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Making Maine Prosperous : The First 500 Days of Governor Paul LePage

Office of Governor Paul LePage

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MAKING MAINE PROSPEROUS

The First 500 Days of Governor Paul LePage



Accountability

Reform

**FISCAL
RESPONSIBILITY**

Transparency

JOBS

OPEN FOR BUSINESS





The State of Maine provides equal opportunity in employment and programs. Auxiliary aids and services are available to individuals with disabilities upon request.

“

I ran for Governor because I know how to run a business and create jobs. In my experience you pick your team, make your decisions and you stand accountable for things that matter.

I will spend every day of the next four years working to make Maine a better place for ALL of our sons and daughters to find work, to start businesses and to stay here to start families of their own.

- Governor Paul LePage
Inaugural Address
January 5, 2011

”



Governor LePage at J.S. McCarthy in Augusta celebrating the installation of a new printing press and the creation of nearly a dozen new jobs.

Jobs

- Passed the **LARGEST** tax cut (\$400 million) in Maine's history for hardworking Maine taxpayers and job creators.
- Created a Maine Capitol Investment Credit which provided for \$31 million in immediate tax relief for investments made in Maine by job creators.
- Increased the threshold on the death tax from \$1 million to \$2 million, easing the burden of transition on family-owned, small Maine businesses.
- Stopped the **AUTOMATIC** increase of the Gas Tax to save drivers money, putting more money in the pockets of Mainers.
- Eliminated the sales tax on fuel for commercial fishing vessels in the Gulf of Maine, reinvigorating the Portland fish exchange.
- Refocused the mission of the Department of Economic & Community Development by creating "Account Executives" charged with helping job creators navigate the maze of government.
- Enacted a new law that will offer health insurance relief to "micro-businesses" of less than five employees, easing the cost of doing business on Maine's job creators.
- Passed legislation to streamline the mining regulations in Maine, providing the opportunity for hundreds of good paying jobs in rural Maine.
- Reinvigorated Maine's natural resource based economy by merging two departments to create the Department of Agriculture, Conservation & Forestry.
- Established the "Business Friendly Community" program to help local municipalities become "Open for Business," and make these communities a key part of Maine's business attraction strategy.
- Reduced Workers' Compensation insurance premiums by 7%, reducing the cost of doing business.
- Regulatory Reform was passed to streamline the licensing and permitting process for job creators.

Passed
\$400
MILLION
Income Tax Cut

“Maine people deserve prosperity, and it is our responsibility to promote policies that will help reduce the burden on our job creators so they can invest, expand and provide good jobs for Mainers.”

- Governor Paul LePage

- Exempted the sales tax for aircraft repair or replacement parts used in overhauling or rebuilding aircrafts to encourage the reuse of the Brunswick Naval Air Station by job creators in the aircraft industry.
- Focused the Department of Conservation on improving Maine’s economy by teaming up with the Office of Tourism and the Maine Campground Owners Association to increase tourism statewide, and promote Maine’s great outdoors.
- Held Job Creation Workshops across the state to listen to the needs and concerns of job creators.
- New leadership at the Public Utilities Commission resulted in REDUCED electricity costs of \$74 million annually for Maine people and job creators.
- Worked with the natural gas transmission and distribution companies to develop a plan to expand natural gas infrastructure in Maine to industrial, commercial and residential sectors within the next two years, lowering energy costs for Maine people and job creators.
- Enacted Unemployment Insurance reform to ensure that the money paid in by Maine’s job creators is used appropriately.
- Fully funded the Business Equipment Tax Reimbursement Program which benefits large Maine employers like L.L. Bean, Bath Iron Works, and National Semiconductor.
- Created a Red Tape Hotline (207-624-7486) that businesses can call and ask questions and get answers from state government.
- Leveled the playing field for Maine businesses by standardizing the definition of an “Independent Contractor,” ending years of confusion, as to its interpretation.
- Proposed comprehensive education reform with an emphasis on educating our youth to make sure they are prepared for the jobs of tomorrow.
- Increased competition in Maine’s health insurance market by allowing the purchase of health insurance across state lines.
- Created a predictable and stable business environment, giving businesses confidence when planning long-term or choosing to invest.
- Eliminated a tax charged on meals at retirement facilities.

**Reduced
ELECTRIC
COSTS
\$74 Million
Annually**



JOBS



CUT RED TAPE for Maine Bus Companies

- Supported an East-West Highway feasibility study to promote trade and commerce with Canada, improving the job environment for Mainers.
- Promoted jobs in Maine's beachside hospitality industry by signing legislation to reduce red tape regarding sand dunes, resulting in a \$2 million expansion in Old Orchard Beach.
- Reformed Maine's Job Council to create the State Workforce Investment Board to promote training that ensures a skilled workforce.
- Introduced legislation to ease the transfer of military training to the civilian workforce, helping our veterans get jobs.
- Supported legislation to coordinate a strategy for marketing the "Maine Brand" which will help Maine's job creators succeed and grow.
- Attended the International Boston Seafood Show to promote Maine's seafood industry, and develop the Maine Brand.
- Reduced red tape to promote jobs in Maine's motor coach industry by removing barriers for Maine bus companies.

Job Creation

In 2011, job creators pledged nearly \$100 million in anticipated investment in Maine businesses, which is expected to create more than 1,100 jobs. Announcements include:

- | | |
|---|--|
| • Hinckley Yachts (Trenton) 60 jobs | • Oxford Networks/Resilient Communications (Brunswick) 75 jobs |
| • Downeast Machine & Engineering (Mechanic Falls) 25 jobs | • Tasman Industries (Hartland) 158 jobs |
| • Great Northern Paper (Millinocket) 230 jobs | • Front Street Shipyard (Belfast) 15 jobs |
| • Hussey Seating (No. Berwick) 20 jobs | • SnapSpace Solutions (Brewer) 24 jobs |
| • Lanco Assembly (Westbrook) 34 jobs | • MedTech Media (New Gloucester) 28 jobs |
| • Pleasant River Lumber (Hancock) 40 jobs | • Carbonite (Lewiston) 235 jobs |



Governor LePage meets with East Millinocket mill workers back on the job

*From January 2011 to March 2012, Maine's private sector grew by 4,100 jobs**

*U.S. Bureau of Labor Statistics

Putting Maine Back on a Track to Financial Stability

- Proposed a 2 year budget that focuses on making Maine's economy more competitive while protecting vital safety nets.
- Eliminated \$1.7 billion, 41% of the existing shortfall in Maine's pension system while protecting retirees' future benefits using common sense reforms.
- Solved the \$1.3 billion operating budget shortfall with a biennial budget plan that prioritized spending.
- Decreased the size of state government by eliminating vacant positions and instituting a hiring freeze.
- Enacted changes in the health insurance benefits for state employees which reduced the plan expenses by \$31.4 million in fiscal year 2012.
- Balanced a budget without using gimmicks such as furlough days and "double dipping."
- Froze state employees' wages to better reflect the culture of the private sector in today's economy.
- Paid \$248 million back to hospitals to protect good paying jobs, making a commitment to pay our bills, working to undo years of reckless spending and no prioritizing.
- Avoided thoughtless across-the-board cuts and instead took the time to prioritize Maine's spending.
- Directed all state agencies to institute a "zero-based budgeting process" to ensure every tax dollar is spent efficiently and effectively.
- Created the Office of Policy & Management to provide internal government reviews to ensure efficient governing.
- Negotiated a one-year contract with AFSCME and tentative agreements with the Troopers Association and the Law Enforcement Association with no additional cost to Maine's taxpayers.

"Instead of one-time savings that lead us to a deficit year after year, we must have a plan that will sustain Maine programs and services into the future."

- Governor Paul LePage



Governor LePage gives budget address to Legislature, February 2011

Eliminated
\$1.3 Billion
Shortfall &
BALANCED
BUDGET



Governor LePage signs LD 347, a bill that reduces government red tape and will create jobs.

Reducing Red Tape

- Changed the culture of state government from being an adversary to the private sector, to being a partner with the private sector.
- Introduced and passed LD 1 which streamlines the regulatory process for Maine's job creators.
- DEP's Air Bureau reduced its permitting backlog by 77% by May 2011 through better management.
- Hosted 25 "Red Tape Workshops" all across the state to listen to more than 1,000 of Maine's job creators about how red tape impacts their business.
- Reduced the burden on Maine farmers by streamlining regulations in the pesticide notification program.
- Simplified Licensure for Certain Veterinarians which will enable veterinarians licensed in other states or Canada to more easily obtain a Maine license.
- Authorized the Board of Licensure of Podiatric Medicine and the State Board of Veterinary Medicine to establish a Podiatrist Health Program and a Veterinarian Health Program to help other health care providers with substance abuse issues.
- Eliminated burdensome and outdated regulations that did not allow the storage of lobster traps on shoreline docks.
- Reduced red tape in Maine's blossoming Agritourism Industry, limiting liability on the businesses.
- Reduced red tape in Maine's Maple Industry by exempting Maple sugarhouses from the 1,000-foot setback requirement. This will save businesses money and streamline the regulatory process.
- Maine farmers no longer have to submit burdensome reports every year for the Maine Potato Board.
- Signed legislation which removed red tape and allowed a \$2 million expansion for a family-owned Lafayette Hotels group.

Reduced
DEP
PERMIT
Backlog
77%



REFORM

- The Department of Public Safety worked to make it easier for certain hospitality businesses to comply with the fire codes in Maine.
- Expedited building permits were developed and implemented through the Department of Conservation.
- The Shellfish Dealer Inspection Program has reduced significant time and eliminated dozens of pages of paperwork for shellfish dealers by requiring a simple, 1-page form.
- Saved approximately 35 farmers from \$200-\$2,000 or more per year by eliminating the requirement that they report their water use under the Water Reporting Law.
- Supported legislation allowing lobster processors to process oversized lobsters legally imported from Canada.
- The Maine Department of Environmental Protection launched a toll-free hotline (1-800-789-9802) to provide both businesses and individuals assistance and advocacy in navigating the state's environmental regulatory process.
- Since the Governor's inauguration on January 5, 2011, DEP has made over 72% of licensing decisions within 15 days or less.

Tax Reform

- Provided tax relief for roughly two thirds of all Maine's taxpayers.
- Eliminated the 2 percent tax rate on Mainers with the lowest income, removing all income tax burden for 70,000 low income Maine families.
- REDUCED the top income tax rate from 8.5 percent to 7.95 percent.
- Conformed personal exemptions and deductions to the federal standard, eliminating the marriage penalty and the alternative minimum tax.
- Increased the death tax exemption from \$1 million to \$2 million saving Maine farms and small businesses during transitions.
- Eliminates a tax charged on meals in retirement facilities.

Provided
**TAX
RELIEF**
for 2/3rds
of Maine
Taxpayers

Education

Increased
**SCHOOL
FUNDING
\$63
MILLION**

*“We must
commit to
reforming
education
through bold
action that
puts our
students first.
If we want our
children to be
the best of the
best, we can no
longer settle for
the status quo.”*

*- Governor Paul
LePage*

- Increased funding to general purpose aid for education by \$63 million over the two-year budget.
- Developed a multiyear strategic plan for education that puts the student first.
- Passed legislation that allows charter schools in Maine for the first time, giving more choices to Maine families.
- Introduced and passed comprehensive legislation addressing educator effectiveness, making sure Maine’s educators are evaluated regularly, given the training and support they need to improve, and are held accountable for student achievement and growth.
- Launched an extensive study of five-year high school programs which allow high school students to earn college credit, and have pilot five-year high school programs underway already.
- Leveled the playing field for Maine’s rural school districts by passing legislation to make needed adjustments to the state’s school funding formula.
- Passed legislation allowing school districts to develop innovative new approaches for improving teaching and learning.
- Enacted a series of reforms to improve Career and Technical Education in Maine, bringing it back to the forefront of education.
- Created a new incentive fund to support regionalization and innovation among Maine’s school districts.
- Won bipartisan support for legislation to ensure that students meet rigorous academic standards in order to attain a high school diploma.



Governor LePage and Education Commissioner Steve Bowen getting a rafting lesson from a Somerset County Career and Technical student



Governor LePage meets with a Veteran at the Maine Veterans' Home.

Protecting Maine's Most Vulnerable

- Removed Maine's status as a "Sanctuary State" making sure Maine's limited welfare resources are reserved for Maine people.
- Placed a 5 year limit on welfare benefits, which aligns Maine with other states and becomes consistent with federal law, while allowing some exceptions for hardship for the elderly, disabled, etc.
- Protected benefits for the truly needy by requiring drug testing for welfare recipients accused of drug crimes.
- Removed the right for legal non-citizens to receive welfare benefits on day one to ensure Maine's limited resources are spent on Mainers.
- Imposed stricter sanctions on people who violate welfare rules.
- Dirigo, a costly and ineffective program, will be completely phased out as of January 1, 2014.
- Worked to ensure federal cuts to LIHEAP did not endanger low-income and senior citizens during the cold winter months.
- Implemented Unemployment Insurance reform to ensure that employers and individuals who cheat the system and commit unemployment fraud will be criminally prosecuted, protecting benefits for those who truly need them.
- Proposed significant welfare reforms to bring Maine closer to the national average.
- Introduced and signed legislation to protect the victims of domestic violence.
- Established an executive order calling for a taskforce to examine ways to use electronic monitoring to protect victims of domestic violence.

Limited
**WELFARE
BENEFITS**
to 5 years

ROADS

Transportation

*Increased
ROAD &
BRIDGE
Funding
\$104
MILLION*

- Added an additional \$104 million, without borrowing, to the 2012/2013 road and bridge plan to make improvements to Maine's infrastructure.
- Fully funded a program to service and repair 600 miles of lower priority state roads.
- Improved efficiency by increasing the number of miles in the highway reconstruction fund by 20%, however lowering the cost by 5%.
- Focused efforts on the Maine Northern Railroad start-up, which stabilizes Maine's business climate for job creators (22 shippers and 2,000 related jobs).
- Reduced the purchase of heavy equipment by an estimated \$8 million in order to ensure taxpayers' money is being used wisely.
- Eliminated unnecessary and duplicative aviation permits to streamline the permitting process.
- Saved money in personnel costs through the department, which allowed an extra \$9.4 million to be spent on improving Maine's infrastructure and building the economy.

*MaineDOT
increased highway
reconstruction by
20 percent in 2011,
but spent 5 percent
less on project costs
compared to 2010**

**Maine Dept of Transportation*



Governor LePage assesses road damage after Hurricane Irene

Making Maine a “Can Do” Attitude State

- The Governor is working to change the culture of state agencies from “NO” to “CAN DO.”
- Worked with cabinet members and lawmakers to pass reforms that will improve the business climate in Maine – including a 2 year budget and regulatory reform with broad bipartisan support.
- Communicated the administration’s policy priorities to the Legislature through 2 special addresses that offered clear objectives and goals for Maine’s future. The topics included job creation, regulatory reform, welfare reform, energy reform, education reform and eradicating domestic violence.
- Introduced a balanced budget that provides tax relief for working Maine families, eliminated the \$1.3 million budget shortfall and \$2.7 billion of the shortfall in Maine’s pension system.
- As a result of the Governor’s pledge to make Maine “Open for Business”, during 2011 we heard from dozens of businesses who have pledged investments in Maine totaling nearly \$100 million dollars, which is expected to create more than 1,100 new, good paying jobs.
- American jobs were brought back to Maine from overseas including Carbonite in Lewiston.
- Reduced red tape and streamlined regulations which aided in the restarting of Great Northern Paper in Millinocket.
- All of this change adds up to one reality – Maine is “Open for Business.”

“We want to continue to hear from the job creators of our state and continue to introduce meaningful change in Augusta that will help us to a path of prosperity.”

- Governor Paul LePage



Governor LePage discusses culture change in State Government

Transparency, Accountability & Government Reform

HOSTED CAPITOL FOR A DAY FORUMS *Throughout Maine*

- The Governor participated in more than 270 public events to share the administration's goals, and recognize Mainers.
- Established a "Capitol for a Day" program in each of the 16 counties, allowing citizens to attend public town halls to ask questions of the Governor and his cabinet members.
- Held constituent hours every Saturday, allowing members of the general public to schedule a meeting with the Governor, bringing government back to the people.
- Formed a taskforce to investigate and bring welfare fraud to the forefront in Maine.
- Introduced legislation to restructure the Department of Health & Human Services, which will streamline administration and allow the department to focus more on front line services.
- Created a website with over 2,000 active users which allow citizens to comment on their ideas to save money in state government. Each idea was submitted to the appropriate department for review.
- Introduced and signed legislation to increase transparency by improving financial disclosure requirement of Legislators and certain executive branch employees.
- The Governor's new appointments to the Maine State Housing Authority identified wasteful spending and brought accountability back to the organization.
- Introduced legislation to crack down on welfare fraud and stiffen the penalties for those who commit fraud. The legislation adds eight fraud investigators to the Fraud Investigation and Recovery Unit.

"If we want good paying careers we must invest in our job creators by reducing red tape, lowering taxes, and making structural changes to energy, education and welfare."

- Governor Paul LePage



Governor LePage highlights legislative priorities

- Under the Governor's administration, new leadership was brought to the Maine Turnpike Authority after misuse of taxpayer money was discovered, resulting in the conviction and incarceration of the former Executive Director.
- Introduced and signed legislation that requires the Maine Public Utilities Commission and the Office of the Public Advocate to post the annual costs of state policies that affect the price of electricity on their websites, increasing transparency for the Maine ratepayer.
- Instituted a zero-based budgeting process for all state agencies, ensuring the effective and efficient use of taxpayer dollars.
- The Department of Corrections re-negotiated the prisoner medical contract to bring costs back in line with the budget and national guidelines.
- Signed legislation introducing competition for health insurance in Maine's school districts, potentially saving millions of dollars.
- Introduced legislation to bring more oversight and accountability to Maine's quasi-state agencies.
- Presented legislation to bring more oversight to the Efficiency Maine Trust, requiring them to undergo a zero-based budgeting process and to have its budget approved by Maine's lawmakers.



Governor LePage meets with a Highlands Home resident during one of his Capitol for a Day visits

Reformed
Maine
TURNPIKE
AUTHORITY
Leadership



Public Safety

- More Maine State Police will be on the roads, ensuring the safety of Mainers as a result of the Governor's two year budget plan.
- Provided more opportunities for those interested in pursuing careers in law enforcement through a 40 hour online class for students through the Maine Criminal Justice Academy.
- Worked with the National Drug Take-back Initiative to properly dispose of 11,920 pounds of unwanted prescription drugs from Maine homes, a 52% increase from September 2010.
- Signed legislation to toughen the distracted driving law and promote drivers' safety.
- Introduced and passed legislation to impose harsher penalties and restrictions on the drugs known as "bath salts," aiming to make Maine safer.
- Signed legislation to outlaw texting while driving, making Maine's roadways safer.
- Attended the 4th annual Maine Partners in Preparedness Conference to discuss ways to prepare Maine communities for natural disasters in Maine.
- Broadened membership on the Homeland Security Advisory Committee to assure that Maine and its citizens are protected.
- Kicked off a statewide campaign to End Domestic Violence in Maine, including introduction and passage of important victim's related legislation.
- Deployed the National Guard to Vermont after Hurricane Irene to aid in hurricane relief efforts.

Put More
**STATE
POLICE**
on Patrol

*Maine is the most peaceful state for the 11th consecutive year**

*United States Peace Index

“The passage of domestic violence legislation will have a profound impact for victims. Our laws should protect victims by deterring abusers and send a message that this violent behavior will not be tolerated.”

- Governor Paul LePage

Domestic Violence

- Signed an Executive Order which creates a taskforce to develop electronic assistance to provide safety for domestic violence victims.
- Signed legislation that ensures that victims of domestic violence, sexual assault and stalking are notified when their abuser is released from jail.
- Introduced and passed legislation that prevents judges from waving the penalty that abusers pay into the Victims' Compensation Fund which provides financial reimbursement for the losses suffered by victims of violent crime and their families.
- Championed legislation that amends the Maine bail code in order to protect the victims of domestic violence, ensuring a judge must determine the bail for felony domestic violence offenses and violations of a protection from abuse order.
- Supported legislation that deals with the risk assessments involved with abusers.

*Eighty-five percent of domestic violence victims are female with a male batterer**

*Bureau of Justice Statistics



Governor LePage talks about domestic violence policies

Protecting our Environment and Natural Resources

- Under the Governor's leadership, the Department of Environmental Protection issued its largest enforcement penalty in 20 years and the second largest penalty of \$900,000 against Chevron for a major oil spill – showing a commitment to protecting Maine's environment.
- Relaunched the annual Governor's Awards for Environmental Excellence, to recognize projects and programs that have resulted in environmental protection as well as economic benefits that include infrastructure investments and jobs.
- Legislation was passed to allow for a continuation of 2011 fishing levels of elvers, which dramatically increased fines and penalties for unlicensed and illegal fishing.
- Recruited farmers through the Department of Agriculture to assist in designing curriculum that will start a two year agricultural degree at KVCC, teaching the importance of being good stewards of our land.
- Reformed the Land Use Regulatory Commission to include economic development and prosperity in rural Maine as part of its purpose and scope, while maintaining protection measures.
- Worked through the Department of Conservation to secure a \$400,000 agreement with the federal Natural Resources Conservation Services which will open the door to \$2 million in funding to assist family forest owners in the implementation of good stewardship practices.
- The Department of Marine Resources is leading New England in developing new, fishermen supported measures to meet risk-reduction targets to protect whales as mandated by the federal government.
- Presented Maine's Game Plan for Deer demonstrating a commitment to rebuilding Maine's white-tailed deer population.
- Increased penalties for illegally killing deer.
- Established a Predator Control and Deer Habitat Fund to assist in funding predator control and enhancing the deer habitat.'
- Moose permit regulations were improved to assure a fair, affordable process that will lead to a greater chance of obtaining a permit to hunt moose.



Governor Paul LePage presents WCCOG General Assembly President and Washington County Manager Betsy Fitzgerald with 2012 Governor's Award for Environmental Excellence

"We must find balance to protect our environment and ensure a prosperous economy. The answer should never be 'either, or' – it should always be both."

- Governor Paul LePage

This publication was produced by the Office of Governor Paul LePage

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Photo of the LePage family gathered at the Blaine House, April 2011

*“If it is to be, it is up to us
to move Maine forward.”*

Paul R. LePage



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