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STATE OF MAINE
ONE HUNDRED AND THIRTY-SECOND LEGISLATURE
COMMITTEE ON STATE AND LOCAL GOVERNMENT

MEMORANDUM

TO: Senator Margaret Rotundo, Senate Chair
Representative Drew Gattine, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Joe Baldacci, Senate Chair JB (KLB)
Representative Suzanne Salisbury, House Chair SS (KLB)
Joint Standing Committee on State and Local Government

DATE: January 24, 2025

SUBJECT: FY 2025 Supplemental Budget Recommendations

On January 21, 2025, the Joint Standing Committee on State and Local Government reviewed the budget items pertaining to the agencies under the Committee’s jurisdiction in the Governor’s proposed supplemental budget for FY25, as considered in LD 209. Eleven members of the Committee were present and voting at the work session.¹ Two members² submitted absent votes in accordance with the instructions and deadline established by the Committee chairs.

The State and Local Government Committee would like to make the following recommendations:

Initiative: Lead By Example Z426 (Ref. #. 17), section A-1.

- **Recommendation: Seven members of the Committee voted in favor** of including the initiative in the supplemental budget and **six members voted in opposition.**³ This initiative is related to Part D on page 2 of the language document. The vote on this initiative reflects the inclusion of the accompanying Part D language.

Those members voting against this initiative cited that recent federal executive actions pertaining to energy credits render the authorization to spend such funds no longer applicable.

¹ Members Present: Senators Baldacci, Beebe-Center and Martin; Representatives Salisbury, Copeland, Farrin, Greenwood, Pomerleau, Rollins, Tuell and Underwood. Members Absent: Representatives Adams and Matlack.

² Representatives Adams and Matlack.

³ In favor: Senators Joe Baldacci and Beebe-Center; Representatives Salisbury, Copeland, Farrin, Matlack and Rollins. Opposed: Senator Joseph Martin; Representatives Adams, Greenwood, Pomerleau, Tuell and Underwood.

Commissioner Figueroa noted during her January 21, 2025 testimony at the joint public hearing that the Department inadvertently left out the option to use these funds for building efficiency projects, such as building envelope, insulation, lighting and HVAC updates and requested the inclusion of the words “and building efficiency” in section 2 of Part D on page 2 of the language document. The Commissioner may be interested in working with the Appropriations and Financial Affairs Committee to discuss the inclusion of this language.

Initiative: Risk Management Claims 0008 (Ref. #: 3), section A-1.

- **Recommendation: Seven members of the Committee voted in favor** of including the initiative in the supplemental budget and **six members voted in opposition.**⁴

Initiative: Administration – Archives 0050 (Ref. #: 250), section A-22.

- **Recommendation: All thirteen members of the Committee voted unanimously in favor** of including the initiative in the supplemental budget.⁵

Initiative: Administrative – Archives 0050 (Ref. #: 251), section A-22.

- **Recommendation: Seven members of the Committee voted in favor** of including the initiative in the supplemental budget and **six members voted in opposition.**⁶

Those members voting against the initiative would like to note that, because they have the utmost trust and faith in the Archives staff, they believe it is unnecessary to hire an attorney and an outside agent to provide this service which can be completed in-house like all other archive services by archives staff, who they believe can do the best job at this task.

Attached is the OFPR Worksheet indicating the Committee’s votes on these initiatives. Please let us know if we can provide any additional information or assistance in connection with the budget items described above.

Enc.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
Members, Joint Standing Committee on State and Local Government

⁴ Same votes as in footnote 3.

⁵ Members Voting in favor: Senators Baldacci, Beebe-Center and Martin; Representatives Salisbury, Adams, Copeland, Farrin, Greenwood, Matlack, Pomerleau, Rollins, Tuell and Underwood.

⁶ Same votes as in footnote 3.

Sec. A-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Administration - Human Resources 0038

Initiative: Provides funding for the approved reclassification of one Public Service Coordinator I position to a Public Service Coordinator II position in the Human Resources account retroactive to August 5, 2024.

Ref. #: 5	One Time	Committee Vote	_____		
			AFA Vote	_____	
GENERAL FUND			2024-25	2025-26	2026-27
Personal Services			\$9,227	\$0	\$0
GENERAL FUND TOTAL			\$9,227	\$0	\$0

Notes: *The committee did not make a recommendation.*

Informational only. Not part of the Public Hearing. Policy Committees need not make a recommendation on Reclassification, Reorganization and Range Change initiatives.

Justification:

This initiative provides funding for the approved reclassification of one Public Service Coordinator I position to a Public Service Coordinator II position in the Human Resources account retroactive to August 5, 2024.

Lead by Example Z426

Initiative: Provides one-time funding for a competitive, revolving grant program for State agency renewable energy projects, purchase of electric vehicles, construction of electric vehicle charging stations, and initiatives that support maintenance, upgrades and upkeep of renewable energy systems.

Ref. #: 17	One Time	Committee Vote	<i>7 - 6</i>		
			AFA Vote	_____	
OTHER SPECIAL REVENUE FUNDS			2024-25	2025-26	2026-27
All Other		<i>(including accompanying Part D language)</i>	\$100,000	\$0	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL			\$100,000	\$0	\$0

Justification:

The Lead by Example program is established to focus on statewide energy data, strategic energy purchases and development of renewable energy projects, and serve as a competitive, revolving grant program for State agency renewable energy projects, purchase of electric vehicles, construction of electric vehicle charging stations, and initiatives that support maintenance, upgrades and upkeep of renewable energy systems. The program shall receive any direct reimbursement of the costs of renewable energy projects under state or federal programs, including the IRS Elective Pay reimbursement program established under the Inflation Reduction Act of 2022. Funds must be placed in the same Other Special Revenue Account.

Risk Management - Claims 0008

Initiative: Provides an allocation to pay attorney's fees awarded by a court against the State and its departments, agencies, officers or employees and settlements of attorney's fees without court award in these cases, which are not otherwise insured against under a deductible or self-insured retention program. Funding to support this allocation was included in Public Law 2023, chapter 412, Part BBBB.

Ref. #: 3 One Time Committee Vote: 7-6 AFA Vote _____

OTHER SPECIAL REVENUE FUNDS	2024-25	2025-26	2026-27
All Other	\$3,500,000	\$0	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$3,500,000	\$0	\$0

Justification:

This initiative provides an allocation to pay attorneys' fees awarded by a court against the State, its departments, agencies, officers or employees, and settlements of attorneys' fees without court award in these cases, which are not otherwise insured against under a deductible or self-insured retention program. Funding to support this allocation was included in Public Law 2023, chapter 412, Part BBBB.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2024-25	2025-26	2026-27
GENERAL FUND	\$9,227	\$0	\$0
OTHER SPECIAL REVENUE FUNDS	\$3,600,000	\$0	\$0
DEPARTMENT TOTAL- ALL FUNDS	\$3,609,227	\$0	\$0

Sec. A-19. Appropriations and allocations. The following appropriations and allocations are made.

PERMANENT COMMISSION ON THE STATUS OF RACIAL, INDIGENOUS AND TRIBAL POPULATIONS

Racial, Indigenous and Tribal Populations Z319

Initiative: Provides funding for the approved reorganization of one Public Service Executive I position to a Public Service Executive II position.

Ref. #: 247	One Time	Committee Vote	_____		
			AFA Vote _____		
GENERAL FUND			2024-25	2025-26	2026-27
Personal Services			\$9,102	\$0	\$0
GENERAL FUND TOTAL			\$9,102	\$0	\$0

Notes: *The committee did not make a recommendation.*

Informational only. Not part of the Public Hearing. Policy Committees need not make a recommendation on Reclassification, Reorganization and Range Change initiatives.

Justification:

This management-initiated reclassification has been approved by the Bureau of Human Resources. The nature and scope of the structure, duties and responsibilities of this position have changed significantly since it was established in October 2021, when the agency was residing within the Department of Labor. The agency is now an independent commission that requires a Department Head. The reclassification brings this role into alignment with other similar leadership positions.

PERMANENT COMMISSION ON THE STATUS OF RACIAL, INDIGENOUS AND TRIBAL POPULATIONS

DEPARTMENT TOTALS			2024-25	2025-26	2026-27
GENERAL FUND			\$9,102	\$0	\$0
DEPARTMENT TOTAL- ALL FUNDS			\$9,102	\$0	\$0

Sec. A-22. Appropriations and allocations. The following appropriations and allocations are made.

SECRETARY OF STATE, DEPARTMENT OF

Administration - Archives 0050

Initiative: Provides funding for increases in technology costs in accordance with MaineIT increases.

Ref. #: 250 One Time Committee Vote: 13 - 0 AFA Vote: _____

GENERAL FUND	2024-25	2025-26	2026-27
All Other	\$1,545	\$0	\$0
GENERAL FUND TOTAL	\$1,545	\$0	\$0

Justification:

Expenses from MaineIT have increased. This initiative seeks to provide funding for the increase.

Administration - Archives 0050

Initiative: Provides one time funding for the storage, organization, classification and management of responses to public inquiries for records pertaining to the Independent Commission to Investigate the Facts of the Tragedy in Lewiston.

Ref. #: 251 One Time Committee Vote: 7 - 6 AFA Vote: _____

GENERAL FUND	2024-25	2025-26	2026-27
All Other	\$113,214	\$0	\$0
GENERAL FUND TOTAL	\$113,214	\$0	\$0

Justification:

The Maine State Archives is the keeper of all official records of the events that occurred in Lewiston on October 25, 2023. As such, there is a need to organize, categorize, provide for secure distribution as appropriate and respond to information requests. This initiative seeks to provide funding for one contracted attorney and one archival specialist to curate the collection.

SECRETARY OF STATE, DEPARTMENT OF

DEPARTMENT TOTALS	2024-25	2025-26	2026-27
GENERAL FUND	\$114,759	\$0	\$0
DEPARTMENT TOTAL- ALL FUNDS	\$114,759	\$0	\$0

PART D

Sec. D-1. 5 MRSA §1742, sub-§20-B is enacted to read:

20-A. Renewable Energy Credits. To purchase, retire, and sell Renewable Energy Credits. Proceeds must first be applied to achieve the State’s obligation to supply electricity used in State-owned buildings by 100% renewable energy. If the State generates more Renewable Energy Credits than needed to achieve 100% renewable energy for State buildings, the Credits may be sold and placed in a “Lead by Example” Other Special Revenue Account established in section 1742-H.

Mechanisms for Renewable Energy Credit sales and purchases, administration of sale proceeds, the allocation/distribution of State and federal credits and reimbursements, including IRS Elective Pay reimbursements, and administration of the Other Special Revenue account, must be established by the Bureau of General Services by routine technical rulemaking..

Sec. D-1. 5 MRSA §1742-H is enacted to read:

§1742-H. Bureau of General Services; Lead by Example program

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. “Renewable energy credit” has the same meaning as in 35-A MRSA §3210 (2)(B-2).

B. “Program” means the Lead by Example program created under subsection 2.

2. The Lead by Example program is established to focus on statewide energy data, strategic energy purchases and development of renewable energy projects, and serve as a competitive, revolving grant program for State agency renewable energy projects, purchase of electric vehicles, construction of electric vehicle charging stations, and initiatives that support maintenance, upgrades and upkeep of renewable energy systems.

3. Assistance and funding. The program shall receive direct reimbursements, including under the IRS Elective Pay reimbursement program established under the Inflation Reduction Act of 2022. Funds must be placed in the same Other Special Revenue Account.

PART D SUMMARY

This Part authorizes the purchase and sale of renewable energy credits and establishes the Lead by Example program within the Department of Administrative and Financial Services, Bureau of General Services.