and expanded the state's vanpool program. By instituting these measure early – before the current energy price crisis – the state has been able to save 300,000 gallons of fuel, and putting our electricity purchase out to bid will save us \$4 million by June of this year. So, state government is making sure that taxpayers' dollars are wisely spent.

Over the past three years I have advanced policies and programs to make the entire state more energy independent. We now have a solar rebate program, a natural gas conservation program, a wind program in Mars Hill and elsewhere in Maine and a tax exemption for those producing biofuels in this state.

This year I will be introducing a comprehensive energy bill to expand the use of renewable energy, stabilize electric costs, and adopt statewide efficiency standards for appliances.

Before I close, we want to welcome this evening those who represent proud Wabanaki nations that mourn the passing of Passamaquoddy Governor Melvin Francis. To his wife and children and people, we send our thoughts and prayers.

Finally, in 2005, the soldiers and airmen of the National Guard served both the State of Maine and our great nation with pride and distinction. The Maine National Guard deployed over 400 men and women throughout the world. Their distinguished service has not come without a cost. Four soldiers from the 133rd did not return to Maine. Twenty two other Maine soldiers, airmen, marines, and seaman from active and reserve forces also made the ultimate sacrifice for their nation. Tonight I am pleased to announce that we will support legislation to provide life insurance for servicemen and women who are put in harm's way. Joining us tonight is the Commander of the 133rd Engineer Battalion, Lieutenant Colonel John Jansen. Also joining us tonight is Mrs. Lori Jones, wife of first Sergeant Michael Jones of the 133rd who died in March in New York upon returning home. He embodied the ideal of a true U.S. soldier. These three represent the battalion and all of the soldiers, airmen, and families who serve and sacrifice and I ask them to rise and accept the appreciation of all gathered here tonight.

These brave soldiers risk their lives each day for a better America. I ask each of us to reflect on their sacrifice and consider our own pledge to public service – to our duty to help create a better Maine. There are some things that divide us, but there is much more that joins us together. My father used to ask me, "What have you done for the people today?" I hope that in the year ahead we can ask ourselves the same question and pledge to work together to make Maine's families and communities stronger and provide an even brighter future for Maine.

I'm proud and confident about Maine's future. The state of our state is indeed strong, secure and healthy.

Thank you and good night.

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.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

LEGISLATIVE RECORD - HOUSE, January 18, 2006

On motion of Representative CLARK of Millinocket, the House adjourned at 8:09 p.m., until 10:00 a.m., Thursday, January 19, 2006 and in honor and lasting tribute to First Sergeant Michael Jones of Unity on returning home.