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Attach: ADMINISTRATIVE HEARING, STATE CONTROLLER2.odt; ADMINISTRATIVE HEARING (KARASS REPLY).pdf
Subject: AUGUSTA - Ed Karass retired this month (state controller)
 Another one bites the dust.....

Retired state controller: Next governor may have to raise taxes

By *SUSAN M. COVER*, *Kennebec Journal* August 31, 2009

AUGUSTA — Ed Karass retired this month from his job as state controller. Karass, who worked in state government for 28 years, shared his insights recently about the need to cut state government, the possibility of tax increases and the qualities he'd like to see in our next governor.

Q: You gave some advice to the Appropriations Committee recently. What was it?

A: They really need to put on their surgical masks and gloves. Rather than continue to try to rely on consolidation of operations, the merging of operations, which may save a marginal amount of money in the short term, they really needed to determine what government should look like over the next several years.

They need to balance the needs of those people who cannot help themselves, which is very important for any government, along with the needs of the state of Maine in general.

It's very important that the state of Maine right-size its government going into the future and make it affordable.

Q: Is there a way to flatten out the state budget so we don't see these spikes and dips and then everything is OK until the next crisis?

A: Those of us who have been here for some time, who have been career-oriented in state government, have always taken a longer view.

Term limits have been really devastating to that long view of the Legislature. When I first came in to audit and then transitioned over to the executive branch, term limits were not in place. You had legislators who had, for better or for worse, been here a number of years. All of them seemed to have a longer-term view of where we were going and had more ownership of programs and services they were interested in.

9/1/2009

Now, I think what you see to some degree is people come in for a short time, they have their agendas, and their agendas take precedence over the longer-term goals and objectives.

Q: We'll be choosing a new governor next year. What qualities would you like to see in a new leader?

A: I think the next governor really has his or her work cut out for him or her.

I would like to see a governor that, and a Legislature, more than balance the budget. They need to address the liabilities that are building up in the retirement system, retiree health. We need to look at replenishing our cash and come up with a plan to repair the state's general fund balance sheet.

But in all reality, the governor coming in will not be able to cut taxes, will not be able to expand programs and will have to concentrate on putting the state's fiscal house back in order.

We may find ourselves in a position where taxes have to be increased but no new programs are brought on board. We may have to increase taxes just to pay for what we currently have.

This is not something we will grow our way out of.

Q: It doesn't sound like a very fun job.

A: I don't think it will be a fun job. You're going to need a very experienced hand, somebody who understands how government runs and somebody who is more interested in getting the house in order rather than promoting new programs.

I think we're going to need a good town manager – and a consensus builder.

Q: Anything I didn't ask?

A: I've really been fortunate to be able to say that all the commissioners I've worked for have made a contribution to Maine and all the governors I've worked with have done outstanding work.

Gov. (Joseph) Brennan really brought government into the 20th century and realized Ken Curtis' dream of a Cabinet structure of government.

Gov. (John) McKernan had a very tough road. He really _____, and those reforms are felt today. I think he really set the King administration up for its success by going through...

all those hard times.

Angus King brought a style of government that we won't see for a long time. It was probably the _____ administration I worked for. The laptop project was the best project I worked on in my career.

Gov. (John) Baldacci is really a courageous individual. Consolidation of the county jails is a major accomplishment. The school reforms and consolidations he brought in truly should be the wave of the future.

What's needed now is an inventory of how much money was saved on the administrative side.

I think instead of the 80 school districts, he should have been braver and gone for 16.

ED KARASS

AGE: 58

RESIDENCE: Whitefield

PROFESSION: Financial and accounting services consulting in Gardiner

EDUCATION: Bachelor of science, University of Maine; master's in business administration, New Hampshire College; certified government financial manager