The Maine View

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$217 Million in Reasonable Spending Cuts To Close Budget Gap

By Stephen L. Bowen, Tarren R. Bragdon, and J. Scott Moody

A recent Market Decisions' public opinion poll noted that some 86 percent of Maine people believe that taxes are too high, and that 80 percent state that increasing taxes and fees must not be an option to eliminate the current $225 million budget shortfall. Maine voters realize that this budget gap exists because spending is too high; not because taxes are too low.

Maine has an opportunity to lead by advancing real changes in costly programs to maintain a government which still provides a safety net for the poor, elderly and disabled. This involves making changes that create a government the people of Maine can afford. Here are seven reasonable recommendations:

$96.6 Million **Maine State Employment** is nearly 23 percent higher than the U.S. average. Eliminating vacant positions, a hiring freeze and attrition could reduce the state bureaucracy by 1,588 positions without any layoffs.

$53.5 Million **Medicaid** A fifth of Maine people are on Medicaid (274,000), 50 percent higher than the U.S. average. Maine provides free health coverage to a married couple with three children earning as much as $51,000, which is three times the national average. At the same time an elderly couple earning over $14,000 doesn't qualify for Medicaid. Creating average Medicaid eligibility for non-disabled adults would focus limited resources on the poor, elderly and disabled.

$31.0 Million **State Employee Insurance** Only 8 percent of the employees of the largest companies in America receive no-cost health coverage, yet Maine taxpayers provide state employees with free coverage. Moderate cost-sharing by state employees will provide health benefits that mirror the coverage Maine employees at large companies receive.

$14.0 Million **Maine Higher Education** 82.1 percent of the employees in state colleges are non-instructional jobs, which leads the nation by a wide margin (second is Nebraska, with 77.3 percent, with the U.S. average at 66.7 percent). Maine also operates 15 separate campuses that serve 30,611 full-time equivalent students, roughly 2,000 per campus. Greater efficiencies will cut costs and keep tuition affordable.

$12.5 Million **Average K-12 Pupil/Teacher Ratio** in Maine is the nation's third-smallest, at 11.9 students. Adopting Governor Baldacci's recommendation to keep elementary class size the same, add an average of one child per middle school classroom and two students to each high school classroom and will still keep Maine below the national average.

$ 6.0 Million **Welfare** payments in Maine are above the national average and have no lifetime limits. Maine taxpayers will be the beneficiaries if the state payments are closer to the national average, and if Maine joins the other 42 states with lifetime limits.

$ 3.0 Million **Legislative** expenditures in Maine have risen 47 percent since 2000. Returning to FY 2005 levels will show that the legislature is a good steward of Maine taxpayers' dollars.

$216.6 Million **Is A Good Start!** There are many other areas where Maine's taxpayers spend more than other states, but these seven recommendations can help close the budget gap, still provide a safety net to the poor, elderly and disabled and not raise taxes.

First Do No Harm—No Tax Increases

Between FY 2002 and 2007, state tax collections skyrocketed by $954,850,000 (36 percent) to $3,581,680,000 from $2,626,830,000 (Table 1).[1] In contrast, inflation grew 14.4 percent and population grew by 2.4 percent. In particular, this increase was driven by ten Census tax classifications that (1) grew faster than the state average, and (2) increased due to new taxes and fees according to data from the Maine Office of Fiscal and Program Review:

Selective Sales Taxes: The increase in selective sales taxes was driven by two classifications of taxes that did not even exist in FY 2002—"amusements" and "other selective sales." The increase in amusements is due to the new Bangor slot machine revenue while the increase in other selective sales taxes is due to the Dirigo savings offset payment and hospital tax. The increase in "tobacco products" is due to the cigarette tax hike from $1.00 to $2.00 per pack.

Licenses: The increase in licenses is harder to pin down to any single tax or fee increase. Here is a small sample of some of the dozens of increases: fees for the Department of Inland Fisheries and Wildlife, crossbow hunting fees, fees for annual report filings and business entity filings, eating/lodging fees, oil transfer fees, certification fees, etc.

Other Taxes: The increase in "documentary and stock transfers" is due mostly to an increase in the filing fee for registrations of securities.

Not included, but important to remember, is the indexing of the gasoline tax to inflation in FY 2003. While this certainly hits Mainers' pocket-books, the revenue impact was muted by the run-up in gasoline prices which slowed the growth in gasoline consumption.

How much of the $954,850,000 increase in tax collections was due to legislated tax and fee increases or to economic growth can not be known for certain. However, as seen in Table 1, the data suggests that $298,969,000 is a good approximation of the revenue generated from these legislated tax increases. The lesson is obvious, Maine's economy can not withstand another round of tax and fee increases. As a result, the only solution to balancing the current budget deficit is to reduce state spending.

In addition, between fiscal years 2006 and 2007, only three states saw an absolute decline in tax collections: Maine (-$16,899,000), Florida (-$1,463,277,000) and Wyoming (-$97,149,000). Florida repealed their intangibles tax which explains their drop. Wyoming saw a decline in their highly volatile severance taxes which explains their drop. What explains Maine's drop in tax collections?

More disturbingly, the drop is not concentrated in any single tax: Individual Income Tax (-$10,626,000); Corporate Income Tax (-$4,161,000); Death and Gift (-$20,510,000); Documentary and Stock Transfer (-$5,095,000); Occupation and Business Licenses (-$869,000); Amusements Licenses (-$96,000); Other Selective Sales Taxes (-$3,813,000); Pari-mutuels (-$247,000); Insurance Premiums (-$8,889,000) and Property (-$3,949,000).

Overall, this broad-based decline in tax collections suggests a broad-based decline in economic activity. This further suggests that the current budget deficit should be closed by reductions in spending, not by tax increases. In fact, Maine's poor economic performance is already a direct consequence of the before-mentioned legislated tax increases enacted since FY 2002—the last time Maine saw an absolute decline in total tax collections.

Table 1
Increases in Maine's State Tax Collections
State Fiscal Years 2002 and 2007

State Tax Collections	2002	2007	Increase	Percent Increase
Total State Tax Collections	$2,626,830,000	$3,581,680,000	$954,850,000	36%
Selective Sales				
Amusements	$0	$20,468,000	$20,468,000	--
Insurance Premiums	$60,376,000	$85,026,000	$24,650,000	41%
Public Utilities	$7,225,000	$24,442,000	$17,217,000	238%
Tobacco Products	$94,082,000	$158,953,000	$64,871,000	69%
Other Selective Sales	$0	$91,749,000	$91,749,000	--
License				
Corporation	$3,390,000	$6,639,000	$3,249,000	96%
Hunting and Fishing	$8,572,000	$17,119,000	$8,547,000	100%
Occupation and Business	$41,147,000	$92,414,000	$51,267,000	125%
Other	$1,363,000	$7,928,000	$6,565,000	482%
Other Taxes				
Documentary and Stock Transfer	$19,102,000	$29,488,000	$10,386,000	54%
Total Increase	***$235,257,000***	***$534,226,000***	***$298,969,000***	***127%***

Source: Census Bureau, The Maine Heritage Policy Center.

Challenge: **Maine's Bureaucracy is Too Large.**

Solution: **Trim the Number of State Employees by Eliminating Vacant Positions and Voluntary Attrition.**

Savings: **Up to $96.6 million.**

Maine state government's bureaucracy is 23 percent above the U.S. average[2] and state employee benefit costs are 93 percent above the average for Maine's private sector employees.[3] According to the U.S. Census Bureau, the State of Maine employed 15,212 in 2006, the most recent year that comparable data is available for all states. That means that there are approximately 2,819 more state employees in Maine than the average state, adjusted for private sector employment.

However, Maine's Department of Administrative and Financial Services reports that there are a total of 894 vacant positions.[4] Of these vacant positions, 756 have been vacant for two years or less, with related funding likely built into the current budget.[5] These vacancies are notable when the State typically takes just 41 days to fill a position.[6] Another 32 positions were created in the last two years but have yet to be filled.

If the Maine Legislature were to eliminate these recent vacant positions and those newly created positions that have not yet been filled, the State Budget could save from $40 to $64 million dollars over eighteen months (assuming the positions remain vacant from January 2008 through June 2009, the end of the budget year).

The Pew Charitable Trust reports that Maine state government has a 6.2% annual turnover.[7] At the current size state workforce, that is up to 943 positions a year or almost 1,400 positions over 18 months. If the Maine Legislature were to enact a permanent hiring freeze for the remainder of the current biennial budget, the state bureaucracy could easily be reduced by another 800 positions through June 2009. Eliminating another 800 positions through attrition would save an estimated $43.4 million annually, or $32.6 million if just nine months of savings are realized during the current budget period.

In total, the Maine Legislature could save up to $96.6 million by reducing Maine state bureaucracy by up to 1,588 positions and with no layoffs.

Even with these reductions, Maine state government would still be 10 percent bigger than the U.S. average. However, the payroll expenses will be reduced by over $172 million for the 2010-2011 biennial budget.

Table 2
Estimated Savings from Eliminating Recently Vacant Positions and Voluntary Attrition
January 2008 through June 2009

Funding Source	Number	Total Annual Salaries and Benefits	Estimated Savings for Remaining Budget Period	Average Compensation per Position
Recently Vacant Positions				
General Fund	236	$12,646,324	$18,969,486	$53,586
Highway Fund	119	$6,502,444	$9,753,666	$54,642
Other Special Revenue	152	$7,784,438	$11,676,656	$51,213
Subtotal—state funds	507	$26,933,205	$40,399,808	$53,123
Federal Funds	176	$9,838,692	$14,758,038	$55,902
Federal Block Grant	11	$693,071	$1,039,607	$63,006
Other	62	$3,583,531	$5,375,297	$57,799
Subtotal-federal and other funds	249	$14,115,294	$21,172,942	$56,688
Subtotal-recently vacant positions	756	$41,048,499	$61,572,749	$54,297
Newly Created Positions (But Not Yet Filled)	32	$1,653,639	$2,480,458	$51,676
Total Recently Vacant Positions	788	$42,702,138	$64,053,207	$54,191
Proposed Reductions Through Attrition	800	$43,437,566	$32,578,200	$54,297
GRAND TOTAL - Vacancies and Attrition	***1,588***	***$86,139,704***	***$96,631,407***	***$54,244***

Sources: Maine Legislature's Office of Fiscal and Program Review, The Maine Heritage Policy Center.

Challenge: **Maine Medicaid Has Some of the Highest Income Eligibility Limits in the U.S.**

Solution: **Create Equity Medicaid Income Limits for Elderly and Parents and Target Resources to the Poor and Disabled.**

Savings: **Up to $53.5 million.**

Forty states do not provide Medicaid coverage to non-disabled, childless adults.[8] Maine does so at a cost of $90 million a year ($33 million in state funds). These same adults do not qualify for welfare (TANF) and can only receive food stamps for three months every three years.[9] The Legislature should eliminate this unaffordable program and redirect those savings to the poor, elderly and disabled.

Forty-six states have lower income limits for non-disabled parents. In Maine, a working married couple with one child can earn more than two and a half times that allowed for an elderly couple on a fixed income to qualify for Medicaid.[10] If Maine Medicaid treated parents and the elderly the same, the Medicaid budget would save $55.8 million ($20.5 million in state funds).

If Medicaid income eligibility rates in Maine were standardized and matched to those of the average state, it would mean up to 42,750 Maine non-disabled adults would no longer get "free" government health coverage, leaving more resources for the poor, elderly and disabled.[11] It would also mean that legislators could reject most of the Governor's proposed Medicaid cuts, which would slash benefits to the elderly, those with mental and developmental disabilities, and foster children.

Since the start of this decade, Medicaid programs across the nation have been growing dramatically. From December 2001 to December 2006, U.S. Medicaid enrollment increased 18 percent. Maine's Medicaid rolls, though, skyrocketed three times as fast - 47 percent, the second fastest in the country. The state's Medicaid program has grown by another 16,000 since 2006. Today almost 274,000 Maine people are on Medicaid—more than one in five Maine citizens.[12]

This session, the Legislature's tough choice is clear – cut services to the most vulnerable in order to continue providing Medicaid benefits to the middle class OR return Medicaid to its original purpose and take care of the poor, elderly and disabled while scaling back income eligibility limits for non-disabled parents and childless adults to the national average.

Table 3

Medicaid Income Limits for Childless Adults, Parents and the Elderly as of 2008

	U.S. Average	Maine Current	Maine Proposed	Budget Savings with Maine at Proposed Medicaid Income Eligibility Levels
Single person, no children	Not covered	$10,400	Not covered	$90 million total savings with $33 million in state funds
Married couple, no children		$14,000		
Single parent, 1 child	$8,820	$28,840	$14,000	$55.8 million of total savings with $20.5 million in state funds, with eligibility at 100% of the federal poverty limit
Single parent, 2 children	$11,088	$36,256	$17,600	
Single parent, 3 children	$13,356	$43,672	$21,200	
Married couple, 1 child	$11,088	$36,256	$17,600	
Married couple, 2 children	$13,356	$43,672	$21,200	
Married couple, 3 children	$15,624	$51,088	$24,800	
Elderly person	$8,528	$10,400	$10,400	
Elderly couple	$11,480	$14,000	$14,000	

Sources: Kaiser Family Foundation, The Maine Heritage Policy Center.

Challenge: **Maine's State Employee Health Benefits are Much More Expensive than those of the Average Very Large Maine Company.**

Solution: **Create Equity Between State Employees' Cost Sharing and the Cost Sharing of Employees at Very Large Private Maine Companies.**

Savings: **Up to $31 million.**

Maine state employee benefit costs are 93 percent above the average for Maine's private sector employees.[13] Only 8 percent of the employees of very large companies nationwide receive employee-only coverage at no cost to them.[14] Yet, the State of Maine provides that to all employees at a cost to the taxpayer of $7,445 per year per state employee.[15] In comparison, the average very large Maine company pays $3,929 annually as the employer's share this coverage.[16] That means the State of Maine pays 90 percent more for the employer's share of employee-only coverage than private business.

Maine State employees enjoy deductibles and coinsurance not seen in the private sector. A Maine state employee has a $200 deductible and no coinsurance for medical expenses.[17] Employees in very large private companies have twice the deductible and 25 percent coinsurance.[18]

If State employees had cost sharing similar to that of the private sector, the State would save up to $30.7 million.

At a time when the Maine Legislature is grappling with cuts to the poor, elderly and disabled on Medicaid, it seems particularly unreasonable to have such costly health benefits for state employees who already have benefits that are 93 percent above Maine private sector benefits.[19]

In addition, reducing state employee health benefits will help alleviate the $4,756,000,000 unfunded liability the state will owe its current and future retirees (both state employees and public school teachers). Without significant benefit reductions, or pre-funding, the pay-as-you-go cost of this liability will skyrocket by a projected 155 percent to $296,000,000 in FY 2016 from $116,000,000 in FY 2007.[20]

Table 4
Health Benefits for the Average Very Large Maine Company, the State of Maine and Proposed for the State of Maine—2007

	Average Very Large Maine Company			State of Maine—Current			State of Maine–Proposed			Projected Savings
	Total Premium	Employee Share		Total Premium	Employee Share			Employee Share		
Employee Only Coverage	$4,952	$1,023		$7,445	$0			$1,023		$6,766,275
Employee Plus One	$8,867	$1,925		$15,563	$3,113			$3,113		N/A
Family Coverage	$13,306	$3,506		$18,515	$4,293			$4,293		N/A
	Deductible	Maximum OOP	Coins	Deductible	Maximum OOP	Coins	Deductible	Maximum OOP	Coins	
Employee Only Coverage	$408	$2,000	25%	$200	$700	0%	$400	$2,000	25%	$7,939,200
Employee Plus One	$885	$4,000	25%	$400	$1,400	0%	$875	$4,000	25%	$15,988,800
Family Coverage	$885	$4,000	25%	$400	$1,400	0%	$875	$4,000	25%	
TOTAL Savings if state employees had average employee cost-sharing										***$30,694,275***

Note: OOP means "out of pocket" maximum.

Sources: Agency for Healthcare Research and Quality, Kaiser Family Foundation, Maine Bureau of Human Resources, Maine Legislature's Office of Fiscal and Program Review and The Maine Heritage Policy Center.

Challenge: **Maine's Higher Ed System Spends Too Much on Non-Instructional Services.**

Solution: **Undertake a Dramatic Effort to Find Efficiencies and Cut Non-Instructional Spending within Maine's Higher Ed Institutions.**

Savings: **Up to $14 million.**

In 2006, the Brookings Institution released its now-famous *Charting Maine's Future* report, which claimed that *"inefficiencies in Maine's higher education system may be costing the state $14 million a year that otherwise could be reinvested in it."*

That conclusion was reached by University of Maine researcher Phil Trostel, who analyzed U.S. Census Bureau data on the percent of the higher education workforce that is employed in either "instructional" or "non-instructional" work for the state's public colleges and universities. His finding, confirmed on Table 5, was that "Maine has the nation's highest ratio" of non-instructional to instructional payroll.

Simply put, Maine's higher education institutions spend too much on administration and support services, and not nearly enough on instructors and researchers. This is almost certainly the result, as Trostel noted, of "Maine having 15 separate public colleges and universities serving only 30,611 FTE [full-time equivalent] students."

The state's higher education establishment maintains a seven-campus state University system, a Community College system on seven separate campuses, plus the Maine Maritime Academy and myriad satellite campuses and "outreach centers" scattered across the state. Despite this near ubiquity of higher education facilities, college degree attainment in Maine continues to trail national averages.

U.S. Census Bureaudata makes clear that the state supports a higher education system with far too many non-instructional workers. Efforts need to be undertaken to dramatically restructure the state's higher education infrastructure. Resources need to be shifted from non-instructional to instructional uses, which will improve Maine's colleges and universities and provide a better product to Maine taxpayers. The legislature should also consider capping tuition increases in order to prevent a further shifting of the high cost of these inefficiencies onto the backs of students and families.

Table 5

2006 Higher Education Total Employment, (Full and Part time)

State	Total Employment	Instructional Employment	Non-Instructional Employment	Percent of Total Employment that is Non-Instructional	Rank
United States	2,354,355	784,905	1,569,450	66.7%	
Alabama	52,981	17,339	35,642	67.3%	26
Alaska	7,300	1,993	5,307	72.7%	8
Arizona	41,501	13,342	28,159	67.9%	24
Arkansas	31,934	11,688	20,246	63.4%	36
California	216,940	52,444	164,496	75.8%	4
Colorado	54,441	19,305	35,136	64.5%	32
Connecticut	***26,531***	***11,720***	***14,811***	***55.8%***	***46***
Delaware	12,099	5,171	6,928	57.3%	44
Florida	78,616	29,197	49,419	62.9%	39
Georgia	72,809	26,092	46,717	64.2%	34
Hawaii	31,992	23,545	8,447	26.4%	50
Idaho	13,201	3,891	9,310	70.5%	13
Illinois	82,514	27,453	55,061	66.7%	28
Indiana	73,659	26,187	47,472	64.4%	33
Iowa	35,613	10,692	24,921	70.0%	15
Kansas	29,277	7,721	21,556	73.6%	6
Kentucky	47,177	15,451	31,726	67.2%	27
Louisiana	42,122	12,692	29,430	69.9%	17
Maine	***11,657***	***2,084***	***9,573***	***82.1%***	***1***
Maryland	30,859	12,770	18,089	58.6%	43
Massachusetts	***41,971***	***15,499***	***26,472***	***63.1%***	***38***
Michigan	105,026	30,323	74,703	71.1%	10
Minnesota	51,987	20,062	31,925	61.4%	41
Mississippi	25,951	7,027	18,924	72.9%	7
Missouri	42,133	15,459	26,674	63.3%	37
Montana	10,824	4,034	6,790	62.7%	40
Nebraska	16,888	3,842	13,046	77.3%	2
Nevada	15,923	3,959	11,964	75.1%	5
New Hampshire	***10,829***	***3,368***	***7,461***	***68.9%***	***21***
New Jersey	48,357	14,434	33,923	70.2%	14
New Mexico	26,345	7,319	19,026	72.2%	9
New York	75,908	33,977	41,931	55.2%	47
North Carolina	75,119	24,477	50,642	67.4%	25
North Dakota	14,008	4,326	9,682	69.1%	19
Ohio	107,059	36,071	70,988	66.3%	30
Oklahoma	42,483	12,773	29,710	69.9%	16
Oregon	32,367	14,636	17,731	54.8%	49
Pennsylvania	85,094	24,581	60,513	71.1%	11
Rhode Island	***9,351***	***4,217***	***5,134***	***54.9%***	***48***
South Carolina	42,642	18,433	24,209	56.8%	45
South Dakota	7,483	2,501	4,982	66.6%	29
Tennessee	48,766	17,025	31,741	65.1%	31
Texas	144,325	46,310	98,015	67.9%	23
Utah	35,034	8,360	26,674	76.1%	3
Vermont	***5,988***	***1,763***	***4,225***	***70.6%***	***12***
Virginia	77,341	27,758	49,583	64.1%	35
Washington	80,705	24,765	55,940	69.3%	18
West Virginia	16,862	6,886	9,976	59.2%	42
Wisconsin	58,912	18,213	40,699	69.1%	20
Wyoming	5,451	1,730	3,721	68.3%	22

Source: U.S. Census Bureau.

Challenge: **Maine's K-12 Pupil/Teacher Ratio Is Far Below the National Average.**

Solution: **Adopt Gov. Baldacci's 2007 Proposal to Modestly Revise Pupil/Teacher Ratios.**

Savings: **Up to $12.5 million.**

As part of his 2007 plan to dramatically restructure Maine's K-12 education system, Governor Baldacci proposed bringing Maine more in line with national averages for pupil/teacher ratios.

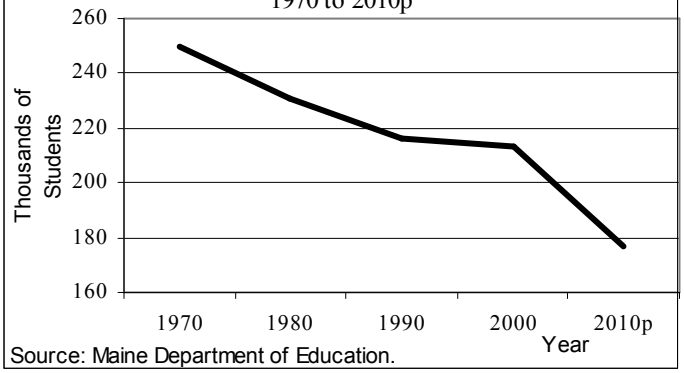
Specifically, the governor proposed amending the Essential Programs and Services funding formula, which establishes the level of state funding to local schools. Under his plan, the formula would be changed to increase class sizes by one student in middle schools and two students in high schools. Class sizes in elementary schools would remain as they were.

It was projected that this change would save the state $25 million over two years, and because so many teachers retire every year, the cuts could have been absorbed without layoffs. There was opposition to changing the pupil/teacher ratio however, and the idea was ultimately shelved.

The fact remains, though, that class sizes in Maine are far too small to be economically sustainable. As Table 6 indicates, Maine's pupil/teacher ratio is the third smallest in the nation, and well below the national average. Even after the addition of a pupil or two per class, as envisioned in the governor's proposal, Maine's schools would still be well below the average for the nation as a whole.

As shown in Chart 1, Maine's school enrollment is in decline. Class sizes have declined as well. As recently as 1985, the pupil/teacher ratio was 15 to 1. That ratio is now far less, and, if Maine is to have a sustainable educational system, the state must bring class sizes more in line with the national average.

Chart 1
Maine's Declining K-12 Enrollment
1970 to 2010p



Source: Maine Department of Education.

Table 6
Average Pupil/Teacher Ratios
2005

State	Pupils per teacher	Rank
U.S. Average	15.8	
Utah	23.6	1
Arizona	21.5	2
California	21.2	3
Oregon	19.8	4
Nevada	19.4	5
Washington	19.2	6
Michigan	17.8	7
Idaho	17.6	8
Colorado	17	9
Indiana	16.9	10
Alaska	16.8	11
Florida	16.6	12
Ohio	16.2	13
Hawaii	16.1	14
Minnesota	16	15
Illinois	15.9	16(t)
Kentucky	15.9	16(t)
Mississippi	15.8	18
Alabama	15.7	19(t)
Tennessee	15.7	19(t)
Oklahoma	15.6	21
Maryland	15.4	22
Pennsylvania	15.2	23
New Mexico	15	24
Delaware	14.9	25(t)
Texas	14.9	25(t)
Georgia	14.8	27(t)
Louisiana	14.8	27(t)
North Carolina	14.8	27(t)
South Carolina	14.7	30
Massachusetts	***14.6***	***31***
Wisconsin	14.4	32
Kansas	14.3	33(t)
Montana	14.3	33(t)
West Virginia	14.1	35
Arkansas	13.8	36(t)
Iowa	13.8	36(t)
Missouri	13.8	36(t)
Nebraska	13.8	36(t)
Connecticut	***13.6***	***40(t)***
South Dakota	13.6	40(t)
New Hampshire	***13.5***	***42***
North Dakota	12.9	43
New Jersey	12.7	44(t)
New York	12.7	44(t)
Wyoming	12.7	44(t)
Virginia	12.2	47
Maine	***11.9***	***48***
Rhode Island	***11.3***	***49***
Vermont	***10.9***	***50***

Note: (t) means state rankings are "tied".
Source: National Education Association

Challenge: **Maine's TANF Welfare Benefits are Among the Highest in the Country.**

Solution: **Have an Average TANF Welfare Program.**

Savings: **Up to $6 million.**

Maine has very rich welfare benefits. Not surprisingly, Maine also has one of the highest percentage of adults on welfare (TANF—Temporary Assistance to Needy Families).

Maine's monthly cash TANF welfare benefits are 18 percent above the national average ($485 compared to $413).[21]

Maine is just one of eight states with no lifetime limit on welfare benefits. Thirty-five states limit benefits to 60 months (5 years). Seven states have lower limits, as little as 2 years.

Maine has 77 percent more adults on TANF welfare than the national average (9.4 for every 1,000 adults compared to 5.3), and ranks 9th highest in the U.S. as a percent of adults on welfare.

Maine's state spending on TANF welfare benefits was $14.6 million in FY 2002, the height of the last recession. In the current FY 2008, state spending was $23.9 million, 63 percent higher than in 2002.

Clearly Maine's welfare spending, enrollment and benefits are far above the national average.

Maine should amend its lenient TANF welfare program to have an average monthly benefit and have a responsible lifetime limit of 4 years for this *temporary* assistance program. If the legislature did this, the State could save up to 25 percent of current state welfare spending, up to $6 million.

Table 7

Maine's Welfare Benefits and Enrollment Compared to Other

State	TANF Cash Assistance Benefit Level (2005)			Adults on TANF per 1,000 adults	Rank
	Monthly Maximum Benefit for Family of 3	Annual Maximum Benefit for Family of 3	Lifetime Limit (months)		
Alabama	$215	$2,580	60	3.6	32
Alaska	$923	$11,076	60	7.5	12
Arizona	$347	$4,164	60	5.9	20
Arkansas	$204	$2,448	24	2.5	37
California	$704	$8,448	60	8.3	10
Colorado	$356	$4,272	60	3.5	33
Connecticut	***$543***	***$6,516***	***21***	***4.8***	***29***
Delaware	$338	$4,056	36	5.7	22
Florida	$303	$3,636	48	1.2	48
Georgia	$280	$3,360	48	1.4	47
Hawaii	$570	$6,840	60	6.5	18
Idaho	$309	$3,708	24	0.5	49
Illinois	$396	$4,752	60	2.3	38
Indiana	$288	$3,456	24	6.8	15
Iowa	$426	$5,112	60	6.6	17
Kansas	$429	$5,148	60	8.9	9
Kentucky	$262	$3,144	60	6.6	16
Louisiana	$240	$2,880	60	1.5	45
Maine	***$485***	***$5,820***	***None***	***9.4***	***8***
Maryland	$482	$5,784	60	3.4	34
Massachusetts	***$618***	***$7,416***	***None***	***7.2***	***13***
Michigan	$459	$5,508	None	9.8	4
Minnesota	$532	$6,384	60	5.5	23
Mississippi	$170	$2,040	60	3.8	31
Missouri	$292	$3,504	60	7.9	11
Montana	$375	$4,500	60	5.4	25
Nebraska	$364	$4,368	60	6.1	19
Nevada	$348	$4,176	60	1.4	46
New Hampshire	***$625***	***$7,500***	***60***	***5.2***	***28***
New Jersey	$424	$5,088	60	5.4	24
New Mexico	$389	$4,668	60	10.5	3
New York	$577	$6,924	None	7.1	14
North Carolina	$272	$3,264	60	2.1	40
North Dakota	$477	$5,724	60	5.2	27
Ohio	$373	$4,476	60	5.7	21
Oklahoma	$292	$3,504	60	1.9	42
Oregon	$503	$6,036	None	4.7	30
Pennsylvania	$403	$4,836	60	9.5	7
Rhode Island	***$554***	***$6,648***	***60***	***10.8***	***2***
South Carolina	$240	$2,880	60	3.2	35
South Dakota	$508	$6,096	60	2.2	39
Tennessee	$185	$2,220	60	14.3	1
Texas	$223	$2,676	60	1.9	44
Utah	$474	$5,688	36	3.1	36
Vermont	***$640***	***$7,680***	***None***	***9.6***	***6***
Virginia	$320	$3,840	60	2.0	41
Washington	$546	$6,552	None	9.6	5
West Virginia	$340	$4,080	60	5.3	26
Wisconsin	$673	$8,076	60	1.9	43
Wyoming	$340	$4,080	60	0.2	50
U.S. Average	$413	$4,953	55	5.3	--
Maine as % of U.S. average	118%	118%		177%	

Sources: National Center for Children in Poverty, U.S. Census Bureau, The Maine Heritage Policy Center.

Challenge: **The Budget for the Maine Legislature has Skyrocketed.**

Solution: **Cut the Legislative Budget for FY 2009 to FY 2005 levels, and Enact the Recommendations of the NCSL Report to Generate Savings.**

Savings: **Up to $3 million.**

Despite the fact that Maine has been in an ongoing budget crunch for years, the budget of the Legislature itself has grown dramatically. The legislature is budgeted to spend over $25 million in FY 2009, up from only $17 million in FY 2000, an increase of 47 percent.

The vast majority of this staggering growth in spending is related to increases in both the size and cost of staff. Years ago, the legislature employed mostly clerks and secretarial staff. Today, the legislative staff is filled with attorneys and other highly-paid personnel.

Indeed, the fastest growing segment of the legislative workforce has been the so-called "partisan" staff, who work in the Majority and Minority offices of the House and Senate. In 1987, the four partisan offices combined employed only 16 people. Today, they employ 36, nearly all of whom are employed year-round, despite the fact that the legislature is in session only 10 months of the 24 months in a two-year legislative cycle.

Not only are there too many people working for the legislature, they are paid far too much. As shown in Table 8, state compensation data reveals that, in 2007, 45 of the 219 staff positions in The Legislature enjoyed pay and benefits worth more than $100,000 for what is essentially a seasonal job, $3,846 biweekly. By contrast, the average full-time private-sector worker in Maine makes only $39,629 in pay and benefits, $1,524 biweekly.[22]

Caving to pressure to mend its ways, the Legislature did in 2005 what it typically does when wishing to avoid taking substantive action, which is to commission a study. The resulting report, by the National Council of State Legislatures (NCSL), contained dozens of thoughtful suggestions for improving efficiencies and cutting costs, including replacing costly partisan staff with a non-partisan agency to provide constituent services.[23]

According to the Legislature's Executive Director, none of the report's suggestions have been implemented. Indeed, in 2006, the year after the report was released, the legislature added three more full-time staff.

Table 8

Legislative Staff with 2007 Salary and Benefit Compensation in Excess of $100,000

Position Title	Estimated Salary	Estimated Benefits	Total Salary & Benefits
Legislative Executive Director	$120,536	$44,988	$165,524
Director of Fiscal/Program Review	$109,533	$45,440	$154,973
Director of Legislative Info Services	$109,533	$45,329	$154,862
Director State Law Library	$109,533	$43,740	$153,273
Clerk of the House	$109,533	$38,936	$148,469
Director Revisor of Statutes	$109,533	$38,929	$148,462
Secretary of the Senate	$109,533	$38,929	$148,462
Director Policy/Legal Analysis	$100,485	$42,491	$142,976
Deputy Director	$99,590	$37,519	$137,109
Legislative Finance Director	$99,590	$36,053	$135,643
Chief of Staff	$91,354	$41,526	$132,879
Deputy Director	$91,354	$39,815	$131,169
Asst. Secretary of the Senate	$95,763	$34,960	$130,723
Principal Law Librarian	$90,542	$39,598	$130,141
Director OPEGA	$91,354	$36,766	$128,120
Human Resources Director	$91,354	$35,434	$126,788
Principal Analyst/Principal Attorney	$90,542	$34,787	$125,329
Principal Law Librarian	$90,542	$34,787	$125,329
Principal Analyst/Principal Attorney	$90,542	$33,463	$124,006
Principal Analyst/Principal Attorney	$90,542	$33,460	$124,002
Senior Analyst/Senior Attorney	$85,342	$38,510	$123,852
Senior Analyst/Senior Attorney	$82,326	$38,818	$121,144
Chief of Staff	$82,867	$35,291	$118,159
Senior Analyst/Senior Attorney	$82,326	$34,033	$116,360
Senior Analyst/Senior Attorney	$82,326	$32,307	$114,633
Senior Special Assistant	$82,326	$32,281	$114,608
Senior Analyst/Senior Attorney	$82,326	$31,099	$113,425
Analyst/Attorney	$74,880	$36,575	$111,455
Analyst/Attorney	$74,880	$36,571	$111,451
Associate Law Librarian	$74,880	$33,786	$108,666
Senior Systems Support Coordinator	$74,880	$33,775	$108,655
Senior Programmer Analyst	$74,880	$32,956	$107,836
Analyst/Attorney	$74,880	$32,956	$107,836
Senior Internet/Intranet Applications Admin	$71,989	$35,691	$107,680
Analyst/Attorney	$74,880	$30,056	$104,936
Associate Law Librarian	$74,880	$30,056	$104,936
Analyst/Attorney	$74,880	$30,046	$104,926
Senior Legislative Researcher	$69,118	$34,835	$103,953
Analyst/Attorney	$74,880	$28,974	$103,854
Analyst/Attorney	$74,880	$28,974	$103,854
Analyst/Attorney	$68,619	$34,664	$103,283
Principal Analyst/Principal Attorney	$68,370	$34,604	$102,973
Assistant Clerk of the House	$71,552	$30,776	$102,328
Analyst/Attorney	$71,989	$29,162	$101,150
Senior Legislative Aide	$69,118	$31,194	$100,313

Source: Maine Legislature's Office of Fiscal and Program Review.

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Stephen L. Bowen, director of education policy at The Maine Heritage Policy Center, can be reached at sbowen@mainepolicy.org. Tarren R. Bragdon, chief executive officer of The Maine Heritage Policy Center, can be reached at tbragdon@mainepolicy.org. J. Scott Moody, vice president of policy and chief economist at The Maine Heritage Policy Center, can be reached at jsmoody@mainepolicy.org.

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Editor and director of communications, Martin Sheehan, can be reached at msheehan@mainepolicy.org.

P.O. Box 7829
Portland, ME 04112
207.321.2550 (p)
207.773.4385 (f)

http://www.mainepolicy.org
http://blog.mainepolicy.org
info@mainepolicy.org