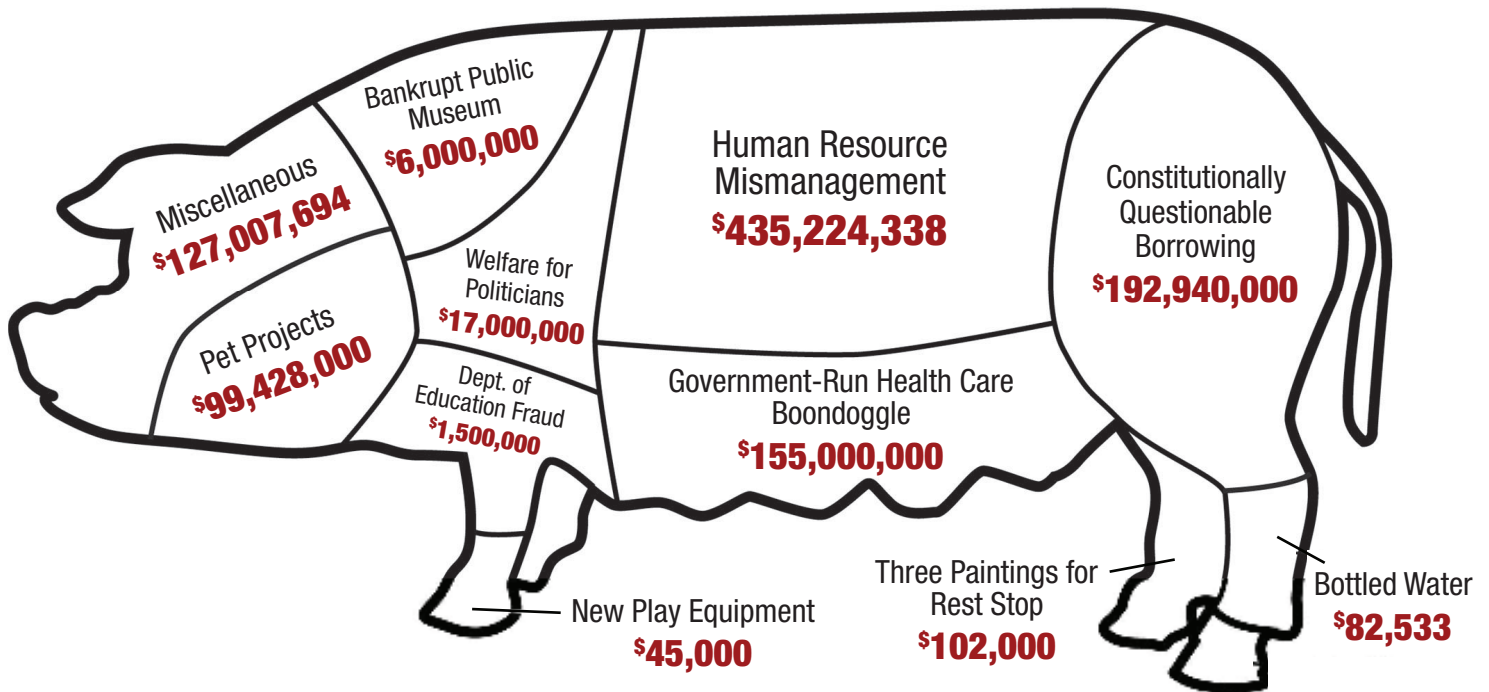


2009 MAINE PIGLET BOOK

“THE BOOK AUGUSTA DOESN'T WANT YOU TO READ”

Inside: More than
\$2,000,000,000
in wasteful government
spending





THE MAINE HERITAGE POLICY CENTER

The Maine Heritage Policy Center is a research and educational organization whose mission is to formulate and promote conservative public policies based on the principles of free enterprise; limited, constitutional government; individual freedom; and traditional American values - all for the purpose of providing public policy solutions that benefit the people of Maine.

MHPC's staff pursues this mission by undertaking accurate and timely research and marketing these findings to its primary audience: the Maine Legislature, nonpartisan Legislative staff, the executive branch, the state's media, and the broad policy community. MHPC's products include publications, articles, conferences, and policy briefings.

The Maine Heritage Policy Center researches and formulates innovative and proven conservative public policy solutions for Maine in four general areas:

- **Economy/Taxation**
- **Education**
- **Constitutional Law**
- **Health Care**
- **Transparency & Open Government**

Governed by an independent Board of Directors, The Maine Heritage Policy Center is a nonprofit, nonpartisan, tax-exempt organization. MHPC relies on the generous support from individuals, corporations, and foundations, and *does not accept government funds* or perform contract work.

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Citizens Against Government Waste (CAGW) is a private, nonprofit, nonpartisan organization dedicated to educating the American public about waste, mismanagement, and inefficiency in government.

CAGW was founded in 1984 by the late industrialist J. Peter Grace and nationally-syndicated columnist Jack Anderson to build support for implementation of the Grace Commission recommendations and other waste-cutting proposals. Since its inception, CAGW has been at the forefront of the fight for efficiency, economy, and accountability in government. CAGW has more than one million members and supporters nationwide. In a little over two decades, has helped save taxpayers \$1.04 trillion through the implementation of Grace Commission findings and other recommendations.

CAGW's official newsletter is *Government WasteWatch*, and the group produces special reports, and monographs examining government waste and what citizens can do to stop it. CAGW is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954 and is recognized as a publicly-supported organization described in Section 509(a)(1) and 170(b)(A)(vi) of the code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of CAGW through tax-deductible gifts.

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EXECUTIVE SUMMARY

The *2009 Maine Piglet Book* is a joint publication of The Maine Heritage Policy Center and Citizens Against Government Waste; both are private, not-for-profit organizations focused on research and education. The *2009 Maine Piglet Book* is published to educate the public about waste, mismanagement, and inefficiency in state government.

Government spending is out of control. Federal deficits are at an all-time high, and state government continues to grow in spite of a poor economy. Waste, mismanagement, abuse and fraud are all to blame for the overspending problem in Maine government.

The *2009 Maine Piglet Book* shines a light on the wasteful spending in Maine. It identifies specific examples of waste, fraud and abuse of taxpayer dollars. While this is not a comprehensive list, the *2009 Maine Piglet Book* identifies more than \$2 billion in wasteful state spending. Examples include:

- **\$435,224,338** – State employees: Over-employed and over-compensated (p. 9)
- **\$192,940,000** – State money borrowed with no voter approval (p. 7)
- **\$155,000,000** – The failed Dirigo Health program (p. 18)
- **\$127,007,694** – “Miscellaneous” category of state spending (p. 17)
- **\$99,428,000** – Questionable capital building project recommendations (p. 28)
- **\$17,000,000** – Welfare for politicians (p. 31)
- **\$11,900,000** – New 55,000 sq. foot administrative building for 116 turnpike workers (p. 24)
- **\$6,000,000** – Bankrupt taxpayer-funded museum (p. 23)
- **\$1,500,000** – Department of Education migrant student fraud (p. 28)
- **\$102,000** – Three paintings for a rest stop in Kennebunk (p. 23)
- **\$82,533** – “Bottled Water” in 2008 (p. 16)
- **\$45,000** – New play equipment in Presque Isle (p. 30)
- **\$40,000** – “Equipment storage in old barn” (p. 29)
- **\$30,000** – Walkway for expo building in Springfield, Massachusetts (p. 29)
- **\$20,000** – Support for a new production of Lerner and Loewe’s “My Fair Lady” (p. 21)

The examples of wasteful spending in the *2009 Maine Piglet Book* spell out a clear message that must no longer be ignored: Government spending is out of control.

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INTRODUCTION

Maine state government is in the midst of a budget crisis. Augusta politicians are quick to tell us this budget crunch is a result of a decline in revenues; however, reading the *2009 Maine Piglet Book* makes it painfully clear that the real culprit is reckless government spending.

The *2009 Maine Piglet Book*, a joint publication of The Maine Heritage Policy Center and Citizens Against Government Waste, once again shatters the myth that state spending is cut to the bone and only tax hikes and spending increases will lift the state out of its fiscal crisis. While government spending is necessary to fulfill basic services and protect the state's most vulnerable residents, responsible spending priorities are necessary to avoid budget shortfalls and cuts to the most critical government programs.

After the Taxpayer Bill of Rights (TABOR) initiative nearly passed in November 2006 with 46 percent of the vote, Augusta politicians promised spending and tax relief. Instead, in the four years since those promises were made, the Legislature has raised taxes more than \$300 million.¹ Had TABOR passed, each one of these tax hikes would have been subject to voter approval. As shown in the following pages, politicians increase the tax burden to fund the spending binges of Augusta's political class and expand non-essential programs that benefit very few.

Politicians and bureaucrats continue to play the blame game. The state blames local government while local government points its finger right back at that state. All the while, the need to reduce spending is ignored, hurting Maine taxpayers the most. Wasteful spending continues at all levels of government and while the list of government programs grows, so does the tax burden.

To help track Maine government spending, The Maine Heritage Policy Center launched www.MaineOpenGov.org on September 24, 2008. This web site offers Maine taxpayers a clear look at how their tax dollars are being spent; down to the agency, person, and penny. MaineOpenGov.org contains payroll data for some 90,000 state employees from 2006 - 2008, all retiree pensions, and state vendor payments totaling nearly \$3,000,000,000.

When out-of-touch politicians in Augusta introduced censorship legislation to shut down MaineOpenGov.org² in April 2009, more than 1,000 people signed a petition in just two weeks demanding that the legislation be defeated. The sponsor of the bill argued that it was "sleazy, and voyeuristic"³ to show state employee salaries online. But the public disagreed, and the strong opposition to the bill from the citizens of Maine proved to be effective, as the bi-partisan Judiciary Committee of Maine's Legislature voted unanimously to kill the bill. Taxpayers crave transparency and they deserve to see how politicians are spending their hard-earned wages.

The movement to rein in wasteful spending is growing. Taxpayers are no longer tolerating wasteful pet projects and government largesse. Whether it's the massive pork and waste in the Federal "stimulus" bill or the commissioning of an "art" project in Maine, there is a clear message that is getting louder: "Stop wasteful spending – give us some relief!"

MAINE'S SPENDING SPREE

Even though Maine is a relatively small state, with approximately 1.3 million residents, it sure can tax and spend. Before getting into the details of the spending problems, the following numbers illustrate just how much Augusta spent in FY 2008:

- \$6,888,007,938 per year⁴
- \$574,000,662 per month
- \$18,871,254 per day
- \$786,302 per hour
- \$13,105 per minute
- \$218 per second
- \$5,232 per person
- \$12,295 per household⁵

So, if the state can spend \$13,105 per minute and the median household income is \$45,211, it follows that Maine government can spend what a household makes in an entire year in less than four minutes.⁶

Not only is current spending out of control, Maine's devastating debt burden continues to grow rapidly, creating an environment where those future generations who might want to stay in Maine will struggle under the weight of such a monumental debt. The billions of dollars in interest on the debt that Maine has accrued will haunt Maine citizens and taxpayers for years to come.

*Maine government
spent \$5,232 for every
single person in the
state of Maine in 2008.*

The chart on the following page shows that one of the most daunting of these debts is the unfunded actuarial liability owed to the Maine State Retirement System. This debt was supposed to be paid down by 2019, but Augusta bureaucrats have pushed off dealing with this problem now, and as a result, Mainers will pay billions in additional interest by the time it is required to be paid in 2028.

The following chart also reveals that Maine has taken on a total of nearly \$13 billion in debt. This number is increasing by hundreds of millions every year (it was "just" \$12.6 billion in 2007) and will continue to grow until those Augusta politicians decide to buckle down and make the kind of fiscally responsible decisions that will put Maine back on the road to prosperity.

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MAINE'S DEBT BURDEN

Tax Supported Debt	Description	Total
Retiree Healthcare Plan Actuarial Valuation	Retiree healthcare plan for state employees and teachers	\$5,037,000,000
Moral Obligation Bonds	Bonds backed by the states moral (but not legally enforceable) promise of payment. These bonds are issued and repaid by: Maine State Housing Authority, Maine Municipal Bond Bank, Maine Health and Higher Education Facilities Authority, Finance Authority of Maine, Maine Educational Loan Authority.	\$4,020,000,000
Unfunded Actuarial Liability (UAL) for the Maine State Retirement System	Pension funds for state employees and teachers. Anticipated expenses and revenues must be actuarially balanced by 2028.	\$3,030,000,000
General Obligation Bonds (GO's)	Debt secured by the state's full faith, credit, and taxing power.	\$453,300,000
Maine Government Facilities Authority (MGFA)	Debt secured by the tax supported agency budgets.	\$192,940,000
Bond Anticipation Notes (BANs)	Short term promissory notes issued and repaid within a fiscal year to provide funds for bond projects. Drawn on the balance of authorized but unissued bonds.	\$83,140,000
Transcap	Debt issued by the Maine Municipal Bond Bank and secured by future state revenues.	\$50,000,000
Capital Leases	State obligations under non-cancelable leasing arrangements.	\$40,590,000
GARVEE	Debt secured by future federal transportation funds.	\$38,180,000
Tax-Supported Certificates of Participation (COP's)	Debt secured by state-issued lease payments.	\$20,700,000
TOTAL		\$12,965,850,000

Source: Maine State Treasurer's Office & Maine State Controller's Office

The most disturbing number above is the massive \$5 billion in unfunded obligations for health insurance premiums for retired state employees and retired teachers. This colossal debt has increased each year, (\$300 million since 2007 alone) and it is not even being addressed in Augusta.

GOVERNMENT FACILITIES AUTHORITY

It is likely that most Mainers have never heard of the Government Facilities Authority (GFA), but this biennium, Maine taxpayers will shell out \$39.4 million to service the \$192,940,000 worth of debt the GFA has accumulated. None of that borrowing went before Maine voters for approval, as is required by the Maine Constitution.

The GFA was created by the legislature in 1997 so that lawmakers could borrow money for government building projects without voter approval to borrow the money. In the same piece of legislation that created the GFA, in fact, legislators borrowed \$143 million, a public debt which was never given a public vote.

Freed from having to justify themselves to the public, the legislature started piling on the debt. In 1998, the year after it was created in statute, the GFA had \$19.5 million in outstanding debt. Today, it has outstanding debt of \$192,940,000. Debt service costs have skyrocketed as a result. During the 2000-2001 biennium, taxpayers paid \$7.2 million to service GFA debt. They will pay \$39.4 million to service GFA debt during the current biennium, an increase in debt service spending of more than 440 percent.

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This is what happens when the legislature frees itself from public oversight, and one can expect that unless the GFA is abolished outright, this kind of constitutionally questionable borrowing, in the name of Mainers but without the vote of Mainers, will continue.

OPEGA

The Maine Legislature in 2005 created a government oversight and accountability office called the Office of Program Evaluation and Government Accountability (OPEGA). This office is non-partisan and works with the Legislature to provide government accountability.⁷

Since its inception, OPEGA has been a shining light in state government, pointing out areas of waste, inefficiency and poor management of funds. The studies done by OPEGA often led to a recommendation that some state program, commission or project be reduced or eliminated.

These results drew the ire of many tax-and-spend politicians in Augusta, and as part of a supplemental budget in the 123rd legislature, in the summer of 2007, they snuck in a reduction of staffing and funding to OPEGA, and also set up a legislative committee to review OPEGA to make sure the operation was effective and efficient.⁸ LD 2289 of the 2007 Supplemental Budget cut three key positions from OPEGA and reduced funding by more than \$300,000 per year.⁹

These Augusta politicians couldn't stand to see their favorite pet programs drawing heat from a non-partisan review committee, so they cut positions and reduced funding to OPEGA. Fortunately, before that occurred, the agency was able to provide valuable insight for legislators and taxpayers.

ECONOMIC DEVELOPMENT PROGRAMS

OPEGA defines economic development programs as “Activities which distribute, impact, or risk State funds, where the primary purpose is to stimulate the economy, expand or maintain employment opportunities, or encourage the establishment and growth of commerce and industry.”¹⁰

It seems that the only purpose they really have is to stimulate their own programs:

- Between 2003 and 2005 the state of Maine spent \$602,181,387 on “Economic Development Programs.”
- There were additional administrative costs of \$21,922,486 from 2003 to 2005 in only 21 of the 46 programs.¹¹

To no one's surprise, OPEGA's risk assessment stated that “The majority of programs reviewed lack standard program controls necessary for performance evaluation (such as: adequate purpose, goals and objectives, performance measures).”¹² Not only do these expensive programs lack performance evaluation, but also, according to OPEGA there is no “meaningful effort to coordinate.”¹³

OPEGA concluded that Maine citizens make a “substantial investment in economic development programs”¹⁴ and that the Maine legislature should take the time to review the following programs:

- Revenue Obligations Securities Program (SMART and SMART-E)
- Agricultural Water Management and Source Development Program
- Potato Marketing Improvement Fund Program
- Maine Manufacturing Extension Partnership
- Agricultural Marketing Loan Fund
- Maine Apprenticeship
- Farms for the Future Program
- Economic Recovery Loan Program

- Governor's Training Initiative
- Milk Commission

Maybe the Legislature will decide to end some of these programs: which would result in huge savings for Maine taxpayers. That is unlikely to happen soon: According to the same OPEGA report, some of these programs have been operating the same way for 15 years.

BOARDS AND COMMISSIONS

Another set of state bureaucracies that OPEGA evaluated were the state's boards, committees, commissions, and councils.

OPEGA found that not only do a lot of these entities waste money, but they also waste state employees' time.

- In 2007, OPEGA found that 261 of these state committees took up 349,015 hours of state employee time and cost the state about \$12,000,000.¹⁵

The use of that time and money might be reasonable if OPEGA didn't also conclude that:

- There are boards with little or no activity; boards with many seats that have expired terms, and boards that appear to have similar areas of focus and are redundant.¹⁶

According to OPEGA, the elimination of just 50 percent of these boards that have limited or no activity would free up 12 - 60 hours for each state employee who works for these boards, as well as employees who deal directly with them.

Many of these boards use state money for "refreshments and facility rentals."¹⁷ OPEGA found that just a 25 percent reduction in the cost of refreshments and facility rentals would be an annual savings of about \$100,000.

MAINE'S STATE EMPLOYEES – TOO MANY AND OVERPAID

Research by The Maine Heritage Policy Center, using data from the U. S. Department of Commerce's Bureau of Economic Analysis concluded that the Maine state workforce was too big and overpaid. In 2007, if Maine's state workforce, as a percent of the private sector workforce, was at the national average there would have been 4,497 fewer state workers or 22,985 versus 27,482. This over-employment cost Maine taxpayers \$189,451,468 in 2007.

In addition, Maine's state workforce compensation levels are far above the national average for similar state government positions. In 2007, the average Maine state government worker took home \$51,073, including wages, overtime and benefits. If Maine state workers' compensation was at the average ratio of public versus private sector employees, it would have been \$42,130. This over-compensation cost the Maine taxpayers \$245,772,870 in 2007.

The total price tag for the combination of Maine's over-employment and over-compensation was a staggering figure of \$435,224,338 in 2007.

The total price tag for the combination of Maine's over-employment and over-compensation was a staggering figure of \$435,224,338 in 2007. If these savings could be used to lower Maine's state tax burden (as a percent of personal income) it would represent a reduction of about 12 percent, declining from 8.24 to 7.27 percent.¹⁸

Maine's employment ratio is among the 10 highest nationally for several categories, including;

- Financial Administration (6th)
- Other Government Administration (10th)
- Highways (5th)
- Water Transport and Terminals (7th)
- Public Welfare (2nd)
- Higher Ed, Other (includes non-instructional employees) (14th)

Maine's wages and salaries for public employees are among the 10 highest in the country for:

- Other Government Administration (6th)
- Police Protection Officers (3rd)
- Corrections (5th)
- Public Welfare (8th)
- Health (4th)
- Hospitals (2nd)
- Social Insurance Administration (10th)
- Parks and Recreation (4th)

- Natural Resources (6th)
- Higher Ed Instructional (10th)

STATE EMPLOYEE COMPENSATION

Since September 24, 2008 MaineOpenGov.org has been making it easy for taxpayers to track government spending. Some of the most substantial spending in Maine state government is on state employee compensation. As the head of state, Maine's governor makes \$70,000 per year, not at all out of line considering that the median household income is about \$45,000 according to the U.S. Census Bureau.

Most folks would expect the Governor to be at the top of the state employee pay scale, considering he is the chief executive officer, but that is not true.

In 2008, there were 1,468 state employees who were paid more than the Governor.

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EXECUTIVE BRANCH

The executive branch of Maine state government is home to many of the state's highest paid employees. Not surprisingly, nine of the top 10 highest salaries in the executive branch can be found at the Department of Health and Human Services (DHHS):

- Marjorie Snyder, a public service executive at the Dorthea Dix Psychiatric Center, made \$175,706 in 2008.¹⁹
- Margaret Greenwald, the chief medical examiner, made \$169,194 in 2008.
- Five physicians from the Dorthea Dix Psychiatric Center and the Riverview Psychiatric Center made \$165,399 each in 2008.

These seven are not the only ones who make more than \$100,000. In 2008, there were 54 state employees in the executive branch who took home more than six figures in salary.

One of these employees who made more than \$100,000 is Jude Walsh, who raked in a cool \$111,565 as the "Governor's special assistant."

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The governor does not stack up well to his employees. There are 459 executive branch employees that make more than their boss, the chief executive of the state of Maine.

Another department of note that finds its home in the executive branch is the infamous Dirigo Health Department. Two employees of Dirigo raked in more than \$100,000 in 2008, including the executive director, Karynlee Harrington, who pulled down \$101,603 while overseeing the failing health program.

LEGISLATIVE BRANCH

Maine has a part-time legislature that was only compensated with \$9,516 annually in 2008, which is much less than many states. Although this pay is something to expect from a part-time job, it is not the ordinary salary in this branch of the state government.

- The executive director of the Legislature, David Boulter, was paid \$125,734 in 2008.
- Four directors of the Legislature made \$114,258 each in 2008.

Nine employees in the legislative branch made more than \$100,000 in 2008 and 34 employees beat the governor's \$70,000.

JUDICIAL BRANCH

In the *2007 Maine Piglet Book*, the judicial branch was excluded because the salaries were hidden from public view. Now, thanks to MaineOpenGov.org, everyone can see what kind of taxpayer-funded salaries those state employees in the judicial branch are earning.

- Maine Supreme Court Chief Justice Leigh Saufley took home \$140,624 in 2008 and her six counterparts took home \$121,609 each that same year.²⁰
- District Court Chief Judge Ann Murray made \$119,072 and her deputy chief judge, Charles Laverdiere, received \$116,514 in 2008. Working under those two judges are 45 district court judges who each took home \$114,027 in 2008.
- Thomas Humphrey, the Superior Court Chief Judge, made \$119,072 along with 15 Superior Court Judges who raked in \$114,027 each in 2008.
- The State of Maine's judges are not the only ones making six figures. James Glassner, the state court administrator, made \$114,027 in 2008.

Although Mr. Glassner and the judges are the only Judiciary employees that made six digits, there were 78 total Judiciary employees that made more than the governor's \$70,000 last year.

The State of Maine judicial branch doled out a total of \$23,778,171 in gross wages in 2008 alone.

HIGHER EDUCATION

No offense to the three branches of government, but when it comes to salaries, none can hold a candle to those found in the University of Maine System. More than 850 employees in the University System earned more than the governor's salary in 2008.

The top-paid employee in the state of Maine is the Chancellor of the University of Maine System, Richard Pattenaude, who this past year was awarded a base salary of \$220,000.

Three other employees made more than \$200,000 last year:²¹

- Peter Pitegoff, the Dean of the School of Law, earned \$212,012.
- Robert Kennedy, the President of the University of Maine, made \$210,405.

Some other notables among the highest paid in the University System:

- The President of the Maine Maritime Academy in Castine, Tyler Leonard, made \$193,982 in 2008, to run a school with about 850 students.
- The President of the University of Maine at Presque Isle, Donald Zillman, made \$165,000.
- The Libra Professor of Geological Science, and head of the "Maine Climate Change Institute," is the 12th highest paid employee in the UMaine System at \$162,946 in 2008.
- Men's Ice Hockey Coach Timothy Whitehead made \$160,000 in base salary.

OVERDONE OVERTIME

One area where the state should really take a good look to identify possible savings is overtime paid to government employees. In 2008:

- One took home more than \$60,000 in overtime.
- One took home more than \$50,000 in overtime.
- Five took home more than \$40,000 each in overtime.
- 19 took home more than \$30,000 each in overtime.
- 87 took home more than \$20,000 each in overtime.
- 512 took home more than \$10,000 each in overtime.

Ten state employees took home as much or more in overtime pay as they did base salary in 2008.²²

Because overtime is often paid at an hourly rate higher than normal wages, much more work could be accomplished, compared to cost, if the state would consider hiring new employees to help with these positions that have heavy overtime. At the least, the state should take a careful look at what is being spent on overtime.

CORRECTIONS NEEDS SOME CORRECTION

Although blame for rising state spending typically lands on the Department of Health and Human Services and the Department of Education, which spend a lion's share of state money, spending has also been skyrocketing at the Department of Corrections. During the 2000-2001 biennium, the budget for the Department of Corrections was \$180 million. For the current biennium, Corrections is budgeted to spend \$330 million, a staggering increase of 83 percent in just eight years.

The natural conclusion would be that there are many more crimes being committed and more and more people are being put in the state's jails and prisons. In fact, in 2004, 1,994 prisoners were incarcerated, and in 2008 there were 2,038²³ prisoners in the lockup, an increase of just 44 inmates, or 2.2 percent. Clearly the skyrocketing costs are out-of-whack with the prisoner population.

Corrections is budgeted to spend \$330 million, an increase of a staggering 83 percent in just eight years.

Part of the cost driver is overtime paid to workers in the Corrections Department. The following two charts show Corrections has the second highest total overtime paid by agency in 2008 (Chart 1), while Corrections Officer comes in at the highest in overtime paid by position in 2008 (Chart 2).²⁴

Corrections is definitely in need of correction, and a good start for the administration would be to take a look at these skewed overtime earnings and determine if they could save some taxpayer dollars by hiring additional workers, or cutting back in some other areas.

CHART 1 (DOLLAR AMOUNT)

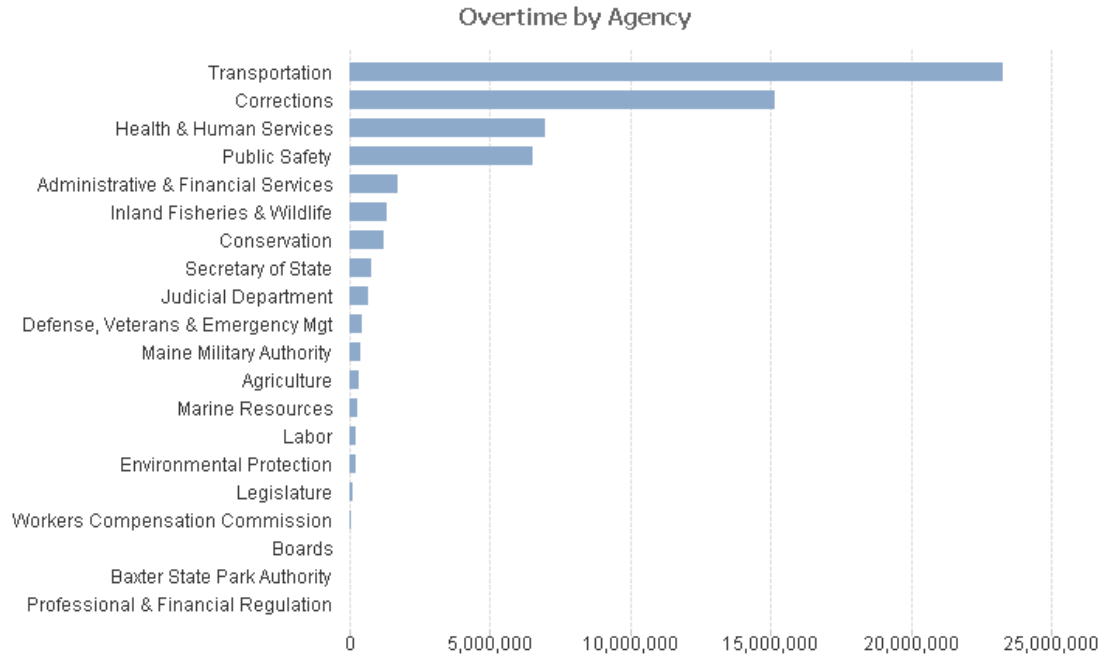
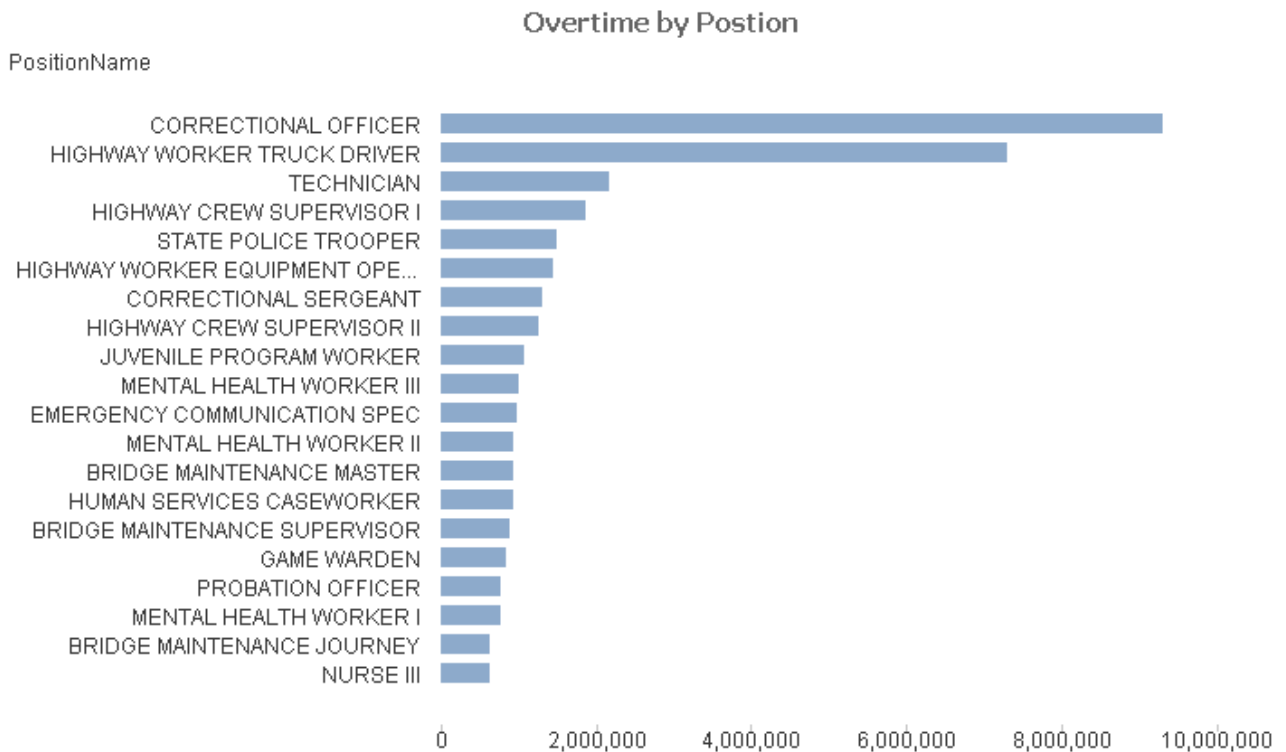


CHART 2 (DOLLAR AMOUNT)



MAINE STATE EMPLOYEE BENEFITS

Maine state employees enjoy an extremely generous health insurance benefit, including 100 percent coverage for every active state employee and any state retiree who is not yet on Medicare. In addition, there is generally 60 percent coverage for the dependents of these state employees.

State employees also receive some very generous retirement benefits. The data available on MaineOpenGov.org shows total benefits received by state employees in 2008, and the numbers are quite staggering. State employees in the executive, judicial, and legislative branches, plus higher education, earned a total of \$459,187,023 in benefits.²⁵ (This figure does not include education other than state universities and colleges.)

- 18,023 state employees took home more than \$10,000 each in benefits in 2008.
- 11,649 state employees made more than \$20,000 in benefits.
- 3,831 state employees made more than \$30,000 in benefits.
- 903 state employees made more than \$40,000 in benefits.
- 199 took home at least \$50,000 in benefits.
- 51 state employees were awarded more than \$60,000 in benefits for 2008.
- 16 were given more than \$70,000 in benefits.
- Four individuals took home more than \$80,000 each in benefits alone for 2008.

903 Maine state employees took home more than \$40,000 each in total benefits in the year 2008.

MAINE'S "ESSENTIAL" SPENDING

When tax cuts are proposed in Maine, opponents quickly say government spending is already cut to the bone and not a dollar more can be removed from the budget. The state of Maine writes checks that total hundreds of millions of dollars each year to businesses and people. Below is a list of some of the more questionable spending done by the state in the past several years. The next time someone says government spending is "cut to the bone," remember this list:

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- In 2007, “Meals and Gratuities” cost the state \$1,515,740. If one’s grocery bill was \$200 a week and the food budget was as much as the state spent on meals in one year, there would be enough money for 7,578 weeks or 145 years of groceries.
- The state spent \$888,034 on “Modular Furniture,” and it was not even kept in the state. This money was given to a Massachusetts company for their services.

In 2008, Maine spent \$127,007,694 on “Misc Prof Fees and Services.”

Also in 2008, Maine spent \$7,576,181 on “Training and Related Expenses.”

- In 2008, Maine spent \$749,985 on “Entertainment & Caterer Services.”
- In 2008, the state spent \$82,533 on “Bottled Water.”²⁶
- In 2007, the state of Maine spent \$46,276 on the “Care of Stray Dogs.”²⁷

MISCELLANEOUS MILLIONS

- The “Miscellaneous” category provides no details, so taxpayers don’t know exactly what the state means when it classifies such spending. In 2007, the state reported paying \$1,195,098 for “Misc Expenses” and in 2008 it reported spending a staggering \$127,007,694 on “Misc Prof Fees and Services.”²⁸
- In 2008, the state spent \$7,576,181 on “Training and Related Expenses.”²⁹

JOY RIDE

If the two million dollars spent on legislative travel and meals was not enough, the state also threw out \$7,244,735 in 2007 and \$7,540,144 in 2008 on “Auto Mileage Reimbursements” to more than 7,000 people at \$0.40 a mile in 2007 and \$0.42 in 2008.³⁰ That’s 36,064,562 miles totally funded by taxpayer dollars.

One Maine state employee seems to drive a lot for the state. Over a three-year period, according to data on MaineOpenGov.org and the State Controller’s Office, Craig Hurd drove 120,327 miles, costing taxpayers \$48,038.³¹ This is quite the racket considering taxpayers could have saved nearly \$32,000 during this three year period if the state had just purchased this employee a brand-new Ford Focus for \$15,520.³²

Travel on the taxpayers’ dime isn’t limited to only in the state, or on the ground. In 2008, the government spent \$315,224 on “Airfare out of State.”³³

DIRIGO – MAINE’S “PUBLIC OPTION” DISASTER

Passed in 2003, Maine’s Dirigo Health initiative was lauded as the first state-based universal coverage program in this decade. Governor John Baldacci promised that Dirigo Health would:

- 1) Provide coverage for all of Maine’s 128,000 uninsured by 2009.
- 2) Not require any new taxes.
- 3) Be paid for by savings created in the health care system in Maine.
- 4) Reduce health insurance and health care costs for all.

Dirigo has been very costly to Maine taxpayers – \$155 million and counting – while it covers fewer than 3,400 previously uninsured Mainers.

The core element of the Dirigo Health initiative was the DirigoChoice “public option” insurance product – designed by state government, administered by a private insurer, subsidized by state tax dollars, and mainly marketed by state government to Maine small businesses and individuals. The results are as follows:

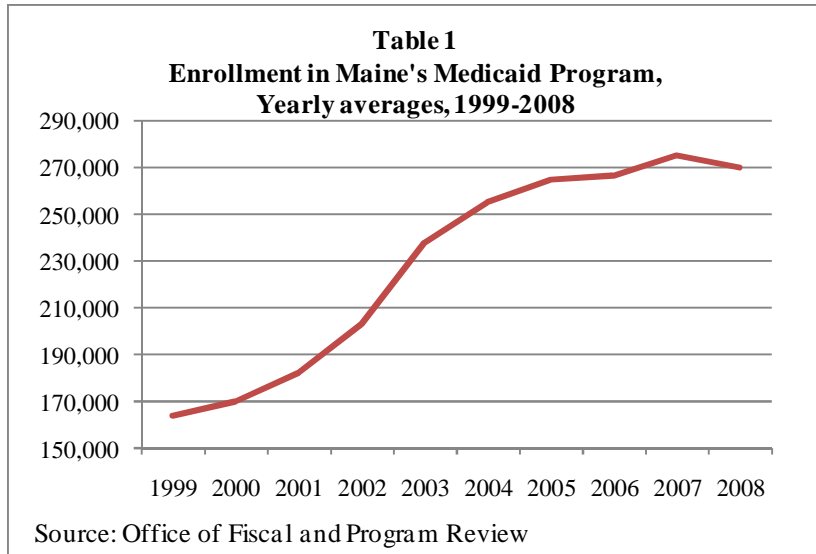
- Caused skyrocketing premiums (up 74 percent in four years).
- Racked up huge costs for taxpayers (\$155 million to date).
- Reduced benefits for enrollees.
- Offered low-value benefits to cut costs (72 percent medical loss ratio).
- Been closed to new enrollees for nearly two years.
- Had huge crowd-out as people shift to subsidized coverage (64 percent).
- Covered just 3,400 of the state’s previously uninsured.³⁴

MAINE’S MEDICAID MALARKEY

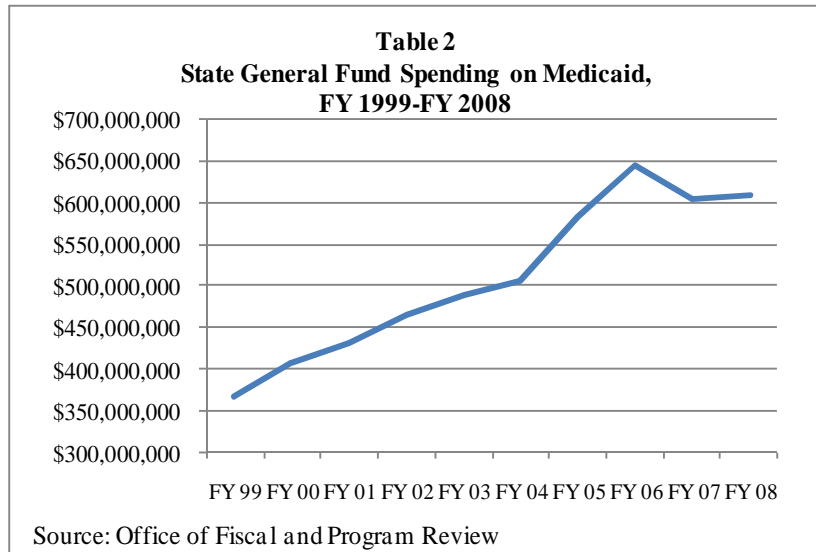
Maine’s unsustainable Medicaid enrollment, now at 23 percent of the state’s population, has created a perpetual budget crisis, higher taxes, increased costs for medical services, underpayment of health care providers, debts from years of unpaid Medicaid bills and rationing of care for the people on Medicaid. Maine’s misguided experiment with a massive expansion of

the Medicaid program should serve as a warning to those who would do the same on the national level because uncontrollable costs and health care rationing will be the result.³⁵

The dramatic growth of Maine's Medicaid program began in the late 1990's. From June 1998 to June 2002, enrollment in Medicaid grew from 154,000 individuals to more than 200,000 individuals, a growth rate of 30 percent, as shown in Table 1.



State General Fund spending on the program, however, grew from \$248 million in FY 1998 to \$463 million in FY 2002, a growth rate of 87 percent, as shown in Table 2.



By early 2006, Maine's Medicaid program was closing in on \$600 million in annual costs. In April, the state was forced to admit that it was being sued by a number of Maine's hospitals for its failure to pay for the services they rendered, as far back as 1993, to Medicaid enrollees. The Maine Hospital Association estimated at the time that the hospitals were owed \$300 million.

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With Medicaid enrollment hitting a record 276,000 during the summer of 2007, the program's costs continued to be an issue. By the fall, the state was confronting yet another budget shortfall and Medicaid became a target once again. A supplemental budget bill passed in early 2008 was designed to fill a \$190 million budget gap by further capping enrollment in the non-categorical program and scaling back prescription drug services.³⁶

Even with these cuts, the Medicaid program ran out of money before the end of the 2008 fiscal year, and the state was forced to delay \$40 million in payments to health care providers until July 1, the first day of the 2009 fiscal year. The shortfall was credited to "higher than expected claims."

Federal stimulus money was also used to close an \$840 million shortfall in the 2010-2011 biennial budget, with \$189 million in one-time federal Medicaid funds budgeted for FY 2010 and \$95 million budgeted in FY 2011.

A worsening economy forced Governor Baldacci and the legislature to pass a supplemental budget in January 2009, closing a \$170 million General Fund shortfall. The budget bill included a cut to hospital-based physician reimbursement rates, costing Maine hospitals an estimated \$12 million, as well as \$4.5 million in savings generated by postponing a Medicaid hospital payment until fiscal year 2010.

Federal stimulus money was also used to close an \$840 million shortfall in the 2010-2011 biennial budget, with \$189 million in one-time federal Medicaid funds budgeted for FY 2010 and \$95 million budgeted in FY 2011. Of

this, \$40 million was budgeted over the two years to address projected budget shortfalls in the Medicaid program.

The recent history of Maine's Medicaid program demonstrates the perils of recklessly expanding government-run health programs. Such programs create unsustainable costs to the public and the health care provider community, while providing enrollees, whose access to care is decided by politicians, with severely limited options for medical treatment.³⁷

MAINE ARTS COMMISSION

"The Creative Economy is a catalyst for the creation of new jobs in Maine communities. People who create jobs want to live in places that have a diverse cultural mix and an innovative and educated workforce. Maine will be competitive economically if we continue to capitalize on the synergies between entrepreneurship, education, the arts and quality of life."

- Governor John Elias Baldacci³⁸

The Maine Arts Commission was founded 30 years ago³⁹ and states that its mission is to "encourage and stimulate public interest and participation in the cultural heritage and cultural programs of our state; shall expand the state's cultural resources; and shall encourage and assist freedom of artistic expression for the well being of the arts, to meet the needs and aspirations of persons in all parts of the state."⁴⁰ Each year the state "meets the needs and aspirations" of people throughout the state with grants that range from \$100 to \$25,000.

There are several categories covering a large range of interesting "art" that are available to apply for a grant.

The categories, along with a sample of the state's finer investments of the taxpayers' money, are as follows. The grants below are all from fiscal year 2008:

Arts in Education in the Community

- \$10,000 to the Bates Dance Festival to support for Deepening the Live Arts Experience for Youth, which incorporated dance and music residencies into the curriculum of three elementary schools in Lewiston.⁴¹ This is a project that Bates, a private college with an \$83,000,000 operating budget,⁴² could afford without taxpayer funds.
- There were 10 other grants in this category that totaled \$97,800.⁴³

American Masterpieces

- \$15,000 went to the Maine State Music Theater in Brunswick for support to produce and perform the musical *All Shook Up* with a score comprised of the music of Elvis Presley and a story based on the Shakespeare classic *Twelfth Night*.⁴⁴
- \$20,000 in 2008 went to the Ogunquit Playhouse to support a new, first-class production of Lerner and Loewe's *My Fair Lady*.
- There were four total grants in this category that totaled \$69,148.

\$20,000 in 2008 went to the Ogunquit Playhouse to support a new, first-class production of Lerner and Loewe's My Fair Lady.

Artists in Maine Communities

- \$2,440 went to Harpswell Festival, Inc. for *Aht on Parade*, a collaborative artist project to create life size puppets for the Harpswell Festival Parade.
- Two grants each totaling \$7,500 went to Space Gallery. One grant is for an artist-in-residence with Joshua Loring who will create a multi-format audio visual document of the work and lives of artists in the Portland music scene and the other is for support for an exhibition of five Maine artists who will design, build and install large-scale dioramas in storefront windows throughout Portland.
- This category included 17 grants that totaled \$115,139.

Building Capacity in Maine Cultural Communities

- \$10,000 to the Greater Portland Landmarks' Congress.
- This category includes 11 grants that totaled \$94,935.

Good Idea Grants

- \$1,500 to Alison Chase for support for *WhooZ Who*, a dance that explores human relationships in shifting and recombining patterns and twisting preconceptions of rules, roles and responsibilities. She also received \$13,000 for an art fellowship to develop choreography.
- This category includes grants to 26 different people totaling \$37,179.

Traditional Arts Fellowship

- One grant to Donald Roy for a fellowship in Franco Fiddling for \$13,000.

STIMULUS PACKAGE

“Maine Arts Commission will be distributing nearly \$300,000 from the National Endowment for the Arts to arts and cultural institutions in Maine for job retention.”⁴⁵

According to the *Bangor Daily News*, not only will the Maine Arts Commission be giving out this money, but it is also eligible to keep some of it to retain jobs such as:⁴⁶

- Alden Wilson, a public service executive, who made \$111,071 in 2007 including benefits.
- Brian Knicely, a public service manager, who made \$105,748 in 2006 including benefits

- Donna McNeil, director of the Maine Arts Commission, was quoted as saying: “I think the government arts jobs are real jobs and that they are central to our nation’s recovery just like any other worker,”⁴⁷ after receiving a pay raise from \$73,384 as the director of special projects in 2006 to \$99,162 as director of the Maine Arts Commission in 2007.

Donna McNeil, Director of the Maine Arts Commission, felt the \$102,000 price tag on these 3 paintings, was “a bargain” for the state.

In 2007, the Maine Turnpike Authority renovated the service plaza in Kennebunk and the Turnpike Authority wanted artwork to be displayed in the building. The artist that ultimately received the honor does not even live in Maine; there will be three pictures of dogs by William Wegman from New York.⁴⁸

Donna McNeil, director of the Maine Arts Commission, felt the \$102,000 price tag on these three paintings was “a bargain” for the state.⁴⁹

THE DOWNEAST HERITAGE MUSEUM DEBACLE

A good place to find out how ineffectively the government spends tax dollars is the Downeast Heritage Museum in Calais. The \$6 million museum, funded almost entirely with government money, was opened to great fanfare on May 22, 2004. On September 29, 2008, it filed for

Maine taxpayers spent \$300,000 on the museum in the form of one-time emergency funding provided by Governor Baldacci after a visit to the troubled museum in 2006.

Chapter 7 bankruptcy, which may lead to its liquidation. With only \$1,294 in its checking account at the time of the filing, the museum was unable to make its mortgage payments to the U.S. Department of Agriculture, to which it owed \$600,000, and the U.S. Department of Commerce, which is owed \$1 million.⁵⁰

This most recent bankruptcy filing comes on the heels of a 2006 Chapter 11 bankruptcy filing, which reduced the museum’s debt to the Department of Agriculture from its original \$3.2 million to \$600,000, with the U.S. government presumably paying the difference. Maine

taxpayers also spent \$300,000 on the museum in the form of one-time emergency funding provided by Governor Baldacci after a visit to the troubled museum in 2006. Despite these massive infusions of government money and the leasing out of some museum space to outside interests, the museum could no longer stay afloat.⁵¹

Evidently, it never occurred to any of the government entities funding the project that building a multimillion-dollar non-profit institution of this kind in Calais, which is a four-and-a-half hour drive from Portland and 100 miles from Bangor, might be a bad idea. According to published reports, the museum was apparently expecting 400,000 people, one-third of the population of the

state, to visit the area in 2004 for the 400th anniversary of the St. Croix settlement. Unsurprisingly, “barely a trickle” of people showed up. Even the relocation of a state visitor center to the museum building failed to generate traffic, as no one, it turned out, even wanted to visit the visitor center.

Even worse is the complete lack of accountability or remorse over the waste of millions of taxpayer dollars, both state and federal, on this boondoggle. According to the museum’s executive director, Jim Thompson, “it’s nobody’s fault.”⁵²

TAJ MA-TURNPIKE

On the very same day this year news broke that the state is facing an additional \$50 million revenue shortfall,⁵³ there was a story in the *Portland Press Herald* that detailed the opening of a new turnpike “administrative building” with a hefty price tag of 11.9 million.⁵⁴ Ironically, these stories were adjacent to each other in the online version of the newspaper.

The July 10, 2009 article reported that, “The 55,000-square-foot, three-story, energy-efficient edifice consolidated the state police troop and the turnpikes 116 office workers, previously housed in four different buildings.”

*At \$11,900,000 for
116 workers, that
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At \$11,900,000 for 116 workers, that works out to \$102,586 per worker.

Maine Turnpike Authority Executive Director Paul Violette said he “is also aware that many Mainers are probably questioning the need for a new multimillion-dollar administration building. ‘I can understand why some folks would say, “Geez,” but when you run the numbers, it made better sense not to lease.’”

They claim they are saving taxpayers’ money by “making use of natural light,” according to the report. They also have installed “showers for workers who commute by bike,” which is interesting because bikes aren’t even allowed on the turnpike.

It should be gratifying to taxpayers to know that, “workers say the new building has lifted their spirits,” and one employee raved about the new surroundings saying, “Considering I used to share one office with three people, including a desk, this is a lot better.”⁵⁵

CAMP-ON-US

Maine is a fantastic state, and one of the greatest treats of a nice Maine summer is the chance to go camping with the family. But, even families who have not had the chance to make it out into the woods to camp themselves this summer are paying for that privilege for others.

Taxpayers this year footed the bill for 32 families to go camping in Maine parks.⁵⁶ The program, “First Time Campers” is “sponsored” by the Maine Department of Conservation, which means it was paid for with tax dollars.

These families had their tent, sleeping bags, chairs, lanterns, bottled water and an assortment of other gear waiting for them. They also had a personal assistant who is an interpretive specialist with the Bureau of Parks and Land and claims he has “the best job in the state.”⁵⁷

Families whose applications were chosen at random for the experience received a two-night, three-day reservation and a variety of camping gifts and coupons from Hannaford, Oakhurst Dairy, Poland Spring, Wicked Joe Coffee, Coleman and L.L. Bean. One lucky family will receive a complete camping outfit from L.L. Bean at the close of the season.⁵⁸

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First-Time Campers is a program in Governor John E. Baldacci’s “Take It Outside!” initiative to encourage children and families to experience the great outdoors, DOC spokeswoman Jeanne Curran said. Camping is awesome, especially in Maine, but state government should not ask Maine taxpayers to foot the bill for a few random families to “take it outside.”

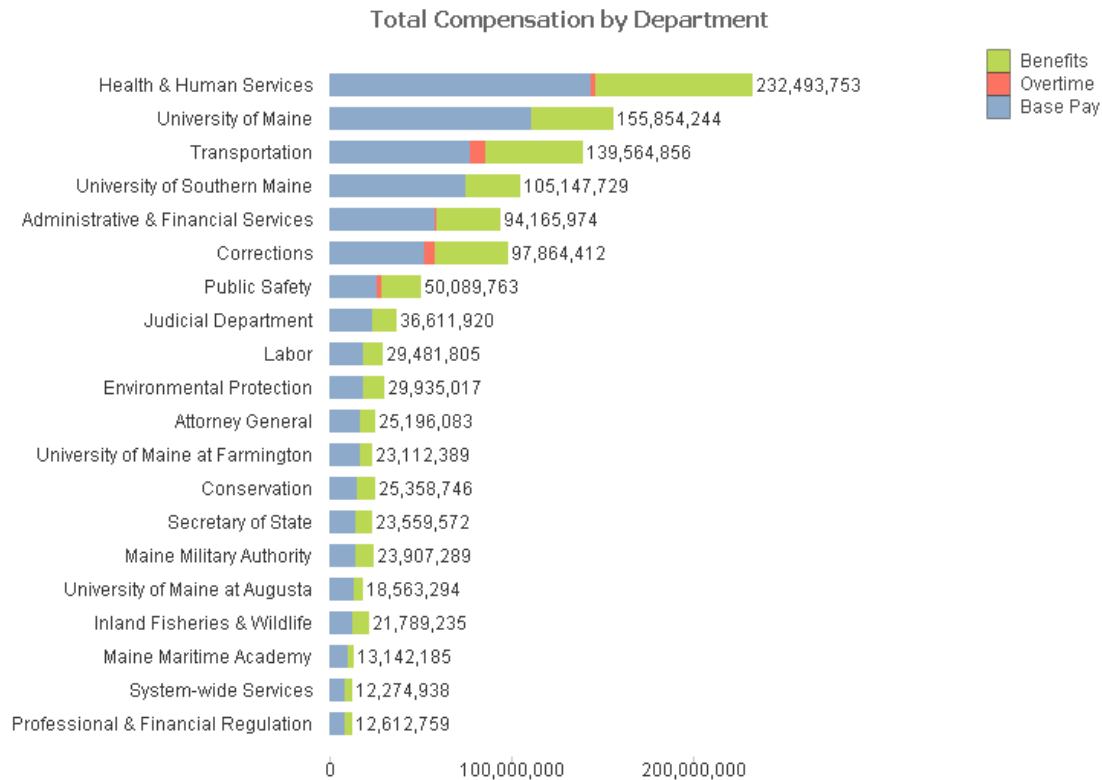
2008 TOP 20 LISTS

Maine state employee’s compensation, overtime and benefits are big factors when it comes to government overspending. On the following page, there are two “Top 20” lists, showing which departments are the biggest spenders of taxpayer dollars.

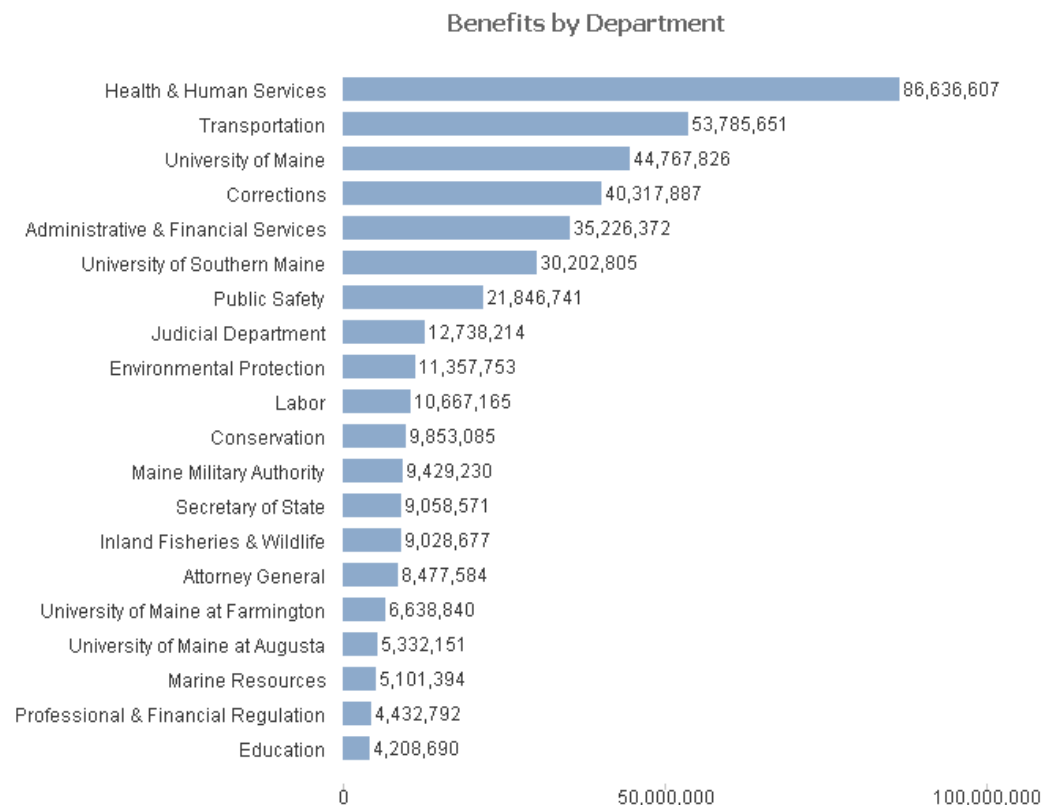
These lists are possible thanks to MaineOpenGov.org, which shows online more than \$7,000,000,000 of compensation paid to Maine employees, down to the agency, person and penny...

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TOP 20 TOTAL COMPENSATION – BY DEPARTMENT (DOLLAR AMOUNT)



TOP 20 BENEFITS – BY DEPARTMENT (DOLLAR AMOUNT)



MAINE PIGLET BOOK 2009

WHERE THE MONEY GOES

Each year, the state of Maine sends hundreds of millions of dollars to out-of-state vendors for various products or services. The chart below shows how much Maine elected to send to each state in the last three years total (2006, 2007 and 2008).

State	Amount	State	Amount
<i>Alabama</i>	\$888,625	<i>Nebraska</i>	\$383,432
<i>Alaska</i>	\$63,502	<i>Nevada</i>	\$334,926
<i>Arizona</i>	\$11,309,270	<i>New Hampshire</i>	\$36,808,521
<i>Arkansas</i>	\$351,244	<i>New Jersey</i>	\$21,459,952
<i>California</i>	\$9,037,006	<i>New Mexico</i>	\$109,819
<i>Colorado</i>	\$18,332,816	<i>New York</i>	\$39,273,182
<i>Connecticut</i>	\$129,249,644	<i>North Carolina</i>	\$5,906,748
<i>Delaware</i>	\$57,148	<i>North Dakota</i>	\$165,917
<i>Florida</i>	\$10,304,721	<i>Ohio</i>	\$11,529,579
<i>Georgia</i>	\$37,806,517	<i>Oklahoma</i>	\$101,732
<i>Hawaii</i>	\$1,045	<i>Oregon</i>	\$901,863
<i>Idaho</i>	\$1,228,658	<i>Pennsylvania</i>	\$114,027,416
<i>Illinois</i>	\$85,641,819	<i>Rhode Island</i>	\$2,557,487
<i>Indiana</i>	\$687,593	<i>South Carolina</i>	\$948,760
<i>Iowa</i>	\$1,132,820	<i>South Dakota</i>	\$34,571
<i>Kansas</i>	\$298,140	<i>Tennessee</i>	\$1,552,344
<i>Kentucky</i>	\$5,029,626	<i>Texas</i>	\$50,627,688
<i>Louisiana</i>	\$462,558	<i>Utah</i>	\$49,952,846
<i>Maine</i>	\$1,761,960,286	<i>Vermont</i>	6,468,776
<i>Maryland</i>	\$40,776,113	<i>Virginia</i>	\$4,923,233
<i>Massachusetts</i>	\$151,597,015	<i>Washington</i>	\$950,231
<i>Michigan</i>	\$2,922,785	<i>West Virginia</i>	\$96,401
<i>Minnesota</i>	\$5,989,648	<i>Wisconsin</i>	\$14,844,605
<i>Mississippi</i>	\$96,132	<i>Wyoming</i>	\$21,929
<i>Missouri</i>	\$39,137,373	<i>Washington DC</i>	\$7,030,096
<i>Montana</i>	\$58,274	<i>State N/A</i>	\$52,939,230
Total			\$2,738,371,662

59

MAINE VS. OTHER STATES

Maine	Other States
\$1,761,960,286	\$976,411,376
64%	36%

As shown, Maine government does shop primarily at home in Maine, but still sends more than 36 percent of total money spent to vendors out-of-state. If the state cut that amount in half, they would be infusing more than \$488,000,000 back into Maine's businesses and economy.

“MIGRATING” MONEY

One of the most embarrassing escapades of the year was detailed in late May 2009, when the state of Maine settled a legal battle and had to pay the U.S. Department of Education \$1.5 million in taxpayer funds.⁶⁰

The hefty settlement was paid after state officials admitted to defrauding the federal agency of

As a result of the fraud, Maine settled a legal battle and had to pay the U.S. Department of Education \$1.5 million in taxpayer funds.

\$5.3 million over three years. As part of the federal Migrant Education Program, the state was awarded federal grants based on how many children of migrant workers were attending Maine's local schools. Between 2001 and 2004, state and local education officials wildly exaggerated the number of children eligible, with at least 75 percent of the students not eligible for inclusion in the program.

To make it very clear how the Maine Department of Education and local school districts inflated the number of students, they were awarded \$4 million for 9,500 students in 2002, and in 2009, they have been awarded just \$1 million for 340 students.

Local school officials in Portland, Lewiston, and Danforth, all party to the scam, blamed the state education department for the swindle while the state pointed to federal regulations as the culprit. The U.S. Department of Education didn't bother with the blame game; they just said "give us our money back and pay up."

These taxpayers dollars were to be paid "with surplus funds identified in the state education budget ending June 30," according to David Connerty-Marin, a spokesman for the Maine Department of Education. One has to wonder how this department can often say its spending is cut to the bone, yet have \$1.5 million just lying around to pay settlements.

This glaring case of calculated fraud was brought to the attention of federal officials in 2003 by an anonymous whistle-blower.

CONSTRUCTION, REPAIR AND IMPROVEMENT “PRIORITIES”

Each budget, the Bureau of the Budget is authorized to require the development of overall long-range public improvement programs for all departments and agencies of state government and to coordinate and present recommendations pertaining thereto to the Governor, the State Budget Officer and the Legislature.⁶¹

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The Bureau of the Budget makes these recommendations based on a long list of requests they receive from state departments, agencies, and other state-funded entities. These various projects are put into one of the following three categories:

- A) Mandatory – “Those projects permitting no option, it being obligatory to provide for them.
- B) Essential – “Those projects that are indispensable but do not constitute life safety issues.”
- C) Long Term Projects – “Those projects that are worthy of consideration.”

Examples of recommended spending for projects from each category are as follows:

- A) Mandatory - “Those projects permitting no option, it being obligatory to provide for them.”

Location	Project	Cost
Reid State Park – Georgetown	Replace Griffen Head Comfort Station	\$570,000
Popham Beach – Phippsburg	New Restroom/Changing Facility West Side	\$479,000
Lamoine State Park	Restroom / Changing Building	\$390,000
Eagle Island – Harpswell	Peary's House and Cottage Repairs	\$75,000
Presque Isle CC	Environmental Compliance	\$65,000
Vaughan Woods	Playground	\$45,000
Aroostook – Presque Isle	Play Equipment - Replace/Upgrade	\$45,000
Porter Seed Farm Old Barn – Masardis	Equipment Storage in Old Barn	\$40,000
Expo – State of Maine Building – Springfield, Massachusetts	New Entrance Walk	\$30,000

- B) Essential – “Those projects that are indispensable but do not constitute life safety issues.”

Location	Reason	Cost
Capitol Complex – Cultural Building (Augusta)	Renovate Cultural Building	\$40,000,000
Capitol Complex – DHHS State Street (Augusta)	DHHS Headquarters Renovations	\$16,000,000
KVCC – Fairfield	Administration Building Renovation and Expansion	\$7,135,000
Capital Complex – (Augusta)	Capital Complex Parking Garage Renovations and Expansion	\$2,500,000

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Southern Maine Community College	New Brick Facade	\$650,000
Sebago Lake State Park	Playground Renovations (3)	\$270,000
Aroostook – Presque Isle	Improve Gravel Road	\$220,000
CMCC – Auburn	Curbing/Barrier on Roadway to Prevent Driving on Lawns	\$150,000
Cobscook Bay Edmunds Twp.	New Play Equipment	\$114,000
MSP/BCF Warren	Muffin Monster	\$100,000
KVCC – Fairfield	Replace Entrance Signs with Electronic Message Signs	\$100,000

C) Long Term Projects – “Those projects that are worthy of consideration.”

Location	Reason	Cost
Capital Complex – (Augusta)	East Campus Parking Garage	\$12,000,000
Rangely Lake	New Play Equipment and Boat Ramp Renovations	\$885,000
Birch Point Beach – Owls Head	Additional Trails Picnic Sites and Parking	\$700,000
Ferry Beach – Saco, Isleboro, South Berwick	New Manager's Office/Residence	\$600,000
Wildlife Park – Gray	New Visitor's Center	\$600,000
Ferry Beach – Saco, Isleboro, South Berwick	Nature Center	\$240,000
KVCC – Fairfield	Renovate/Modernize Administration Area.	\$200,000

FASTEST GROWING STATE PROGRAMS

State policymakers looking to better contain state spending don't need to go through every single state department and agency to find the budget-busters. A study released by the Maine Heritage Policy Center in January 2009 revealed that 40 programs are responsible for nearly all of the growth of the state's General Fund spending over the past 10 years.⁶² Some examples:

- The budget for the Bureau of Medical Services, which administers the state's Medicaid program, grew 196 percent, from \$20.7 million during 2001 to \$61.4 million in 2008-2009.
- Administrative costs for the Department of Corrections grew 91 percent, from \$8.2 million in 2000-2001 to \$15.8 million in 2008-2009.

If spending on the forty fastest-growing state programs had simply grown at the same 26 percent rate that was the average for all state programs over that period, spending for the 2008-2009 biennium would have been \$753 million.

- Spending to service the debt of the Government Facilities Authority, which borrows money for government buildings without any voter approval, skyrocketed from \$7.2 million in 2000-2001 to \$37.8 million in 2008-2009, an increase of 420 percent.
- The state's Farms for the Future program, which spent \$200,000 in 2000-2001 and wasn't even funded for the next two biennia, received \$680,000 in 2008-2009, an increase of 240 percent.
- Although the size of the legislature has remained the same as it has always been, the budget grew 47

percent over the past 10 years, from \$33.1 million in 2000-2001 to \$48.6 million in 2008-2009.

- The budget for the governor's office grew 83 percent over the past decade, from \$3.1 million in 2000-2001, under Governor Angus King, to \$5.7 million in 2008-2009, under Governor John Baldacci.

Altogether, the 40 fastest-growing programs identified in the January 2009 report went from \$1.8 billion in 2000-2001 to \$3.1 billion in 2008-2009, a 66 percent increase. Spending on the 551 remaining programs funded by the state's General Fund grew only 2 percent over the same period, rising from \$3 billion to \$3.1 billion.

If spending on the fastest-growing state programs had simply grown at the same 26 percent rate that was the average for all state programs over that period, spending for the 2008-2009 biennium would have been reduced by \$753 million, which would easily solve the budget crisis now confronting policymakers in Augusta and perhaps even mean a multimillion-dollar tax cut for Maine taxpayers.

WELFARE FOR POLITICIANS

For many years, candidates for governor and state legislature have been given taxpayer funding for their campaigns through Maine's clean elections program. Only one other state in the nation, Arizona, is foolish enough to have a taxpayer-funded system like this, and for good reason.

Maine's publicly-funded system has cost taxpayers a lot of money. According to data from the Maine Ethics Commission, which oversees the program, nearly \$17 million has been spent over the past five election cycles, including the \$3.3 million that was spent on the 2002 gubernatorial race and the \$6.8 million spent on the 2006 gubernatorial race. Legislative races, which occur every two years, typically cost the clean elections program \$3 million.⁶³ None of these figures includes the cost to the Ethics Commission of operating and policing the program.

Former legislator Peter Throumoulos forged signatures to gain public funding – his petitions contained the “names and signatures of dead people.”

Oversight is essential because, shockingly, when free government money is given away, fraud and abuse is not far behind, as is shown in the following:

- The state is still trying to collect \$17,700 in fines it levied against a “campaign consultant” named Daniel Rogers, who, in 2006, “was paid to prepare 16,000 postcards for Julia St. James of Hartford, a self-described ‘stoner’ and ‘weed farmer’ who ran for the Maine Senate in District 14.” Rogers was fined for, among other things, fabricating “invoices for St. James campaign.”⁶⁴

- The Ethics Commission assessed fines against Washington County Senate candidate Dana Kadey, who, in 2006, used public funds to buy “\$1,300 in camping equipment, a \$464 infrared camera used by hunters and a roof rack for his truck.” Undaunted by his defeat, Kadey ran for the Senate again in 2008, received taxpayer funding for that race as well, and used it to buy, among other things, “a GPS device and a fiberglass truck cap with a different roof rack.”⁶⁵
- Former Lewiston legislator William Walcott was sentenced to six months in jail for misappropriating public funding during both his 2004 and 2006 legislative campaigns. He pleaded guilty to more than a dozen misdemeanor violations.⁶⁶
- Former legislator Peter Throumoulos was forced to spend 60 days in jail after it was revealed that he had forged signatures on the petitions he submitted to receive public funding for his legislative races in 2004 and 2006. His petitions contained the “names and signatures of dead people.”⁶⁷
- Casco Democrat Thomas Bossie was fined \$2,750 because he “spent state funds inappropriately, failed to return unspent funds to the state on time, failed to accurately report expenditures and co-mingled state and personal funds” during his 2006 legislative campaign.⁶⁸

Kadey ran for the Senate again in 2008, received taxpayer funding for that race as well, and used it to buy, among other things, “a GPS device and a fiberglass truck cap with a different roof rack.”

CONCLUSION

In the *2009 Maine Piglet Book*, there is example after example of fraud, waste, abuse and overspending in state government. For years, politicians and bureaucrats in Augusta have spent tax dollars with little regard for, and very little accountability to, the taxpayer. It is time for a change.

As a result of the continued efforts of organizations like The Maine Heritage Policy Center and Citizens Against Government Waste, an ideological shift is taking place here in northern New England. Mainers are fed up with taxes, and they are ready to take action to stop Augusta politicians from spending their way into economic oblivion.

A first big step toward solving Maine's spending problems has been The Maine Heritage Policy Center's creation of MaineOpenGov.org. This web site has made it easy for citizens and taxpayers to track how their hard-earned wages are being taxed and spent down to the agency, person and penny. Open government is vital to both root out fraud and waste in government, and hold politicians and bureaucrats accountable for how they spend our money.

The Maine Legislature should also seize opportunities to cut some of the wasteful spending throughout state government by establishing a Maine version of the Grace Commission. Such a commission would dig through the state budget to eliminate overspending and mismanagement. The Maine Legislature already took the first step by creating OPEGA several years ago, which has seen tremendous success in identifying fraud, waste and abuse in government, even though tax-and-spend politicians voted to decrease the funding for OPEGA in 2007.

Another step the Legislature should take to achieve results is to enact transparency legislation that would create a search engine capable of tracking state spending, grants, contracts and earmarks. Today, MaineOpenGov.org is filling the void the Legislature has created by refusing to foster a truly open and transparent government.

Finally, Maine should adopt the Taxpayer Bill of Rights (TABOR), which limits spending to the rate of inflation plus population, and requires voter approval to exceed that limit, as well as to pass a new tax or tax increase. With TABOR in place, politicians will no longer be able to treat taxpayers like their own personal ATM machines, and will not be able to spend as much money as they want on their various pet projects. TABOR guarantees the real change that will improve the financial future of the state.

The *2009 Maine Piglet Book* is not a comprehensive look at state spending, but it does identify particular problems, and stresses the importance of prudent government spending. To correct the state's financial situation, the people of Maine need to step up and demand accountability and responsibility from their government.

END NOTES

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MaineOpenGov.org

“Government spending
down to the agency,
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We the people of Maine...
THE MAINE HERITAGE POLICY CENTER



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