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EDITORIAL

Welcome, Gov. LePage

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When Paul LePage is sworn in as Maine's governor on Wednesday, it will culminate a remarkable personal journey. Mr. LePage lived on the streets of Lewiston as a child and took a college entrance exam in French because his English skills were lacking. From these difficult beginnings, he built a successful career in business and was praised for his tenure as mayor of Waterville. His personal story and tendency to say whatever is on his mind — for better or worse — resonated with many Maine voters and propelled him to the Blaine House.

While his accomplishments shouldn't be diminished, all that personal history will quickly be forgotten as the new governor, his team and the Republican-controlled Legislature turn their attention to myriad difficult issues facing Maine.

As governor, Mr. LePage's top priority — in terms of timing and policy — is to craft a budget for the next two fiscal years, which begin in July. The gap between expected revenues and expenses is predicted to be more than \$800 million.

He has smartly begun this work by appointing a committee to look for ways to reduce and re-prioritize state spending. They won't find any easy answers.

Despite widespread perception to the contrary, Gov. John Baldacci has cut government spending and reduced the state work force. Spending in the current biennium is about the same as it was in 2001, and there are 1,000 fewer state workers on the payroll than when Gov. Baldacci took office in 2003. He also rejected calls for broad-based tax increases.

An unlikely witness making the case that Gov. Baldacci has been diligent in holding the line is the staunchly conservative Cato Institute. This fall, the think tank issued its 10th biennial state-by-state gubernatorial report card, and awarded Maine's governor a B.

More than three-quarters of state spending is dedicated to just two areas — education and health and human services. Despite stories of rampant welfare abuse, there is little state money to be saved by changing welfare rules — although this shouldn't prevent work to review and revise regulations that aren't working. Likewise, many communities loudly complain that they aren't receiving enough education funding from the state, so big savings won't be found in this area.

Compounding the state budget woes, the state's pension liability will gobble up an ever-growing share of state revenues.

Maine desperately needs more jobs and business development. Reducing red tape, a focus of the incoming LePage administration, is only part of the solution. A comprehensive look at the state's \$6 billion in biennial tax incentives — many of them for businesses — with an eye toward devoting money only to those that result in more jobs is another part. As is a

comprehensive approach to lowering business's health care costs, work that must be done while building on — not simply denigrating — the parts of the Dirigo Health program that worked.

Solving these and many other problems will require a hard-nosed, innovate approach, which Mr. LePage can provide. What the new governor has yet to demonstrate is that he can bring the parties together and craft the compromises that will be needed to move Maine ahead.