

The Maine View

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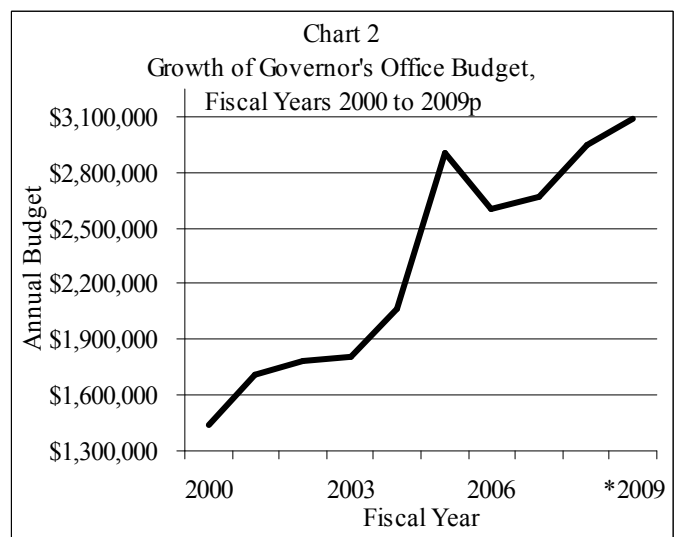
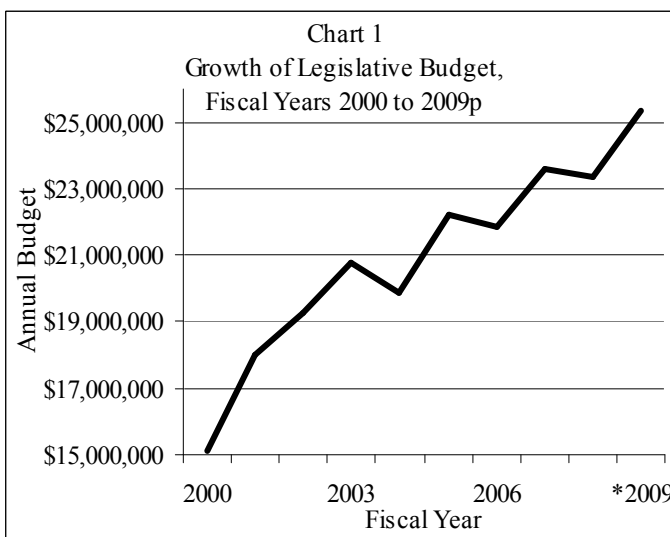
Governor and Legislature, Heal Thyself Why the State House is a good place to look for budget savings

By Stephen Bowen

As the Maine Legislature looks to complete the supplemental budget bill, it would do well to look for additional savings within the walls of the venerable State House itself, which, upon its opening in 1832, housed *all* of Maine state government. [1] Today it is home to only two state agencies, the legislature and the governor's office. Those two, however, have among the fastest growing budgets in state government. The legislature's budget was more than \$13,800,000 in 1998, ten years ago, but it is budgeted to spend more than \$25,000,000 in the fiscal year starting this summer, an 84 percent increase. The governor's office spent a little more than \$1,400,000 in FY 2000, but appropriated a \$2,900,000 budget this year and is budgeted to spend more than \$3,000,000 next year — more than double what the office spent just eight years ago.[2]

What can be done to find savings? Plenty.

- A recent report by the legislature's Office of Program Evaluation and Government Accountability (OPEGA) revealed that the most significant driver of the governor's budget has been the hiring of very highly paid staff. From 1997 to 2002, the number of "Special Assistants to the Governor" grew slightly, from 28 to 29, but then grew from 29 to 43 between 2002 and 2007.[3] Those "Special Assistants" enjoy a salary and benefits package worth, on average, well over \$70,000.[4]
- As with the governor's office, the near-doubling of the legislative budget in ten years has been driven primarily by the steady growth of staff. In particular, the size of the so-called "partisan staff," who work in the Majority and Minority offices of both legislative bodies, has almost tripled since 1987.[5]
- Not only are there too many people working for the legislature, they are paid too much. A recent report by The Maine Heritage Policy Center identified 45 members of the legislative staff with annual pay and benefits in excess of \$100,000. [6] This is despite the fact that the legislature is in session only ten months out of every two-year legislative term.
- A recently commissioned study on the workings of the legislature found numerous opportunities for savings, including merging the Law and Legislative Reference Library with the nearby State Library, restructuring the legislature's non-partisan support offices, and replacing the costly partisan staff with a non-partisan constituent services agency.[7]



* Budgeted amounts

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

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Table 1

Growth in Legislative and Governor's Office Budget
Fiscal Years 2000 to 2009p

Fiscal Year	Legislative Budget	Percent Change	Governor's Office Budget	Percent Change
2000	\$15,143,418	--	\$1,441,844	--
2001	\$17,987,637	19%	\$1,705,933	18%
2002	\$19,285,594	7%	\$1,782,933	5%
2003	\$20,776,958	8%	\$1,802,990	1%
2004	\$19,841,746	-5%	\$2,065,793	15%
2005	\$22,228,283	12%	\$2,901,383	40%
2006	\$21,881,993	-2%	\$2,606,608	-10%
2007	\$23,592,464	8%	\$2,667,215	2%
2008p	\$23,356,360	-1%	\$2,953,233	11%
2009p	\$25,325,810	8%	\$3,086,150	5%

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

The Governor's Staff

The size of the governor's office staff has grown dramatically. In FY 2002, the year Governor Baldacci was elected, there were 20.5 full-time equivalent positions in the governor's office. By FY 2005, that number had grown to 30.5. There are 29 positions budgeted for that office today.[8]

To his credit, the governor proposed to eliminate one Special Assistant position in his latest supplemental budget proposal, and two more in the so-called "change package" budget amendment released earlier this month.[9] He should no doubt work to trim his staff even further, but he is at least making an effort to cut back.

The Legislative Staff

The legislature is another story entirely. The governor's office budget has grown substantially, but it is still "small potatoes" compared to the legislative budget, which has grown by \$11,000,000 in just ten years. The state could pay for *three* governor's offices with just that increase in spending alone.

As indicated in Table 2, the increase in the legislature's budget is due almost entirely to an ever-expanding staff, especially in the Majority and Minority offices of both the House and Senate, and the offices of the Senate President and the Speaker of the House. At one time, the legislature employed mostly clerks and secretaries, today these offices are filled with attorneys, "policy directors," and communications staff. These professional political operatives are on the legislative payroll to run what are essentially year-round re-election campaigns, paid for by Maine taxpayers.

All of this legislative staff is in Augusta year-round despite the fact that the legislature is in session only six months in the first year of the two-year legislative term, and only three and a half months in the second year. In addition to that, for the first few

weeks of each session, the legislature only meets twice a week. In the first two months of the 2008 legislative session, for instance, the House and Senate each met only 19 times.[11]

Despite this leisurely work schedule, the vast majority of the legislative staff are full-time, year-round employees. A review of state staffing data found 170 year-round legislative staff positions. The average salary and benefit compensation for each of those 170 positions is more than \$83,000. Among these, there are 45 legislative staff positions with pay and benefits in excess of \$100,000 a year. [12]

The National Conference of State Legislatures Report

The phenomenal growth of the legislative budget has not gone unnoticed. Bowing to pressure to improve its own efficiency, the legislature did in 2005 what it typically does when looking to avoid taking a meaningful course of action, which is to commission a study. The report that resulted, authored by the National Conference of State Legislatures (NCSL) and entitled "*The Maine Legislature: An Examination of Practices, Procedures and Organization*," contained a series of helpful reform proposals, none of which have been adopted by the legislature.

A number of the report's suggestions revolve around restructuring the organization of the legislative staff, making better use of technology, and reforming the means by which the legislature develops its budget. All are solid recommendations, but unlikely to deliver substantive savings.

The NCSL report does start generating some budget savings when it suggests merging the Law and Legislative Reference Library, housed in the State House, with the Maine State Library, which is housed on the Capitol grounds only a short walk away. The NCSL report notes that Maine is the only state which supports a law library "within the legislative branch of government," and proposes that merging it with the neighboring State Library would "result in efficiencies and potentially better services for library clients." It should also, they concluded, lead to opportunities for "staff reduction." [13]

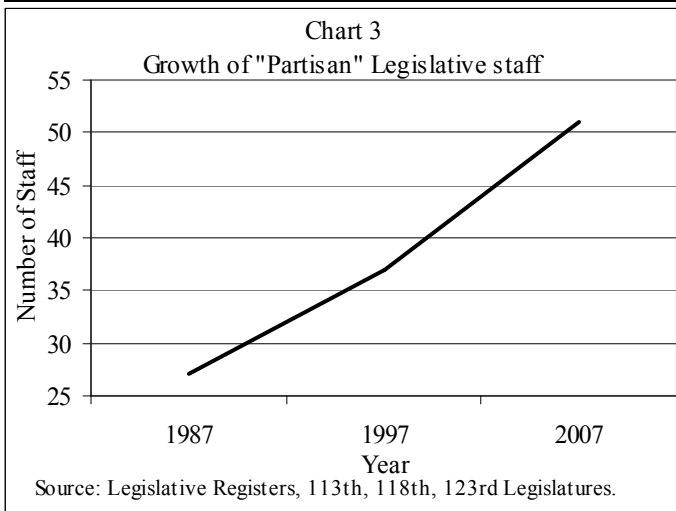
Staff reduction would be a welcome development. The library currently employs 13 full-time equivalent staff members, far higher than the average of the states the NCSL study uses for comparison, which average "just over one [full-time equivalent]" in their libraries. The librarians employed by the Legislature also command extraordinary salaries. Of the 45 members of the legislative staff with salary and benefit compensation in excess of \$100,000, five work in the library.[14]

Additional savings ideas from the NCSL report include:[15]

- Reforming the current process by which legislative committee clerks are hired, which the report describes as a "form of patronage" for political supporters. The report suggests a non-partisan office be responsible for clerking

	1987	1997	2007
Senate President's Office	5	5	7
Senate Majority Office	3	5	8
Senate Minority Office	2	3	6
House Speaker's Office	6	7	8
House Majority Office	6	10	12
House Minority Office	5	7	10
Total Staff	27	37	51

Source: Legislative Registers, 113th, 118th, 123rd Legislatures



legislative committees, ensuring higher quality staff and potentially generating cost savings.

- Significantly changing the legislative drafting process, which is described by the report's authors as being "outdated." Better use of technology would generate savings. (Placing a limit on the number of bills legislators are allowed to submit would cut costs dramatically as well, but the NCSL report makes no comment on this.)
- Replacing much of the existing "partisan" staff with a non-partisan "constituent services agency unit," which would develop expertise in dealing with constituent-related issues. The report suggests that this change would provide a better service to constituents, while cutting waste and duplication. The report suggest that this one change alone could save \$280,000 a year.
- Scaling back the existing employee benefits provided to session-only staff. Though they work only ten months out of every 24 months, these session-only staffers receive "a full range of employee benefits, including health, dental, life insurance, child care, and temporary disability." The

savings generated by providing those benefits during the legislative session only are estimated by the report to be over \$180,000 year.

The legislature would do well to go far beyond the recommendations of the NCSL report.

The report suggests that using session-only staff is "the most efficient way" to staff the legislature, yet it makes no recommendation to replace much of the existing year-round staff with session-only staff. There are 170 legislative staff members hired year-round, each with a salary and benefit package averaging more than \$83,000 a year. By moving only half of that staff to session-only employment, the pay and benefit savings could be as much as \$3,500,000 a year.

Simpler still would be the elimination of the ten full-time staff positions added since FY 2000, which would save an estimated \$830,000. Additional savings are no doubt possible with some substantial restructuring of legislative practices.

Save OPEGA

Legislators have proposed eliminating the legislature's newest office, the Office of Program Evaluation and Government Accountability, but that would be a serious mistake.

OPEGA, as it has come to be known, was established to serve as the investigative arm of the legislature, modeled after the federal government's General Accounting Office. In the short time it has been in place, OPEGA has done remarkable work. In a March 21, 2008 letter to the Government Oversight Committee, which supervises the work of the agency, OPEGA director Beth Ashcroft summarized her office's work as follows:

"Since becoming fully staffed in September 2005, [OPEGA has] presented suggestions for possible fiscal savings estimated conservatively at \$2,177,408 and [has] identified \$167,806 in misused funds including potential fraud. We have also conservatively estimated future costs that could be avoided by implementing our recommendations to be \$20,321,040." [16]

From FY 2006 to FY 2008, OPEGA spent less than \$3 million, but found more than \$20 million in potential budget savings, making its return on investment better than six to one.[17]

OPEGA also has important research currently underway. In a January report on its work reviewing state staffing and contracts, OPEGA reported preliminary findings that seem to indicate insufficient monitoring of state contracts, many of which are being awarded without an open-bid process, in violation of state law.[18] OPEGA is also planning work reviewing the Department of Administrative and Financial Services, the Department of Corrections, and Maine's institutions of higher education.

Given the extensive savings available elsewhere in the legislative budget, it seems foolhardy to eliminate the one agency of the legislature that actually generates revenue through careful review and analysis of the workings of state government.

Conclusion

In a recent report, The Maine Heritage Policy Center proposed cutting the non-OPEGA legislative budget to Fiscal Year 2005 levels, generating savings of up to \$3 million.[19] In response, the *Ellsworth American* editorialized that the savings generated by doing so “would be modest...but the impact of the message sent to the public would be enormous.”[20]

That message is an important one for voters to hear. A 2007 poll of Maine voters found that “on average, Mainers rate the performance of the legislature and governor as D+/C- during the most recent budget.”[21]

If they are truly interested in regaining the public’s confidence in the budget development process, the legislature and the governor could take a big step in that direction by cutting their own bloated budgets before looking elsewhere to save taxpayer dollars.

Sources:

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- [2] Office of Fiscal and Program Review
- [3] OPEGA report to Appropriations Committee, October 17, 2007
- [4] Office of Fiscal and Program Review
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- [6] Office of Fiscal and Program Review
- [7] National Conference of State Legislatures, *The Maine Legislature: An Examination of Practices, procedures and Organization*, December 2005
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- [9] Department of Administrative and Financial Affairs, Bureau of the Budget
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- [11] 123rd Legislative Schedule, available at: http://janus.state.me.us/house/sch_sess.htm
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