

MAINE STATE LEGISLATURE

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Senate Legislative Record

One Hundred and Twenty-Fourth Legislature

State of Maine

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Emergency Measure

An Act Making Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2010 and June 30, 2011

H.P. 1183 L.D. 1671
(H "C" H-798 to C "A" H-790)

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Diamond.

Senator **DIAMOND:** Thank you, Madame President. Ladies and gentlemen of the Senate, I'm pleased and proud to present to the Senate and to this Legislature L.D. 1671, which of course is the Governor's Supplemental Budget. You may remember back in January of 2009 when we all came to the Legislature we were told about the falling revenues and how things were not looking good. The first thing this Committee had to do was to pass a \$140 million supplemental budget of cuts and reductions. That was the first two weeks. We were then given the task that the biennial budget which started on July 1st of the following July, needed \$569 million cut from it. We got that passed. Then, just before we left last spring, we had to come up with another \$129 million. Through the summer we had the task of finding \$30 million more to fill a hole, which was a directive from the budget itself. Then on January 10th when we came back we found out that we were looking at a \$438 million hole in our budget. This brought us from a \$6.3 billion budget down to about \$5.5 billion when we finished. I remember Madame President saying to me in January, 'Bill, we need to have this budget done by mid-March with no new taxes or fees, I'd like it to be bipartisan if we could, and by the way, try to make it unanimous.' The good news is that those were our goals as well. The Committee's goals as we talked and struggled through these times were clear all the way through. Fortunately that \$438 million was reduced down to \$310 million because of unexpected revenues and some monies coming back from the feds. But it was still no easy task. Someone said we went from the impossible to the improbable. We all felt that heavy burden along the way. We thanked Governor Baldacci time and again for his support in being there behind the scenes with us, because we knew what we had to do. We knew we had some painful cuts and we needed to have the Administration there with us. This budget had severe cuts, painful cuts. We cut monies to K-12. We cut monies to higher education, health and human service programs, revenue sharing, and almost every state agency took cuts as well. In spite of these cuts we will continue to provide health care to the neediest Mainers in our state, schools will continue to provide quality education, Maine natural resources will be protected, and public safety will still be strong. By working with the Governor, especially the policy committees, and all of you, we made structural changes that will be ongoing. We eliminated some waste, and we reduced the size of government. We also did some other things that we really felt we had to do and we ended up being able to do. We made some restorations. We restored \$25 million to K-12 education. We restored \$500,000 to adult education. We restored \$8 million to higher education, and \$11 million to revenue sharing. We restored human service programs for children, \$1.3 million to the children's mental health services, and \$4.4 million to Medicaid programs for children dealing with

mental health. We've minimized cuts to senior citizens. We eliminated cuts to psychiatric hospital services. We made complete restoration of funding of home health services, hospice services and homemaker services. We restored full funding to the critical care hospitals and full funding to the MaineCare nursing homes. We eliminated the pushes, and we put back \$7 million into the Rainy Day Fund. We did this, ladies and gentlemen, with no new taxes and no new fees. That I think is a tribute to the Committee and to everybody who helped us. My co-chair, Representative Cain, worked tirelessly with skill and common sense well beyond her years. The good Senator from Androscoggin, Senator Craven, had an eye to watch every line in this budget, and it seemed like nothing got by without her approval. The Senator from Hancock, Senator Rosen, brought a level of sophistication, an academic approach mixed with well-placed humor. We were blessed with Representative Millet, who brought with him years and years of experience understanding this budget. The rest of the Appropriations and Financial Affairs Committee members were outstanding. Their dedication and tireless hours of 11 and 12 hour hearings and work sessions, never giving up. Governor Baldacci again receives our thanks for his support of always being there. Ryan Lowe and Ellen Schneiter, who were in our Committee every single day, every minute of the day. Grant Pennoyer and Maureen Dawson, who staffed us so brilliantly, and Diane Pruet who is unbelievable in being there, again never leaving the Committee room. We thank all those people. We had five consecutive budgets requiring painful cuts, and we found creative and bipartisan solutions. We could not have done this without the bipartisan approach, and being committed to that task. We are only here today being this successful because everyone had a say. Everyone who wanted to participated and everyone was heard. Without of that effort, we would not have had a budget that hopefully you all can vote for. This budget has somewhat part of our souls in it, each one of us who worked on it, and many of you. We really appreciate you giving of yourselves to make this happen. It's something that we didn't think necessarily we'd get to, this end result, but we did and we're proud of it. And, we're proud of all of you. Thanks to all who helped us, and I ask for your support that you might vote for this budget. Thank you very much.

THE PRESIDENT: The Chair recognizes the Senator from Hancock, Senator Rosen.

Senator **ROSEN:** Thank you, Madame President. Ladies and gentlemen of the Senate, the line that you may be familiar with, 'Houston we have a problem' describes an event that took place when Apollo 13, on the mission to the moon, for those of you old enough to recall the real event, when they had an explosion of an external oxygen tank. The critical mission became trying to figure out a way back home. For those of you who don't recall the real life experience, the Ron Howard movie is a great depiction of that great line from Jim Lovell. That's the way this budget has felt this session. Holes being blown out of the state budget and our work to try and pull it back together. I think we have done so, considering the atmosphere that we are in with this economy and politically, both nationally and in the state, are offering you the best possible package under those circumstances. The impacts of this recession have been deep and they have been persistent. In the budget process the Republican caucus was very clear in the beginning in trying to clearly and effectively express certain fundamental principles that we were attempting to achieve. We

received tremendous help from both sides of the aisle from leadership teams and from the policy committees to achieve those goals. We were looking for maximum, on-going, and as much as possible, structural savings, trying as best we could to minimize one-time fixes. I think we were able to accomplish that in many areas. It's not pure, and there were certainly compromises that we accepted. But overall, I think we were able to achieve those goals. There are many structural changes built into this budget that will have an on-going impact, particularly in the Department of Health and Human Services and MaineCare arena. I know that the policy committee put in a tremendous amount of effort to help us move Medicaid to a managed care model, developing an entirely different payment model in the future biennial budget for the hospitals, looking at rate standardization, many major reforms that were built into both the biennial budget and the supplemental budget. We worked to protect life, critical services, and core functions. And yes, even from the Republican caucus, we were clearly concerned about many of those life-sustaining functions that are funded and provided through state government. And as you heard, we were able to balance within existing resources. We were happy to stand with the Chief Executive in supporting no broad-based tax increases in this approach. I know for many that was a difficult position to embrace, remembering particularly at the beginning of the session a former colleague of mine who had been on the Appropriations team a few years ago, Mr. Dudley, former chair of the Democratic party and joining our efforts in January as part of Engage Maine promoting revenue enhancements. We were dealing with a budget model that had received a rather dramatic infusion of what we feel is one-time federal monies scheduled to come to an end 15 months from now. To exercise that option in a weak economy when families were struggling and with the infusion of temporary federal money, we felt that we could not take that option away from the next Legislature and the next Chief Executive when they will be facing a substantial structural shortfall.

We heard an argument presented to us relating to the tax position we took in the budget from the Maine Municipal Association that has been repeated in many of the publications. 'All they did was shift the tax burden to the local property taxpayer' and that their claim to the Appropriations Committee members that 'no tax increase is a false claim.' I don't buy that argument. Local control is strongly held and defended in this state and we have locally elected school boards, selectmen, town councilmen, budget committees, and county commissioners, who have opportunities to cast votes on budgets. There is an entire process out there. If we can do a good job of informing, explaining and outlining the position that we took, then people in the community don't necessarily have to accept that there will be an automatic increase in their property taxes. They can engage and become involved in the difficult decisions that we were engaged in during this session. We had heard during these budget negotiations from our friends at the Maine Education Association, and if you will recall they're running a series of half-page and three-quarter-page ads in many of the major dailies in the state, talking about how we were walking away from our obligation to fully fund the 55% state share of K-12 education. Unfortunately that information was a little narrow and didn't really include a broad discussion of the \$1.4 billion over the 2009, 2010 and 2011 fiscal years that we were confronting at the state level and that there had been a good faith effort during the first two years of the ramp-up to achieve our share from that referendum.

As this impact rolls out to the community we would hope to see a more open minded and broader discussion from our friends at the leadership of the MEA. We patched the hole, we designed a good product, we brought this in for your approval today and we know that the next Chief Executive and the next Legislature will face major, major challenges. We hope we have built a foundation so they can address those challenges, including a major expected increase in the health and retiree pension costs in the next session, the disappearance of the stimulus money that is so critical in this budget for the next 15 months, and probably a more robust conversation around the role of government: local, state and federal. Those challenges will be part of the campaign season, I'm sure, as we look for a transition, and the burdens that will fall to the next team.

In closing, the good Senate Chair did a terrific job of outlining and identifying many of the people who were critical to the success of this product and I don't want to attempt to do that, but I want to recognize that there is a transition ahead of us. There were two individuals who are approaching a personal transition that I would just like to acknowledge them. One is the Governor's Commissioner, Ryan Lowe, as the current administration's team begins to wind down their work. As you heard, Ryan and Ellen were a team with us every step of the way. The only way the Appropriations Committee would have been able to succeed in this endeavor is to have a true and reliable partner representing the Chief Executive, and we found that in Commissioner Lowe. Otherwise this product would not have been possible. The second person now coming up to a transition moment is the good member from the other Body, Representative Millett who will be termed-out of the other Body. He has spent the last eight years as a member of the Appropriations team and who has, in my opinion, served as a true patriot to benefit all the citizens of the state, to do the best work possible, to try to see at the end that the public is served. I want to acknowledge the transition that he is about to embark on. Madame President, I hope that the members of the chamber find themselves in a position to be able to support the supplemental and ask for their vote. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Craven.

Senator CRAVEN: Thank you, Madame President. Men and women of the Senate, who thought that three months ago we'd be celebrating the process and the passage of this budget? State services funding were in dire straits, but our chairs and leads did a yeoman's job of keeping the Committee together and produced a budget that we can all be proud of. The funds we received from feds expansion and the revenue projections pulled us back from the brink, and that's where I felt we were. Unable to fund adequately our education system, our higher education, and certainly our health and human services that we need to keep our constituents safe. When this funding came in it motivated all of us to go forward and to try to do our very best to produce the best product that we could in this budget. While producing the best product we kept the safety net in place for our most vulnerable people and for our education system. This bipartisan budget was crafted by all the committees of jurisdiction, along with Appropriations and leadership. We thank the Administration and our staff who made sure that we had all of the tools we needed to have a wonderful outcome. I especially want to thank our chairs and leads for doing a wonderful job and steering us in the right

direction. I ask you all to please support us and vote in the affirmative for this budget. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Bliss.

Senator **BLISS:** Thank you, Madame President. Men and women of the Senate, first Madame President I want to thank you for, in your wisdom, having not put me on the Appropriations Committee. I rise today to celebrate the work of my good friend, the Senator from Cumberland and his committee, because of the time and attention you took paying attention to my committee and the other committees. I've been hanging around here awhile and I am not familiar with Appropriations Committees who really wanted to learn and wanted to listen to the work that the committees of jurisdiction do. I think every member of my committee, from both bodies and on both sides of the aisle, appreciated being asked the questions you asked us and we knew that the answers we gave were going to be listened to. That's quite amazing. I think you paid attention to us. I think you took that into consideration when you crafted the work that you crafted. I appreciate it greatly and I know that the members of my committee do, and I thank you for your work. Thank you, Madame President.

On motion by Senator **DIAMOND** of Cumberland, supported by a Division of one-fifth of the members present and voting, a Roll Call was ordered.

THE PRESIDENT: The pending question before the Senate is Enactment. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

ROLL CALL (#385)

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, COURTNEY, CRAVEN, DAMON, DAVIS, DIAMOND, GERZOFSKY, GOODALL, GOOLEY, HASTINGS, HOBBS, JACKSON, MARRACHE, MCCORMICK, NUTTING, PERRY, PLOWMAN, RAYE, RECTOR, ROSEN, SCHNEIDER, SHERMAN, SIMPSON, TRAHAN, WESTON, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: NASS, SMITH

ABSENT: Senator: MILLS

EXCUSED: Senator: SULLIVAN

This being an Emergency Measure and having received the affirmative vote of 31 Members of the Senate, with 2 Senators having voted in the negative, and 31 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

ORDERS OF THE DAY

The Chair laid before the Senate the following Tabled and Later (3/16/10) Assigned matter:

SENATE REPORTS - from the Committee on **HEALTH AND HUMAN SERVICES** on Resolve, To Repeal the Fee Increase for Copies of Vital Records (EMERGENCY)
S.P. 613 L.D. 1648

Majority - **Ought Not to Pass** (8 members)

Minority - **Ought to Pass as Amended by Committee Amendment "A" (S-409)** (5 members)

Tabled - March 16, 2010, by Senator **BRANNIGAN** of Cumberland

Pending - **ACCEPTANCE OF EITHER REPORT**

(In Senate, March 16, 2010, Reports **READ**.)

Senator **BRANNIGAN** of Cumberland moved to **INDEFINITELY POSTPONE** the Bill and accompanying papers.

THE PRESIDENT: The Chair recognizes the Senator from Washington, Senator Raye.

Senator **RAYE:** Thank you, Madame President. Ladies and gentlemen of the Senate, I rise in support of the motion. The substance of this legislation was incorporated in the budget we just passed, so I am pleased to vote with the Senator from Cumberland on this motion.

On motion by Senator **BRANNIGAN** of Cumberland, Bill and accompanying papers **INDEFINITELY POSTPONED**.

Sent down for concurrence.

Off Record Remarks

Senate at Ease.

Senate called to order by the President.

Senator **JACKSON** of Aroostook was granted unanimous consent to address the Senate off the Record.

Senator **NUTTING** of Androscoggin was granted unanimous consent to address the Senate off the Record.