

Governor's Budget Message

January 11, 2013

Honorable Members of the 126th Legislature and Citizens of Maine:

These are challenging and difficult times. Our State is facing an economic crisis, and we need to examine our spending practices, evaluate our delivery of services and gain control of our welfare system. Maine's fiscal security and future is at stake, and we must make hard choices.

My challenge as Governor—and our challenge as a State—is to find ways to help Maine families prosper, improve the business climate, and foster better educational opportunities while still protecting the truly needy with limited resources.

This biennial budget balances priorities for the people of Maine by maintaining the crucial safety net for our most vulnerable while holding the line on our already too high tax burden.

Maine recently passed landmark tax reduction legislation—saving the average Maine family \$300 a year. Unfortunately, the strides we have made are not enough to overcome the sluggish growth in the American economy. For decades, Maine has remained uncompetitive in attracting and growing new businesses. Now is not the time to raise taxes on Maine's hardworking families and small businesses.

In the early part of the recession, Maine relied on one-time, so-called “stimulus” money from the federal government to pay for many expanded services and programs, rather than paying our existing bills. Today, that money is no longer provided, requiring us either to shift to State funding to maintain those services and programs or to cut them.

We made difficult choices to balance this budget in challenging times. Some worthwhile programs have not been funded and some have seen major reductions. We have prioritized Mainers' tax dollars to maintain a safety net for our most vulnerable.

Two years ago, this administration made it a priority to invest an additional \$63 million into education. Though we have had to make some cuts, this year, general purpose aid to schools is still higher than it was before I took office. And while Maine spends roughly \$4,000 above the national average Maine is not yielding improved academic results.

While the federal government has not passed a budget in years, as Governor, I am responsible for ensuring Maine has a balanced budget. This requires State government to tighten its belt significantly. Local government must do the same. Towns and cities will feel the effects of this budget through a temporary loss of revenue sharing. I commit to you here that we will restore revenue sharing to local governments as the economy improves.

In our continued effort to right-size State government, this budget eliminates about two-hundred positions and will achieve an additional \$30 million in savings by eliminating the lowest-value programs.

In a time of rising crime, we are ensuring our police receive the training they need at the Criminal Justice Academy and that drug enforcement will continue. In addition, we added a new sergeant to the Computer Crimes Lab to help solve some of the most despicable crimes committed against Maine's children and adults.

For years, our natural resource agencies have been cannibalized to pay for growing welfare and education programs—this budget maintains minimal of funding needed for these important agencies to operate.

This budget continues to fund essential transportation infrastructure.

We have modified property tax benefit programs like Circuit Breaker and the Homestead tax exemption to focus on our elderly living in their homes on fixed incomes.

Ultimately, this budget is a combination of difficult choices made during challenging times. But in the long-run, these choices are necessary to protect the future of our children and grandchildren and create a fiscally responsible plan for spending your tax dollars that will set us on a path to recovery.