About The Maine Heritage Policy Center

For more than thirteen years, The Maine Heritage Policy Center has been standing up to the liberal establishment, and articulating a conservative vision for Maine. We have been on the front lines of the ideological struggle to make this state, our home, a better place for ourselves, and our children.

One of the most important functions we fulfill is helping the public, and the people who represent the public in government, understand what is being done with their hard earned tax dollars. Lawmakers, bureaucrats and crony capitalists will always do their best to spend as much money as they can find, on as many pet projects as they can dream up, with as little transparency as possible.

That's where The Piglet Book comes in. Years ago, we decided that you deserved to know about the most egregious waste, fraud and abuse of the Maine taxpayer that was happening in Augusta. That is why we began creating this publication, so that you would be able to understand how your money was being spent (and frittered away) by the people who represent you.

Contained in this volume are countless examples of bloated spending, ineffective programs, wasted money, and endless pork, all of which are conspiring together to make Maine Government much more expensive than it should be, or ever needs to be.

By identifying this for you, we hope to bring to light areas of state government that could be changed, reformed and made more efficient, so that the citizens of this great state can see their hard earned tax dollars spent more wisely.

Sincerely,

Mathew Gagnon
Chief Executive Officer
INTRODUCTION

The Maine State Government has made much progress in eliminating pork spending and government waste as a result of The Maine Heritage Policy Center’s Maine Piglet Book series.

First published in 2005, the Maine Piglet Book has allowed MHPC to highlight the rampant and appalling examples of the abuse of taxpayer dollars that big government doesn’t want you to know about.

Taxpayers have been shocked to learn of the gluttonous government waste, millions of dollars spent on pet projects, and unfathomable amounts devoted to state employees and special favors politicians give to themselves.

MHPC’s unrivalled efforts have helped pave the way for reform at the Maine Turnpike Authority, the Maine State Housing Authority, and numerous other state agencies that have misused taxpayer dollars.

But there is still work to be done. The 2016 Maine Piglet Book points out that although Maine decreased state spending in 2014, the biannual budget passed this legislative session contains a nearly $300 million spending increase. Whenever government adds that much spending, there will always be a tremendous amount of waste.

Maine still has a long way to go at limiting unnecessary initiatives, and preventing our tax dollars from going to individuals and programs that do not need government assistance.

With Maine policy makers looking to decrease the tax burden, it is more important than ever to streamline our state government and eliminate waste. By ensuring that every taxpayer dollar is spent wisely and used responsibly, we can guarantee Maine has an opportunity to grow and thrive.
BLOATED SPENDING

Government officials should constantly strive to reduce expenditures, maximize efficiency, and allocate funds in a thoughtful and judicious manner. Too often, Maine lawmakers have funded unnecessary and ineffective programs. This section exposes several recent examples of wasteful spending.

“Too often, Maine lawmakers have funded unnecessary and ineffective programs.”
The Maine State Government is continuing to spend a massive amount of money, despite the fact that Maine is a relatively small state with virtually no population growth.

For example, in FY 2014, Augusta – supplemented by federal funds – spent:

- $7,706,038,533 per year
- $642,169,878 per month
- $21,097,984 per day
- $879,083 per hour
- $14,654 per minute
- $244 per second
- $5,808 per person
- $13,914 per household

FY 2014 Maine State Government Spending:

$7,706,038,533

Since per capita money income was $26,824 in 2013, and the State spent $14,654 per minute, 

Augusta spent what the average Mainer makes in a year in less than two minutes!4

Augusta spent what the average Mainer makes in a year in less than two minutes!4
Bloated Budget

In Maine’s latest biannual budget politicians in Augusta continued to fund many expensive and unneeded initiatives. During several late-night negotiation sessions, lawmakers were able to sneak in millions of dollars’ worth of pet projects and pork spending, burdening Maine taxpayers for years to come.

As a result of progressives’ push for more government spending and waste, Maine’s next biannual budget will spend roughly $300 million more than our last budget!

Some of the examples of unnecessary and wasteful spending in the budget include:

- $1 million towards an unnecessary job-training initiative sponsored by Speaker Mark Eves. The Department of Labor has raised concerns that the allocation to a program called Put ME to Work is vague, redundant, and inefficient.

- $35 million that will “supposedly” go towards education, but will likely be wasted by municipalities as they have already established their 2015-2016 education budgets and are not prepared to allocate the additional funding.

- Almost $16,000 towards a local food competition that was previously rejected by the legislature.

- More than $1.8 million towards Efficiency Maine Trust, a program with little accountability or oversight.

- $2.1 million more than the amount requested by DHHS to fund TANF and Food Stamps.

- $1 million towards government run health centers across the state.

- $200,000 for the State of Maine to purchase the Frances Perkins homestead in Newcastle.

- $200,000 towards re-designing the Wood Island Life Saving Station.

- $500,000 to study an unnecessary and impractical passenger rail line between Lewiston and Auburn.
Maine Spending Spree Temporarily Slowed Down

The *Maine Piglet Book* series has allowed MHPC to shed light on some of the most egregious examples of government waste and pork spending. Consequently, the Maine State Government has attempted – albeit inadequately – to limit unnecessary spending and slow the growth of government.

It should come as no surprise then that the State of Maine is actually spending **LESS** money than it was in 2012, when we published our last *Maine Piglet Book*. That fact, however, is a bit misleading, as we will demonstrate in this publication.

For example, this spending decrease is partly due to the reduction of stimulus funds from the federal government, as well as temporary spending cuts due to the financial crisis. But it has also undoubtedly been encouraged by The Maine Heritage Policy Center’s unrivaled push for smaller and more efficient government.

Unfortunately, even though progress has been made in many areas, state spending is still far larger than it should be, or would be if only Augusta took our spending seriously. We must continue to push for the State of Maine to spend less of our hard earned money.

The following table illustrates just how much less Maine is spending in state and federal dollars compared to when we released our last *Maine Piglet Book* in 2012:

<table>
<thead>
<tr>
<th>STATISTIC</th>
<th>FY 2011</th>
<th>FY 2014</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending Per Year</td>
<td>$7,993,481,418</td>
<td>$7,706,038,533</td>
<td>$287,442,885 Less Per Year</td>
</tr>
<tr>
<td>Spending Per Day</td>
<td>$21,899,949</td>
<td>$21,097,984</td>
<td>$801,965 Less Per Day</td>
</tr>
<tr>
<td>Spending Per Hour</td>
<td>$912,499</td>
<td>$879,083</td>
<td>$33,416 Less Per Hour</td>
</tr>
<tr>
<td>Spending Per Minute</td>
<td>$15,208</td>
<td>$14,654</td>
<td>$554 Less Per Minute</td>
</tr>
<tr>
<td>Spending Per Second</td>
<td>$253</td>
<td>$244</td>
<td>$9 Less Per Second</td>
</tr>
<tr>
<td>Spending Per Person</td>
<td>$6,018</td>
<td>$5,808</td>
<td>$210 Less Per Person</td>
</tr>
</tbody>
</table>
Sources of Funding

With the Maine State Government continuing to spend a massive amount of money (albeit less than in previous years), it is important to know from where this money is coming.

Maine receives much of its money (41%) from its General Fund, which is funded primarily by the individual income and sales taxes.

The federal government also contributes a considerable amount of money to Maine, as it is the source of roughly 35% of Maine’s revenue.

Complete breakdown of the revenue for the Maine State Government:

- **General Fund** 40.9%
- **Federal Expenditures Fund** 32.9%
- **Federal Block Grant Fund** 1.4%
- **Highway Fund** 4.2%
- **Fund for a Healthy Maine** 0.7%
- **Other Special Revenue** 14.2%
- **Federal American Recovery and Reinvestment Act Funds** 0.7%
- **Other** 5.1%
State Employee Compensation

As a direct result of MHPC driving the conversation on spending accountability, and creating a website dedicated to government spending transparency, the Maine State Government created its own website which tracks government expenditures.

This website, OpenCheckbook.Maine.gov, details Maine’s government spending and also discloses just how much Maine spends on employee compensation.

And not only has the Maine State Government made disclosing details about employee compensation a top-priority, but it has also made decreasing employee compensation an even bigger priority.

For example, in FY 2014, Maine spent approximately $717,587,746 on total payroll for its 15,480 state positions. Unfortunately, that figure does not even include the payroll for K-12 or Higher Education. But that number is down by more than $24 million from FY 2011, and more than $68 million from FY 2008. It’s important to note, however, that the number of state employees in Maine has been declining, and that much of the reduction in spending is attributable to a smaller workforce. In 2010, Maine employed 24,113 individuals—56% more than today.

Despite a decline in spending, there is still much room for improvement. Maine’s per capita income was $26,824 in 2014, but the average state position paid a total compensation that was nearly 75% higher than that amount!

Even worse is the fact that 1,993 state positions had a total compensation of more than $75,000, which is nearly three times what the average Mainer earns!

Take a look at the totals spent on payroll for the Maine State Government in FY 2014:

<table>
<thead>
<tr>
<th>FY 2014 Total Maine Employee Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Wages</td>
</tr>
<tr>
<td>Stipends</td>
</tr>
<tr>
<td>Overtime Total</td>
</tr>
</tbody>
</table>
Wasted Tax Dollars

Many cases of government waste occur every day in seemingly innocuous ways – an unnecessary trip that could have been avoided by video conferencing, an expensive meal eaten on the government’s dime, or a large desk purchased instead of refurbishing an old piece of furniture. Though small and easily overlooked, these abuses add up to huge sums of money.

In 2014, Maine spent:

- $50,724 on “Bottled Water”
- $2,234,170 on “Food”
- $634,582 on “Airfare,” an increase of over 100% since 2008
- $487,973 on “Clothing”
- $1,064,684 on “Meals and Gratuities”
- $274,154 on “Modular Furniture”
- $884,081 on “Advertising”
- $43,643,210 on “Remedial Training”
- $21,499,336 on “Other Transportation”

… and an astounding $43,553,814 on “Miscellaneous Cash Grants,” “Miscellaneous Vehicle Expenses,” and various other unspecified expenditures, an increase of 150% since 2009. The designation of “Miscellaneous” provides no details and prevents taxpayers from knowing exactly how their money is being spent.¹¹

Questionable Connections

Acquiring a summer house seems to have been a priority of politicians in Augusta this year, who slipped $200,000 into the 2016-2017 state budget to purchase the Frances Perkins Homestead, a house located in Newcastle, Maine and built in 1837.

In 1927, the home was inherited by Frances Perkins, who would later become America’s first woman Secretary of Labor under FDR, helping to design many of the progressive policies of the New Deal.¹² Born in Boston and raised in Massachusetts, Perkins would only visit her house in Newcastle in the summertime and never formed deep connections to Maine or its people.

The legislator responsible for forcing the funding into the budget, Rep. Margaret Rotundo (Lewiston), also sits on the Frances Perkins Center’s board of directors, a conflict-of-interest that was conveniently overlooked at the time. Other members of the Perkins Center’s Advisory Center include Rep. Chellie Pingree (D-1st District) and Robert Reich, former Secretary of Labor under President Clinton.

In addition to the $200,000 already allocated, lawmakers will soon be considering whether to put a $2 million bond issue for the Frances Perkins Center’s acquisition on the 2016 ballot.¹³
Maine faces some of the highest medical costs in the United States, as well as the oldest population, on average, in the country. Instead of enacting legislation to help lower costs by incentivizing the free market and promoting transparency, lawmakers have allocated hundreds of millions of dollars to ineffective programs that do little to help the people of Maine.
Massive Medicaid

Despite significant cuts enacted by the LePage administration, Maine’s Medicaid budget remains a massive drain on the state’s finances. From 2000 to 2014, Medicaid spending in Maine (a combination of federal and state funds) more than doubled, while enrollments have increased by 25% since 2003, making Maine the state with the third-highest Medicaid enrollment in the nation.\(^{14}\)

In 2014, Maine government spent an average of $5,968 for every Medicaid enrollee.\(^{15}\)

Waste in Medicare and Prescription Drug Coverage

In tough financial times, it is critical to make the best use of every dollar, and ensure that no initiatives, departments, or programs are receiving or providing more funding than is necessary. Unfortunately, Maine is greatly mismanaging two government programs, which in turn results in fewer resources for other deserving programs.

The first program, called the Medicare Savings Program (MSP), is a supplemental Medicare program that has been rapidly increasing in size. Maine is one of just two states which provide MSP benefits above the federal minimum, meaning Maine is more generous with tax dollars than almost any other state.

Maine is also exceeding the national norms with regards to the second program, known as Drugs for the Elderly (DEL). This program, which compliments MSP, is also far out of alignment with federal minimums and is spending much more of your money than is necessary.

In his most recent budget proposal, Governor LePage proposed reforming these programs and aligning them with the national norms, but lawmakers in Augusta were unwilling to curb this excessive spending.
Note how much state funding would have been saved by the Governor’s proposal:

### MSP and DEL Reform Savings\(^{16}\)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MSP SAVINGS</th>
<th>DEL SAVINGS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$20,234,554</td>
<td>$2,360,277</td>
<td>$22,594,831</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$24,155,760</td>
<td>$2,832,333</td>
<td>$26,988,093</td>
</tr>
</tbody>
</table>

In 2014, DEL spending was $10,349,072.\(^{17}\) The reform to MSP would have reduced enrollment from 76,652 individuals to 62,166.\(^{18}\)

### Fund for a Healthy Maine

Another glaring example of funds being used irresponsibly and without adequate oversight is the Fund for a Healthy Maine (FHM), which is comprised of money from tobacco settlement payments from tobacco manufacturers.

The FHM has not only misused and mismanaged the public money that it has been given, but it has also been wildly unsuccessful and ineffective. Here are some statistics on FHM’s spending and impact:

- **FHM has spent $215 million on stopping tobacco usage, mainly through TV and radio advertising, online marketing, and treatment programs.**\(^{19}\)

- That is still just 22.1% of its expenditures, as it is spending 77.9% of its funds in other areas.

- Maine currently ranks 7th in state spending on stopping tobacco usage. FHM’s budget in 2014 was more than $6 million.

- In 2007, young adult smoking rates were at the same level they were in 1992.

- Smoking rates as a whole have not changed substantially over the last decade, despite the proliferation of anti-smoking campaigns.

One way for the state to lower Maine’s oppressive tax burden and minimize the amount of money that it must raise through taxes would be to eliminate all funding to the Fund for a Healthy Maine and channel the money to more effective programs. Since the smoking rate among poor adults is nearly twice the rate among financially secure individuals, revitalizing Maine’s economy by cutting taxes could substantially reduce smoking.
Governor LePage proposed repurposing $20 million of FHM funds towards other budget initiatives, and allowing primary care providers to assume the responsibility of preventing and stopping the use of tobacco. However, the Maine legislature rejected this proposal.

Going forward, Maine policy makers would be wise to explore making a better use of FHM funds, and providing much needed relief to Maine tax payers\textsuperscript{20}. The $215 million that have been spent on ineffective anti-tobacco efforts represent the annual state and local taxes of 44,000 middle-income families.\textsuperscript{21}

**MaineCare Transportation**

In August 2013, the State of Maine hired a Connecticut-based company, Coordinated Transportation Solutions, to provide transportation to MaineCare recipients who needed help getting to healthcare centers.

Soon after the contract was signed, thousands of MaineCare patients began complaining about poor service that sometimes made them miss appointments or left them stranded after doctor’s visits. Nonetheless, the state paid Coordinated Transportation Solutions roughly $2 million per month for its services, totaling nearly $30 million.\textsuperscript{22}

Thankfully, the contract expired June 2014 and was not renewed.\textsuperscript{23}
GOVERNMENT WELFARE

Maine’s welfare system is one of the most generous and oversized in the country. Extending far beyond its original mission of providing temporary assistance to those who are truly in need, our current system promotes dependency and discourages self-sufficiency and personal responsibility.

This section documents how weak eligibility requirements and widespread fraud have cost Maine taxpayers millions of dollars over the past few years.
Welfare for Non-Citizens

Maine’s State Government has also proved to be loose with tax dollars with regard to welfare spending for non-citizens.

For nearly twenty years, the state has been a national outlier by doling out welfare benefits to noncitizens (who are prohibited from receiving federal assistance) in the form of SSI, TANF, and SNAP benefits.

In his most recent budget proposal, Governor LePage recommended eliminating welfare for noncitizens, and diverting these funds towards initiatives that assist our own needy citizens. However, the legislature rejected his proposal.

Governor LePage’s proposal would have saved the following amounts over the next two fiscal years:

<table>
<thead>
<tr>
<th></th>
<th>TANF</th>
<th>SNAP</th>
<th>SSI</th>
<th>TOTAL SPENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>$326,633</td>
<td>$2,115,596</td>
<td>$1,672,661</td>
<td>$4,114,890</td>
</tr>
</tbody>
</table>

To put those values in perspective, Maine spent about $45 million on TANF in 2014 and $25.3 million on SNAP.
Welfare Fraud

Another obvious example of waste and abuse of taxpayer dollars is welfare fraud.

There are countless confirmed cases of individuals fraudulently obtaining or using welfare benefits, as the Department of Health and Human Service (DHHS) has made investigating and prosecuting welfare fraud a top priority in recent years.

Here are some of the statistics we do know about welfare fraud and misuse:

- In the past year, authorities have seized more than 40 EBT cards which were likely traded for illegal drugs. Many more fraudulently-used EBT cards remain in circulation.
- DHHS estimates that $10 million worth of Maine EBT benefits each year are spent out-of-state.
- These EBT benefits are commonly spent in places linked to the ever-growing illegal drug trade such as New York City and Lowell, Massachusetts.
- Since 2011, Maine DHHS has doubled the number of welfare fraud investigators.
- In 2014, DHHS referred 81 fraud cases to the Maine Attorney General’s office which resulted in 27 indictments and 21 convictions.
- In 2015, Maine DHHS was on pace to refer more than 100 cases to the Maine Attorney General’s office.
- Maine judges ordered nearly $230,000 in restitution for welfare fraud in 2015.
- Over the past five years, roughly $950,000 has been ordered in restitution.27

General Assistance Waste

Maine might be the most lavish and generous state in the entire country in terms of General Assistance, or GA. This program has increased exponentially in size, and has cost taxpayers millions of dollars in fraud and abuse.

General Assistance is a state welfare program administered locally through municipalities which provides financial aid to individuals facing extreme hardship who are either ineligible for federal welfare programs or receive insufficient benefits to purchase basic necessities. The program serves roughly 12,000 people every year. Benefits are provided through a voucher system and include rent assistance, heating fuel, electricity, essential medical care, food, and household supplies.
General Assistance is funded through a combination of state and local dollars; currently, the state reimburses municipalities for 70% of their GA costs. According to DHHS, most GA spending goes to landlords and homeless shelters.

Until recently, the state reimbursed municipalities for 50% of costs up to a certain threshold, determined by property values, after which the state reimbursed 90% of costs. This system provided municipalities an incentive to increase GA spending, which led some cities – Portland in particular – to hugely increase enrollments, leading to rising costs.

In 2014, Portland spent 63% of state GA dollars, though the city accounts for only 5% of Maine’s population. And while most cities’ GA enrollment numbers had declined in 2014 as the economy slowly recovered from the recession, Portland continued to increase spending, with little to show for it. Portland had about the same number of residents living in poverty as Lewiston-Auburn, but spent $10 million through its GA program while Lewiston-Auburn spent just $890,000 – less than 9% of what Portland spent.28

General Assistance Spending29

<table>
<thead>
<tr>
<th>YEAR</th>
<th>STATE</th>
<th>MUNICIPALITY</th>
<th>TOTAL SPENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$5,654,400</td>
<td>$3,229,200</td>
<td>$8,883,600</td>
</tr>
<tr>
<td>2008</td>
<td>$7,159,612</td>
<td>$3,919,258</td>
<td>$11,078,870</td>
</tr>
<tr>
<td>2010</td>
<td>$11,133,010</td>
<td>$4,734,070</td>
<td>$15,867,080</td>
</tr>
<tr>
<td>2012</td>
<td>$11,982,880</td>
<td>$5,481,399</td>
<td>$17,464,279</td>
</tr>
<tr>
<td>2014</td>
<td>$12,907,464</td>
<td>$5,118,836</td>
<td>$18,026,300</td>
</tr>
</tbody>
</table>
In response to revelations about Portland’s abuse of GA funds, Mary Mayhew, Maine DHHS Commissioner, suggested that city officials reduce benefit amounts, limit eligibility, enhance accountability, rein in the program’s emergency applications, and audit the rolls to minimize fraud and enforce job search requirements. She pointed out that in 2013 Lewiston carefully scrutinized its enrollees and found 84 fraudulent recipients.

Earlier this year, Governor LePage included in his budget proposal to the Legislature a reform that would have altered the reimbursement system that unpins GA funding. Instead of the state providing municipalities more financial assistance as GA costs increase, LePage’s plan would have provided 90% state funding until a city reached 40% of the previous six-year average; at that point, the reimbursement rate would have dropped to 10%. Under the governor’s proposal, cities could no longer have benefited from permitting GAs explosive growth, and would have been motivated to take a more efficient and sustainable approach to core welfare services.

In the biennium budget passed in June for FY 2016-2017, lawmakers rejected Governor LePage’s proposal and changed the GA reimbursement formula to a 70% flat rate. Under the new rule, nearly 60% of Maine towns will receive more state money – large cities like Portland and Bangor are expected to shoulder a greater portion of their GA costs, while small rural towns with modest GA budgets will see their reimbursements increase.30

Maine has long been one of only four states to provide General Assistance to asylum-seekers, political refugees who have fled their home country. Since 1996, Maine has ignored federal law that forbids asylum-seekers from receiving General Assistance unless a state enacts a law explicitly extending eligibility to non-citizens; instead, Maine has illegally given millions of dollars to foreign refugees without statutory authority.

In June, lawmakers passed a bill, LD 369, to extend General Assistance to asylum seekers for up to two years, at a cost of about $3 million. Despite Governor LePage’s opposition, the bill became law after a veto controversy ultimately settled by the Maine Supreme Judicial Court.
BROKEN PROGRAMS

In 2014, Maine government consisted of 344 different departments, commissions, boards, agencies, and bureaus; Vermont had only 137. Not only are many agencies redundant or unnecessary, but many of these departments, as well as costly programs like Maine Clean Elections, continue to grow and demand more of your hard-earned tax dollars.
Expensive Elections

The Maine Clean Elections Act (MCEA), enacted in 1996 through a ballot initiative, was designed to provide public financing to candidates seeking state office.

Since its inception, the MCEA has wasted taxpayer dollars, undermined our democratic process, and opened the door to abuse and fraud.

Not only does the MCEA force taxpayers to financially support candidates with whom they disagree, but the program has cost Mainers millions of dollars over the last decade. Since 2000, $25,310,848 have been paid to publicly-financed candidates, according to the Maine Ethics Commission.

Though the MCEA has often been touted as a way to level the playing field between candidates, a thorough review of recent Maine elections revealed that “public financing has had only the slightest effects on electoral competition for the Maine Legislature.”

Supporters of the MCEA are fond of saying that public campaign financing will return our politics to the hands of the people and weaken the influence of career politicians. But a look at the composition of the Maine Legislature reveals that this claim is specious. The members of 118th House of Representatives in Maine, who took office in 1996 before the MCEA took effect, included 23 educators, 16 businesspeople, seven attorneys, four farmers, ten healthcare workers, and three homemakers. Thirty-two members were retirees. Ninety-eight legislators had previous legislative experience and had served a cumulative total of 340 years.

In 2014, nearly two decades later, the members of the 127th House of Representatives included 13 educators, 19 businesspeople, six attorneys, three farmers, ten healthcare workers, three carpenters, and two photographers. Twenty-six members were retirees. Ninety-eight legislators had previous legislative experience and had served a total of 453 years. So, since the MCEA was enacted the Legislature has gotten older, politicians are serving longer, and fewer blue-collar Mainers are being elected.

A particularly egregious provision of the law allocates large sums of money to unopposed candidates who don't face a challenger in the general election. In 2014 alone, 10 unopposed candidates running for the Maine House of Representatives were given a total of $49,547 to fund their campaigns.

Maine’s public financing system has an extensive track record of abuse and fraud, perpetuated by a lack of accountability and oversight. Previous editions of the Maine Piglet Book have exposed the wrongdoings of candidates who have stolen nearly $2,500 of taxpayer funds.

In May 2015, Republican Byron Watson, who had unsuccessfully run for a House seat in 2014 using MCEA funds, was fined $400 for failing to keep adequate records of monetary transactions connected to his campaign.
Even MORE Money

Now, thanks to a recently passed ballot initiative largely supported by liberal activist groups and wealthy out-of-state donors, funding will increase for this failed program.

Though its proponents insist that their aim is to improve transparency and rein in campaign spending by outside groups, this expansion amounts to a massive increase in spending, tripling the amount of money available to publicly-financed candidates. Prior to the change, in 2014, publicly-financed candidates in Maine were given about $5,000 for House races, about $20,000 for Senate races, and when gubernatorial candidates were eligible they generally qualified for $1,000,000 each.³⁴

Accounting for House, Senate, and gubernatorial races, The Maine Heritage Policy Center estimates that the expansion in MCEA campaign funding will cost Maine taxpayers $25,841,000 every four years. That’s more than what was spent over the last 15 years combined!

In addition to enhancing welfare for politicians while ignoring the financial struggles of hard working taxpayers, this recently-passed MCEA expansion seeks to partially counterbalance its spending increase by closing $6 million-worth of business tax incentives in Maine, a reckless decision that will jeopardize Maine’s economic growth. According to the Maine Chamber of Commerce, “the tax incentives this measure proposes to eliminate are critical to current and future investment in this state…The tax incentives Maine employs helps Maine businesses compete in the global economy and help Maine employers expand their businesses and retain, or even create, jobs.”

It is clear that the MCEA has squandered taxpayer dollars by pumping even more money into Maine elections with no tangible results.
Fast-Growing State Programs

Maine’s government continues to grow as more money is allocated to inefficient and redundant departments with inadequate oversight.

Between 2010 and 2014:

- The Maine Board of Education increased spending by 93%.
- The Department of Health and Human Services increased spending by 18%, representing an additional $529 million.
- The Maine Potato Board – a government agency established for the sole purpose of promoting the Maine potato industry – increased spending by 28%.
- The Maine State Housing Authority – an agency well known for egregious and unnecessary spending, as documented in the 2012 edition of the Maine Piglet Book – increased spending by 219%.35
- The Maine Harness Racing Commission, which purports to “exercise and maintain a proper control over harness racing in Maine for the good of the sport and all persons involved in it and for the good of the state,” spent over $4 million in taxpayer dollars.36
- The Maine Health Data Organization increased spending by 86%.

Politicians in Augusta want you to believe that cutting spending and lowering taxes are unrealistic goals that would jeopardize Maine’s growth and prosperity, but during the same 2010-2014 period, the following agencies received deep spending cuts with few or no adverse consequences, demonstrating that smaller government makes better use of taxpayers’ resources.

- The Department of Economic and Community Development had 34% of its budget cut.
- The Lobster Promotion Council had 95% of its budget cut, in spite of which the lobster industry in Maine landed 123.7 million pounds of lobster in 2014, a 29% increase since 2010.
- The Department of Labor had 19% of its budget cut.
- The Bureau of Human Resources had 25% of its budget cut.38

Although other state agencies have seen recent spending increases, bureaucratic consolidations and changes in budgetary calculations help to explain these discrepancies. For example, the Maine State Planning Office was absorbed by other agencies -- including the Governor’s Office and the Department of Agriculture, Conservation, and Forestry -- in 2012, creating the inaccurate impression that spending increased substantially.
Costly Departments

Maine state employees’ compensation and benefits contribute substantially to government overspending. The following lists highlight the top 8 agencies and departments that pay their employees the highest salaries and provide the most benefits.39

Top 8 Wages - By Department ($)

- Dirigo Health
- Exec Dept: Public Advocate
- Board of Professional Engineers
- Judicial Annuitants
- Maine Military Authority
- Attorney General
- Maine Historic Preservation Commission
- Dept of Environmental Protection

Per Capita Income

Top 8 Benefits - By Department ($)

- Efficiency Maine Trust
- Board of Professional Engineers
- Exec Dept: Public Advocate
- Dirigo Health
- Dept of Public Safety
- Judicial Annuitants
- Maine Military Authority
- Dept of Inland Fisheries & Wildlife

State Employee Wage Distribution ($)

Number of employees

$0-$10,000: 2330
$10,000-$20,000: 1826
$20,000-$30,000: 2129
$30,000-$40,000: 3330
$40,000-$50,000: 2620
$50,000-$60,000: 1611
$60,000-$70,000: 870
$70,000-$80,000: 414
$80,000-$90,000: 162
$90,000-$100,000: 66
$100,000-$110,000: 43
$110,000-$120,000: 56
$120,000-$130,000: 9
$130,000-$140,000: 4
$140,000-$150,000: 3
Amtrak Expansion

State lawmakers and municipal leaders are considering a plan to study the possibility of expanding Amtrak’s Downeaster passenger rail service to the Lewiston-Auburn area. The proposal allocates $500,000 merely to investigate the feasibility of making the necessary infrastructural improvements, and does not include funding for any tangible construction projects. A Maine Department of Transportation study conducted in 2011 estimated that the construction costs for such an expansion would range from $107 million to $234 million.\(^{(40)}\)

In October, the LePage Administration announced that additional bus service would soon be available between Lewiston-Auburn and Portland, an idea that Auburn Mayor Jonathon LaBonte has championed as a more cost-effective transportation alternative. Slated for construction in 2016, the two new Auburn bus stations will be conveniently located to promote regional connectivity with other bus routes.\(^{(41)}\)

Investing in bus service instead of costly rail expansions also offers more flexibility. If the ridership isn’t sufficient to support continued service, bus routes can easily be terminated with little lost; if demand exceeds projections, service can quickly be expanded.

Janet Mills’ Habit of Overspending

Another source of excessive spending in recent years has been the Maine Attorney General’s Office, headed by Janet Mills.

During her tenure as Attorney General, Mills has twice refused to represent Maine in legal disputes, an unprecedented decision that forced taxpayers to foot the bill for about $2,000,000 in fees paid to private legal counsel. Not only did Mills’ actions violate the long-standing tradition of her office, but the additional costs didn’t come out of her budget. The state instead had to draw money from other programs. Last year, Governor LePage was forced to ask the Legislature to allocate $1 million to a private legal defense fund for when Mills decided not to represent the state.

But even as she refuses to do her job on these cases, Mills still finds it difficult to manage her office budget. For two consecutive years, Mills has dramatically overspent and mismanaged her agency’s budget. In 2014, Mills exceeded her personal services allocation by $255,000,\(^{(42)}\) even though her department’s budget had grown since 2010. Earlier this year, Governor LePage’s budget proposal included a 37% increase in the Attorney General’s funding, a further indication that under Mills’ leadership her department’s spending has grown out of control. Though the extent to which Mills overspent her 2015 budget won’t be known until the end of the fiscal year, we do know that she was compelled to request that the Appropriations and Financial Affairs Committee grant her $28,000 in additional funding for the Medicaid Fraud Unit.\(^{(43)}\) Ironically, Mills seemed unconcerned with welfare abuse when she refused to represent the state in its efforts to prevent non-citizens from receiving General Assistance benefits.
Before making her request for additional funds, presumably aware that her agency’s funding was running dry, Mills doled out so-called “merit” raises to her staff in addition to an agency-wide cost-of-living adjustment raise, in spite of the fact that she lacked the authority to do so.

Mills’ relentless pursuit of alternative revenue sources to supplement her agency’s budget has led her to make the outrageous claim that $21,500,000 from a multi-state class-action lawsuit against the ratings firm, Standard & Poor’s, were hers to spend. Mills said that because the money was supposed to be used for protection and consumer education efforts under a court order attached to the settlement, she has the authority to spend it. It would appear that protecting consumers against fraud and initiating educational efforts to raise awareness of deceptive commercial practices would fall under the authority of the Maine Department of Professional and Financial Regulation.

Janet Mills’ reckless spending practices are yet another example of Augusta’s irresponsible fiscal habits.
Out of Control Overtime

As in years past, Maine spent an exorbitant amount of state funds on overtime pay in FY 2014. In 2014 alone, Maine spent $23,804,649 in overtime pay on 7,321 different state positions.\textsuperscript{45}

Overtime is often paid at a higher hourly rate than normal pay, meaning that employees working overtime are much more costly to the state and the taxpayers. A more cost-effective solution is simply maintaining adequate staffing levels, to ensure that existing employees are not forced to work overtime at a higher cost.

The most poignant example of an agency that has struggled with overtime costs is the Maine State Police, which had $4,399,066 worth of overtime in 2014.

In one instance, a Maine State Trooper earned approximately $55,000 in regular pay, but also earned nearly $63,000 worth of overtime!\textsuperscript{46}

In total, the Maine State Police paid:

- 1 individual more than $60,000 worth of overtime
- 3 individuals more than $50,000 worth of overtime
- 10 individuals more than $40,000 worth of overtime
- 27 individuals more than $30,000 worth of overtime
- 72 individuals more than $20,000 worth of overtime
- 178 individuals more than $10,000 worth of overtime

Not only is this an expensive problem, but it likely represents a threat to public safety. Troopers working overtime are potentially suffering from a lack of sleep, as they have likely already worked their regularly scheduled hours. It would be a much wiser and fiscally responsible option to consider hiring new employees, rather than relying on exorbitant overtime levels. Also, since troopers retire at 50% of their maximum salary\textsuperscript{47} – a fact officers are eager to take advantage of – high rates of overtime can cost the state hundreds of thousands of dollars in additional annual costs.
International Student Recruiting

In March 2012, revelations surfaced that four of then-University of Southern Maine (USM) President Selma Botman’s administrative staff had received sizable raises – totaling almost $1 million – while faculty salaries remained frozen and student costs continued to rise. A few weeks later, the university’s faculty released a list of grievances describing their disapproval with Botman’s topdown leadership style; her relationship with the faculty, according to a professor, was “irretrievably dysfunctional.” Finally, in May 2012, the Maine Center for Public Interest Reporting revealed that she had appointed a former trustee as Vice President for Advancement at USM, despite having no relevant professional experience – a move that prompted an ethics review and the implementation of new guidelines to prevent nepotism. Botman resigned shortly thereafter.

But on August 15, 2012, she got a new job at the University of Maine System as Special Assistant to the Chancellor on Global Education, a position created just for her.

Her responsibilities, according to her contract, were to:

- “Identify and secure international agents who can help recruit students to UMS campuses.”
- “Cultivate relationships…for educational and faculty exchanges.”
- “Articulate UMS’s commitment to global education.”
- “Create gap year, 2 plus 2, 4 year, and graduate programs where possible.”

Over a year later, documents regarding her achievements did not show that any relationships had been cultivated, programs created or that any system had been put in place for faculty exchanges. Botman had, however, produced a 39-page, five-year plan to promote the recruitment of international students into the University of Maine System. The report cost $363,028, of which $275,908 consisted of Botman’s salary and benefits. An additional $70,022 were spent on her assistant’s salary and benefits. During a press conference marking the end of her presidency, Botman had the gall to claim that she had “provided sound fiscal leadership” of the university.
HOW CAN YOU GET INVOLVED?

Tired of the wasteful spending exposed in this year’s edition of the Maine Piglet Book? Want to know what you can do to help Maine get back on a path to prosperity and responsible government?

Here are some steps you can take to add your voice to the growing grassroots movement urging politicians in Augusta to reduce the size of government and rein in spending.

■ **Become a member of The Maine Heritage Policy Center**

Join our effort to stop wasteful spending and make Maine more prosperous with a gift to The Maine Heritage Policy Center. Membership starts at as little as $50 per year. Your tax-deductible donation can be sent to:

    Post Office Box 7829
    Portland, ME 04112

■ **Sign up for our e-mail updates**

Stay informed about public policy issues by signing up for our e-mail updates at [www.MainePolicy.org](http://www.MainePolicy.org).

■ **Attend one of our monthly luncheons**

Register for one of our monthly luncheons held throughout Maine to hear policy experts discuss how free-market principles can help address local, state, and national issues.

■ **Join our grassroots action network**

Are you willing to testify at a public hearing in Augusta or call your state representatives on behalf of important legislation to promote conservative fiscal policies? Become a part of the state-wide network of grassroots activists being organized by The Maine Heritage Policy Center.

■ **Write letters to your local newspaper**

If you’re concerned about the direction Maine is headed and have some reform ideas of your own, make your voice heard by sending a letter to the editor of your local newspaper. Be sure to send us a link or copy of your published letter to let us know what’s on your mind. If you would like suggestions for policy topics to write about, please e-mail us at info@MainePolicy.org or call us at (207) 321-2550.
END NOTES

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2. Ibid.
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