



STATE OF MAINE
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AUGUSTA, MAINE
04333-0001

JOHN ELIAS BALDACCI
GOVERNOR

December 31, 2008

President-Elect Barack Obama
President-Elect Obama's Transition Office
John C. Kluczynski Federal Office Building
230 South Dearborn Street
Chicago, IL 60604

Dear President-Elect Obama:

I appreciate the opportunity to provide input into the creation of an economic stimulus package that will begin putting America back on its feet. I especially thank you for your attention to the role of the States in this effort. While many federal programs are helpful in moving the economy, it is the States whose programs can provide immediate, tangible results in putting people to work and building the architecture for a strong economy.

This letter provides information on Maine's needs to support the types of programs that we believe to be part of your immediate agenda – traditional and nontraditional infrastructure, energy, education, health care, broadband and other technology. We will continue to reach out to our partners in the private sector as well as to state and local governments for an assessment of our needs and ideas for innovative investments and policies for future prosperity. I hope that you will continue to seek input from the States in further developing your agenda in the months and years to come. In summary, here are our needs for immediate economic stimulus:

Traditional Infrastructure

- \$500 million for roads and bridges
- \$186.9 million for public transit, ferries, aviation, ports and marine infrastructure, and bicycle and pedestrian trails
- \$130 million for immediate water and sewer infrastructure projects
- \$250 million for repair, upgrade and weatherization of state facilities including correctional facilities, office buildings, armories and state parks
- \$1.88 billion for school construction and repair
- \$3-5 million for affordable housing projects
- Funds for essential infrastructure projects at our institutions of higher education, at least \$52 million

Nontraditional Infrastructure

- Funds to capitalize a loan program for businesses, large and small, to improve the energy efficiency of their facilities (\$200 million)
- Funds to support research on offshore wind power, and to improve our infrastructure for transmitting electric power within Maine and from Maine to the regional electricity grid (over \$100 million)
- Funds for the first year of a bold 10-year plan to weatherize all Maine homes (\$72 million)
- Funds to expand fiber optic infrastructure to rural Maine and to improve the Maine Research and Education Network (\$115 million)



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- Funding for an electronic health records infrastructure to improve outcomes and reduce the cost of hospital and other health care services

Safety Net Programs

- Food Stamps – increase the benefit level and simplify eligibility to reduce the serious level of food insecurity faced by Mainers
- Unemployment Insurance – increase grants for technology to improve efficiency, continue the Emergency Unemployment Compensation (EUC) program, and support the Unemployment Insurance Modernization Act
- Re-employment Services, Education and Training – Fully fund robust programs to train workers for the new economy and to match workers with appropriate employment
- LIHEAP – increased funding for LIHEAP fuel aid, as well as funds to upgrade heating systems and weatherize homes (also listed in the nontraditional infrastructure category)

Shared State-Federal Funding

- Special education – fully fund the federal obligation to cover 40% of the cost of special education
- FMAP – increase the federal government's share of MaineCare, the State's Medicaid program by at least 8%

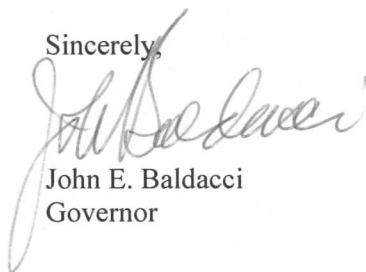
Education, local infrastructure, economic development, environmental projects

- Early Childhood Education – funds to support innovative programs like EduCare, provided to states as a per-child grant
- Expanded funding for student loans to increase access to higher education
- Funding to clean up contaminated sites, funding for water source development and nutrient management for the agricultural sector of our economy
- \$500 million for private-public partnerships to promote economic development, including redevelopment of Brunswick Naval Air Station, industrial park development, downtown redevelopment including sidewalk and lighting improvements, forest-related economic development, upgrades for marine technology, research and shipping infrastructure, regional marketing efforts, rural economic development and numerous R&D programs at the University and at private research institutes
- Funds to meet infrastructure and technology needs for state and local libraries, historic sites, arts facilities, museums and archives, identified as up to \$337 million

Thank you again for your willingness to work with the States in lifting America out of our economic doldrums. I look forward to working with you in the next months and years.

The very best,

Sincerely,



John E. Baldacci
Governor

cc: John Podesta
Rahm Emanuel
Maine Congressional Delegation