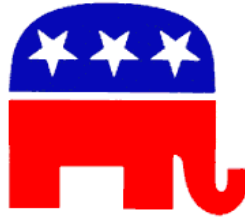


Republican Report

“Over the years, this place has become my second family.....because friendship goes beyond party lines.”
—Mike Whalley



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A message from the Deputy Republican Leader.....

Once again Rep. Norm Major, our Senior Policy Advisor and former Chairman of the House Ways & Means committee has been proven correct in his initial assessment

“A perfect storm is brewing and we’ll be at the center. The economy is leveling off but our revenue projections are climbing at a rate that could be called irrational and exuberant.”—**Rep. Major, House Floor, April 11, 2007**

of the budget, revenue projections, and the overall future of the economy. This week Chairman Ben Bernanke publicly raised the prospect of a U.S. recession for the first time since the current slowdown began last year. But this news should come as no surprise to those of us who have been paying attention to Rep. Major all along.

More than a year ago, on the floor of the House, Rep. Major warned Democrats that the economy would not support their overinflated revenue figures. Rep. Marjorie Smith, the Chair of House Finance, even pleaded with the Ways & Means committee to, “Look skyward with your projections

“When we crafted this budget, however, economic forecasters were not predicting the severity of the situation that the nation is currently facing.”—**Gov. John Lynch, Feb, 2008**

because we need tens of millions of dollars to balance the budget.” Overnight (March 28th/29th) the Democrats on Ways & Means “found” another \$67.5M!!

While Rep. Major and the Republican Leadership were urging Gov. Lynch to proceed with caution, both the governor and his financial advisors continued to ignore all the signs that were pointing to a financial crisis. And now we find ourselves on the doorstep of a projected deficit of more than \$240M over the biennium. Supporting Rep. Major’s latest figures are impending deficits of \$89M in the Business taxes; \$20M in Meals & Rooms taxes; \$45M in the Real Estate Transfer tax; \$20M in Tobacco taxes; and \$36M in the Interest & Dividends tax, to name a few.

Despite facing a huge deficit and a potential recession, Democrats are trying to push through an education funding plan, complete with kindergarten, that will cost the taxpayers of this state millions of dollars! It is becoming more and more clear that they are leading us down the path toward a broad based tax whether their governor is willing to support it or not. In fact, Senate Democrats defied the position of their own governor in passing an education funding plan totaling nearly \$1 Billion. The plan calls for the creation of new donor towns, reduces money to several working class towns and binds the hands of future legislatures. The plan spends \$100M more than the state has in its coffers, spends an additional \$20M for state mandated kindergarten but still doesn’t fully fund construction cost, and worst of all brings back donor

**In Memory
MICHAEL D. WHALLEY
1953-2008**



**Our leader,
our colleague, and
our friend.**

“I’m hoping that their (the Republican) figures are not right. Because I don’t want to see our country go into a recession.”—**Rep. Susan Almy, Chair of House Ways & Means, Floor of the House, April 11, 2007.**

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—Message

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towns far in excess of the amount that ever existed before, at more than 40 communities, with an additional cost of \$15M funded on the backs of those taxpayers.

They have taken the basic education funding plan and added \$566M in grants, which far exceeds the original \$527M. They also added \$48M for property poor towns and an additional \$9M in “halfhearted” transition money in an attempt to partially close the gap for towns that were losing money.


SB 539 would take effect for the 2009-10 school year, well into the next biennial budget, leaving this Democrat controlled legislature free to campaign on the platform that they “fixed education funding,” meanwhile putting the next legislature into a frenzy over how to raise the money to pay for their plan.

This is an irresponsible plan and an absurd patchwork

of one bill attempting to correct a mistake on top of another mistake. Communities that cannot afford to lose money are still losing money, wealthier communities still get more money and the disparity among our towns is ripe for continued lawsuits. We will keep you posted on this legislation as it makes its way through the legislative process.

Dave

**Wed., Apr. 30th
at the
Upham-Walker House
join us for a
Republican Office
Spring Social
(4PM or following the session)**



Legislative Update

During the past week, leadership has signed-in, testified and taken a position on a number of bills being heard in committee. Here is a complete list of those bills:

Children & Family

SB 389—relative to privileged communications between health care providers and minor children.(**oppose**)

Criminal Justice

SB 495—prohibiting Internet solicitation and exploitation of children. (**support**)

Education

SB 530—relative to kindergarten aid.(**oppose**)

SB 539—relative to the cost of an adequate education and provision of fiscal capacity disparity aid.(**oppose**)

Judiciary

SB 329—relative to payment of members of screening panels for medical injury claims. (**oppose**)

Labor

SB 501—relative to workers’ compensation on certain state projects and penalty collection powers of the department of labor. (**support**)

SB 502—relative to unemployment compensation. (**oppose**)

Resources, Recreation & Development

SB 352—relative to shoreland protection.(**oppose**)

SB 384—relative to the repair of septic systems prior to the sale of waterfront property. (**oppose**)

Science, Technology & Energy

SB 412—establishing the office of technology development and telecommunications planning and the position of director of telecommunications in the department of resources and economic development. (**oppose**)