

**Testimony of Kirsten LC Figueroa, Commissioner
Department of Administrative and Financial Services**

**Before the Joint Standing Committee on
Appropriations and Financial Affairs**

**“An Act Making Unified Appropriations and Allocations for the Expenditures
of State Government, General Fund and Other Funds and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State
Government for the Fiscal Years Ending June 30, 2021,
June 30, 2022 and June 30, 2023”**

May 14, 2021

Good afternoon Senator Breen, Representative Pierce, and members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Kirsten Figueroa, and I am the Commissioner of the Department of Administrative and Financial Services. I am here today to present the Governor’s change package for LD 221, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023.

Thank you for the opportunity to be here today.

I want to pay tribute to Governor Mills for her leadership and my fellow Commissioners and Department Heads for all the work done to stay at an even keel amid the storm.

We have constrained department spending while staying true to our ideals of ensuring the lives and livelihoods of all Mainers – through our commitment to public health, education, and State infrastructure, including property tax relief and revenue sharing. We have not raised taxes, we have conformed to the federal tax code in support of Maine people, we have strategically lobbied for and transparently and effectively leveraged federal pandemic relief. We have deployed a first in the nation vaccine campaign, and we are jumpstarting the economic recovery for every person and in every corner of this great state.

Keeping in mind the Administration’s strong priorities – education, public health, our local communities, climate, our economy and making good on the promises of state government – we have, over the last two weeks or so, carefully crafted three proposals, which, together, chart a path for robust and widespread economic recovery and growth:

First, the Governor unveiled her [Maine Jobs & Recovery Plan](#), this Administration’s proposal to invest more than \$1 billion in discretionary Federal relief funds allocated to Maine under the American Rescue Plan Act, meant to make historic investments in unaddressed needs and longstanding challenges to achieve three goals: 1) immediate economic recovery from the pandemic; 2) long-term economic growth for Maine; and 3) infrastructure revitalization. The plan draws heavily on recommendations from the [Governor’s Economic Recovery Committee](#) and the [State’s 10-Year Economic Development Strategy](#), transforming these best-made plans into real action to improve the lives of our people and to strengthen the economy. We look forward to collaboration with the Legislature as we further refine the specifics of these initiatives to meet these goals.

We also presented a [bond proposal](#) aimed at rebuilding Maine’s transportation system and conserving lands and waters. The proposal dedicates \$100 million to maintain and upgrade Maine’s transportation system through the Maine Department of Transportation and also dedicates \$40 million over four years to conserve lands and waters for Maine people through the Land for Maine’s Future Program.

And, most recently, Governor Mills unveiled the “Part 2” budget for the FY22-23 biennium, a proposal that makes a historic investment in Maine public schools and meets the State’s obligation to pay 55 percent of the cost of K-12 education for the first time in Maine’s history. The proposal includes a host of additional bipartisan priorities, such as initiatives to improve the health of Maine people; relief for Maine people most adversely impacted by the pandemic or overburdened by rising property taxes; enhanced revenue sharing with municipalities; PFAS remediation; and infrastructure upgrades; and adds money to the Budget Stabilization Fund. The proposal, which is balanced and does not raise taxes, also leaves approximately \$21 million in funding on the table.

Today’s proposal is presented as a change package that builds on the Governor’s original proposal for the FY 2022-2023 biennium, LD221. Taken in combination

with the [current services budget enacted earlier this year](#), the Governor’s proposals for FY 2022-2023 would result in an \$8.77 billion General Fund budget for the biennium, which is \$390 million lower than the [Revenue Forecasting Committee projects in General Fund revenue for FY 2024-2025](#).

The remaining proposals in LD221, not previously pulled into PL2021 Chapter 29, plus this change package combine to approximately: \$433 million in appropriations, \$315 million in transfers, and \$174 million in tax proposals.

Before we begin reviewing initiatives, I’d like to familiarize everyone with the format of a change package document. At the top the page, there is a header that indicates if we are adding or amending LD 221. If the page indicates that we are amending, it could be that the initiative is being deleted which will be indicated by a sub-heading, or that it is revised. In the case where an initiative is being revised, the document will display what is currently in LD 221 and the revised initiative.

We start in the **Department of Administrative and Financial Services**. On **page 1** of the change package, there is a new initiative reducing the allocation in the Accident-Sickness-Health Insurance program’s Internal Service Fund. This entry is made to correct the amount included for Cost of Goods Sold (COGS). The same initiative appears on page 4 for the Alcoholic Beverages – General Operation program, page 8 for the Central Services-Purchases program and page 9 for the Information Services program. Title 5, section 1666 specifies that COGS expenditures in Internal Service Funds and Enterprise Funds are not subject to legislative allocation and these entries double-count funds elsewhere.

Page 2 of the change package deletes an initiative to increase the allocation in the Adult Use Marijuana Regulatory Coordination Fund. This allocation adjustment is not necessary.

Page 3 continues with the Adult Use Marijuana Regulatory Coordination Fund. This is a new initiative reducing headcount and Personal Services. The baseline for this program included 3 temporary positions which should have been removed.

Page 4 is the Alcoholic Beverages – General Operation program adjustment for Cost of Goods Sold.

Page 5 increases funding in the Bureau of Budget for ongoing operating costs. The Bureau is underfunded and routinely has to delay payment for expenses at the end of each year.

On **page 6** is the Capital Construction and Improvement Reserve Fund. As we discussed during the public hearing and work session, we recently hired a consultant to evaluate the condition of our greater Augusta area state owned buildings. According to this report, we have more than \$87 million of cost to backlogged “catch up” repair and renovation needs and an additional estimated \$55 million of “keep up” needs that will come due over the next several years. **Part SSS** transfers \$87 million into the Bureau of General Services – Capital Construction & Improvement Reserve, Other Special Revenue Fund account to sustain several years’ worth of efforts. Catch-up efforts include all six major building systems including roof, building envelope – insulation, walls, exterior, foundation – HVAC, electrical, plumbing, and interiors. These amounts do not include new construction needs such as the new Chief Medical Examiner facility or replacement for certain Public Safety spaces such as the specialty vehicle garage or the Troop D headquarters; we would continue to use our Maine Government Facilities Authority bonding for these efforts. In light of this \$87 million proposal, **page 6** deletes the \$2 million appropriation request for capital repair and construction funding in the Bureau of General Services. **Page 7** provides \$15 million of allocation in 2022 and 2023 to begin funding of the state’s capital needs supported by the funds transferred in Part SSS. Additionally, we propose deleting the change to the year-end cascade included in **Part F** as the funding in Part SSS will provide funding for several years.

Page 8 is the adjustment for Cost of Goods Sold in the Central Services-Purchases program.

Pages 9 and 10 include 3 new initiatives for Information Services. The first is the Cost of Goods Sold adjustment. The second initiative relates to the initiative that moves 4 positions to be trained and hired to do inhouse much of the Radio Network operations work currently being performed by an external vendor; in the change package, we have changed the 4 positions we are moving, which increases the initiative by approximately \$67,000 over the biennium. The third initiative provides a one-time \$3 million appropriation to replace aging technology equipment.

The next initiative on **page 11** is in the Public Improvements – Planning/Construction Admin program. This initiative establishes 2 Occupational Health and Safety Compliance Assistance Specialist positions. The positions will staff the Office of Safety and Environmental Services and provide asbestos, lead, mold, contaminant, and indoor air quality assessment and mitigation oversight services for public schools and state facilities. Additionally, the positions will consult with leased space personnel on landlord compliance with air volume and quality in leased space.

The final initiative in DAFS on **page 12** provides increased funding necessary to fund the reimbursements to municipalities under the tree growth tax law. **Part J** of the language document updates statutory language for this law.

We move to the **Department of Agriculture, Conservation and Forestry** on **page 13**. Within the Animal Welfare Fund program, the first initiative establishes one District Humane Agent in the Other Special Revenue Funds account. This position will provide coverage statewide and assist with inspecting facilities in Southern Maine. The second initiative establishes one limited period Public Service Manager I position ending in June 2023. This position will help streamline critical field activities and responsibilities among active field agents. In August of 2018, the Committee to Review Maine Animal Cruelty Investigations recommended adding additional staff to this program.

On **page 14**, in the Bureau of Agriculture, there are two initiatives being deleted from LD221. One deletes a General Fund request of \$13,000 in each year to PFAS testing. **Part Q** transfers \$15 million to the Department of Agriculture, Conservation and Forestry to support the necessary work of abating, cleaning up or mitigating the threats or hazards posed or potentially posed by perfluoroalkyl and polyfluoroalkyl substances (PFAS) contamination impacting agricultural producers in the state and the food supply, to provide support to impacted farms, to support critical PFAS research necessary for farm viability, and to otherwise allow for the Department to strategically and effectively respond to PFAS concerns and issues as they arise. The Department is requesting an allocation for these funds on **page 16**.

Continuing with the Bureau of Agriculture on **pages 15 and 16**, there are six new initiatives.

The first initiative establishes one Inspection Process Analyst Coordinator for the Maine Meat and Poultry Inspection program. This position will administer day-to-day operations in the Maine Meat and Poultry Inspection program, which has experienced increasing demand with the new Cooperative Interstate Shipment program, and address a weakness identified by the USDA-Food Safety Inspection Service during an onsite audit in 2018.

The second initiative establishes one Toxicologist that will manage the Bureau of Agriculture, Food and Rural Resource's overall efforts to implement recommendations from the Governor's PFAS Task Force.

The third initiative establishes one limited period Agriculture Compliance Officer position to work directly with farmers impacted by PFAS. This position will provide on-farm support to farmers to understand and navigate their options if impacted by PFAS. This position will help coordinate, oversee, and collect on-site sampling and help craft management strategies to potentially reduce contamination and retain farm viability.

The fourth initiative establishes 2 seasonal part-time Entomology Technician positions to work on the Cooperative Agriculture Pest Survey (CAPS), mosquito surveillance, and apiary inspections and education.

The fifth initiative increases funding to account for increased insurance rates through the Division of Risk Management. This initiative also appears on **pages 17, 18, 22 and 27**. The final initiative establishes the allocation for funds referenced in **Part Q**.

On **page 17** are new initiatives for the Division of Forest Protection. The first initiative is the increase in insurance costs. The second initiative establishes allotment to upgrade and repair aircraft for the Forest Protection Division. **Part QQQ** of the language document transfers \$6.7 million to the Department of Agriculture, Conservation, and Forestry's Division of Forest Protection Aerial Fire Suppression Fund.

Page 19 proposes the deletion of a position reallocation initiative from LD221. The wording is corrected, and the initiative repropoed on **page 20**.

On **page 20**, in the Geology and Resource Information Bureau, the first initiative establishes one Public Service Manager II position. This position will be the full-

time State Geologist, as referenced in 12 MRSA, section 543, separate from the Director of the Bureau of Resource Information and Land Use Planning. The second initiative transfers and reallocates one Planner II position to 100% General Fund.

The next program, on **page 21**, is the Harness Racing Commission. This initiative increases the Other Special Revenue Funds allocation to align with revenue changes in the May 2021 Revenue Forecasting Committee report.

Within the Land Management and Planning program, on **page 22**, the first initiative provides funding to increase the weeks of one Park Ranger position from 26 weeks to 52 weeks in order to keep up with increasing recreational demands on Public Lands. The second initiative reflects the increased insurance costs.

The Milk Commission program initiative, on **page 23**, is an increase to allocation to align with revenue changes in the May 2021 Revenue Forecasting Committee report.

On **page 24**, there are two initiatives in the Off-Road Recreational Vehicle program. The first initiative provides allocation in the Capital Expenditures line category of the Other Special Revenue Funds account to construct new and renovate existing recreational boating facilities. The second initiative increases the hours of one Office Assistant II position from 40 hours to 80 hours biweekly to keep up with the contracting process, licensing for landowner relations, and other administrative tasks.

There are six new initiatives in the Office of the Commissioner, which the Department is requesting be renamed to DACF Administration, on **pages 25 and 26**. The first three and the sixth initiatives provide the All Other funding to support positions discussed elsewhere.

The fourth initiative continues one limited period Public Service Coordinator I position to work with the Bureau of Agriculture and the Maine Climate Council's Natural and Working Lands Group. The fifth initiative continues one limited period Volunteer Services Coordinator position to work on the Maine Prosperity Corps VISTA project to support the development of Maine's roadmap for ending hunger by 2030. These two positions are funded by Other Special Revenue Funds.

The final program in the change package for the Department of Agriculture, Conservation and Forestry is the Parks – General Operations program on **page 27**. There are five initiatives in this program. The first three initiatives reorganize 6 seasonal park positions to 3 full-time park positions. The fourth initiative establishes one Planning and Research Associate II position to manage grants and monitor Land and Water Conservation Fund sites for compliance. The final initiative provides increased funding for the insurance increase.

Page 28 includes two initiatives for the **Department of the Attorney General** in the Administration – Attorney General program. The first initiative continues one limited period Research Assistant position for the Criminal Division. The Office of the Attorney General has been awarded a subgrant from the U.S Department of Justice, Office on Violence Against Women to institute the Maine Victim Witness Advocate Coordinator Pilot Project. To enhance prosecution throughout Maine, the position will provide technical assistance and training, as well as statewide representation for victim witness advocates in Maine.

The second initiative establishes one Assistant Attorney General position dedicated to supporting the Department of Labor in ensuring compliance with state labor laws and protections for Maine workers.

Moving to **page 29**, we are in the **Baxter State Park Authority**. The first initiative is a revision to an existing initiative in LD 221. The current version establishes one seasonal Grounds and Equipment Supervisor position for 26 weeks and 3 seasonal Groundskeeper II positions for 24 weeks. The revised initiative utilizes position classifications specific to the Baxter State Park Authority: one seasonal Baxter Park Trail Crew Leader and 3 Baxter Park Trail Laborers. There is a small increase to the Other Special Revenue Fund allocation based on this change.

There are also seven new initiatives in the Baxter State Park Authority, which may be found on **pages 30 and 31**. All initiatives are allocation increases in the Park's Other Special Revenue Funds.

The first initiative provides funding for the approved reclassification of one Secretary position to an Office Specialist I position. The second initiative continues and makes permanent one Baxter Park Enforcement Ranger position established by financial order. The third initiative increases the weeks for 12

seasonal positions by 1 week to allow sufficient time to clean up the campground before winter. The fourth initiative establishes one seasonal 24 week Baxter Park Campground Ranger position to support flexibility in scheduling campgrounds and gatehouses across Baxter State Park. The fifth initiative continues and makes permanent one seasonal Baxter Park Winter Ranger position previously established by financial order. The position will work in the winter season to steward 3 campgrounds, interact with hundreds of visitors, and respond to emergencies on the west side of Katahdin. The sixth initiative establishes one Planning and Research Associate I position to support and coordinate the Park's natural resources monitoring program. The final initiative provides funding for the approved reorganization of one Public Service Manager I position to a Director of Natural Resources.

Page 32 starts the changes for the **Department of Corrections**. The first initiative in the Administration account requests funding for technology costs associated with the reopening of the Downeast Correctional Facility inadvertently left out of the Downeast reopening operations cost request in LD 221.

The second initiative, on **page 33** in the Correctional Medical Services Fund, requests funding to cover the increased cost of treatments related to Hepatitis C, Medication Assisted Treatment (including methadone medications and other expanded services), and intensive mental health services specific for women (there is already a program for men).

Next, on **page 34**, there is an increase in the Juvenile Community Corrections program. This will fund a new juvenile community-based housing and programming effort as part of the Division of Juvenile Services most recent strategic plan. The funding is available from a reduction in the headcount and Personal Services in the Long Creek Youth Development Center, which is on **page 35** of the document. The second initiative on **page 35** transfers one Juvenile Program Worker position from the Long Creek Youth Development Center program to the Department of Education for the creation of one Restorative Justice Coordinator. The coordinating initiative in DOE is on **page 50**.

We will now move on to the **Department of Defense, Veterans and Emergency Management**. On **page 36**, the first initiative deletes the request for allocation related to the range change of 6 Military Firefighters Supervisor positions and 3 Assistant Military Fire Chief positions. This was funded administratively.

On **page 37** there is one new initiative for the Military Training and Operations program. This initiative provides a one-time allocation of funds for the State's share of maintenance, repair, capital improvement, modernization and energy efficiency projects for Maine Army and Air National Guard readiness centers and support facilities. The Federal Expenditures match is estimated at \$7.6 million in federal funding. **Part RRR** transfers \$6.8 million to support this initiative. The Maine National Guard (MENG) has over 150 buildings across the state where they organize, train, and equip their units. These 150 buildings total over 2 million square feet and have an average age of 39 years, with the oldest building built in 1933. This budget will fund projects to correct non-compliant code, health, and life safety deficiencies; replace failing systems to prevent further facility deterioration; update facilities to current standards and authorizations; and correct energy inefficiencies. This investment in our Maine National Guard infrastructure will provide for better training, increase unit readiness, provide safer working environments for our service members, improve morale, and display attractive and efficient buildings within our communities.

I will now move on to the Veterans Services program. On **page 38**, there are three initiatives from LD 221 that we are proposing to uninclude: the elimination of one part-time Office Associate II; a reduction of All Other for temporary office staff and temporary groundskeeping staff; and a one-time reduction in the Veterans Services program.

On **page 39**, there are 3 new initiatives for the program. This initiative continues and makes permanent one full-time Public Service Coordinator I position and one Office Specialist I position, authorized for 60 hours biweekly, which were established when the Veterans Administration's GI Bill State Approving Agency (SAA) office transferred from the University of Maine System. The initiative also provides for related All Other costs. Federal Public Law 116-315, Veterans Health Care and Benefits Improvement Act 2020 enacted on January 5, 2021 stipulated a SAA could not be "administered at or co-located within a university or university system whose courses or programs of education would be subject to approval under this chapter by the State Approving Agency in that State". To avoid losing federal recognition and be disbanded, the program was transferred from the University of Maine System to the Department of Defense, Veterans and Emergency Management, Veterans Services program, Federal Expenditures Fund through a cooperative agreement with the Veterans Administration.

The second initiative provides \$100,000 in each year for veterans' cemetery mowing contracts, gravestone placement services, and facility and infrastructure sustainment. Workload at the Southern Maine Veterans' Cemetery is increasing significantly. The 3-person crew, which is often short-staffed, cannot keep up with the groundskeeping, gravestone setting and burials. This initiative funds a groundskeeping contract. Additionally, the bureau anticipates a 25% increase to the gravestone setting contract in the Augusta cemeteries. Finally, this initiative will fund on-going facility and infrastructure sustainment activities. The most urgent of which is the engineering investigation of structural integrity issues at four vacant columbarium walls in the Augusta Veterans' Cemetery.

The final initiative on page 39 deappropriates \$100,000 from the Veterans Services program and appropriates it to the Veterans' Homelessness Prevention Partnership Fund, **on page 40**, as intended by Public Law 2019, c.504. These funds may not lapse and must be carried forward from year to year.

Moving on to the **Department of Economic and Community Development** on **page 41**. There is one initiative in the Department to increase the allocation in the Office of Tourism's Other Special Revenue Funds account to align with revenue changes in the May 2021 Revenue Forecasting Committee report.

We will begin with the **Department of Education** in the Child Development Services (CDS) account. On **page 42**, we propose to delete the original initiative included in LD 221 to eliminate a Public Service Coordinator II position and increase All Other in the Special Services Team account for services to be provided by CDS. (See also **page 53**.) The new proposal, on **page 43**, requests to transfer the position, which will focus on CDS financial transactions and management, to the Special Services Team. The corresponding transfer initiative is on **page 54**.

Next, we move to the General Purpose Aid for Local Schools program on **page 44**. The first initiative increases the allocation in the Other Special Revenue Funds account to reflect the increase in casino revenue designated to support the K-12 program as projected by the May 2021 Revenue Forecasting Committee report.

The second initiative increases the General Purpose Aid for Local Schools General Fund appropriation by \$74.3 million in FY22 and \$109.3 million in FY23. This increase will enable the state to achieve the 55% state funding level. Governor

Mills, Commissioner Makin and the entire Administration are proud of this proposal that achieves 55% for the first time since it was approved by the voters in 2004.

The third initiative in this program is an increase of \$1.5 million in each year for the Aspirations program to account for the rising number of high school students participating in college classes. The final initiative in this program provides a one-time appropriation to the Maine School of Science and Mathematics to offset some of the financial impact of the pandemic.

On **page 45** in the Leadership Team there is a revision to one initiative. The original proposal included the reorganization of two positions. The revision identifies that there will only be one position reorganized. There are two new initiatives in this program on **page 46**. This first provides funding for the approved reorganization of one Senior Planner position to a Public Service Manager II position. The second initiative transfers one Public Service Coordinator II position from the Learning Systems Team to the Leadership Team in the same fund. The corresponding initiative is on **page 47**.

The next initiative is on **page 48** and transfers one Education Specialist II position, the related All Other and the Local Foods Program from the School Finance and Operations program to the Local Foods Program. The corresponding initiative is on **page 51**.

Page 49 includes an allocation for the National Board Certification Salary Supplement Fund. This allocation is supported by a transfer in **Part EE** and funds the salary supplement payments for teachers with national board certification in accordance with Title 20-A, section 13013-A.

Page 50 includes the transfer of a position, as part of a collaborative restorative justice project, from the Department of Corrections as discussed on **page 35**.

Page 51 includes the position transferred to the Local Foods Program just discussed.

On **page 52** in the Special Services team there is one revision. The original proposal reallocated the cost of a Public Service Manager II to 100% Federal Expenditure Fund. The revised initiative reallocates the cost of a Public Service Executive II (approved reclassification in Public Law 2021, chapter 29) between

two federal accounts within the same program in order to reflect the work effort in the appropriate account.

The initiatives on **pages 53 and 54** relate to the initiatives discussed on **pages 42 and 43**.

We will now move on to the **Department of Environmental Protection**. The first initiative on **page 55** in the Administration program establishes one Environmental Specialist IV position to adequately manage the climate plan rulemaking required for hydrofluorocarbons, appliance standards, and sea level rise. DEP must have dedicated competent state personnel to devote the time and expertise needed for this large, time consuming and extremely important undertaking.

The next initiative in the Air Quality program on **page 56** provides \$400,000 in one-time funds to support the state forest carbon mapping project. The department proposes to partner and contract with other entities to obtain high resolution vegetative cover imagery, and to calculate carbon sequestered by landowners to support carbon sequestration incentive programs.

There are 3 initiatives in the Maine Environmental Protection Fund on **page 57**. The first initiative establishes 6 positions and related All Other to support land use licensing activities. Maine's 10-year Economic Plan and the Economic Recovery Committee identified environmental permitting efficiency as an area needing improvement to support investment and economic growth. The volume of permit applications received by the Land Resources Bureau continues to exceed what project managers and stormwater engineers can review within the timeframe reasonably expected by the public. Even with the economic impact of COVID-19, development activity and demand for permits remains strong, in large part due to solar projects. DEP has needed to extend the guaranteed processing times for permit applications by a month or more, causing further delays for development projects.

The second initiative on this page establishes 17 new positions, 11 permanent and 6 limited period, to adequately identify and manage contamination by per- and poly-fluoroalkyl substances (PFAS) at regulated facilities, private drinking water supplies, farms, wastewater treatment facilities, and many other locations all across Maine. Work done to date at just a few sites has shown us that the likelihood of

identifying additional PFAS contamination at other sites is quite high, and efforts to ensure citizens have safe water to drink is substantial, time sensitive and time-consuming. While a great deal of work could possibly be accomplished by contractors, DEP must have competent state personnel to develop plans, review results, manage data, and engage with property owners, citizens, and other government officials.

The final initiative on this page provides a one-time allocation of funds to support a competitive grant program for the upgrade of municipal culverts at stream crossings. This allocation is supported by the transfer of \$5 million from the General Fund unappropriated surplus in **Part S**.

Page 58 includes a new initiative in the Remediation and Waste Management program, Uncontrolled Sites Other Special Revenue Funds account to support the treatment of drinking water, environmental testing and management of contaminated wastes caused by PFAS. This allocation is supported by the \$25 million transfer included in **Part R**.

The final initiative for the Department of Environmental Protection is in the Water Quality program. This request funds an approved reclassification of one Assistant Environmental Engineer position to an Environmental Engineer.

Moving to the **Executive Department**, the first initiative, on **page 60**, is in the Administration – Executive – Governor’s Office and establishes 2 Governor’s Special Assistant positions to support the policy work of the Governor, departments and agencies, liaise with the Legislature and assist with constituent casework.

On **page 61** there are 3 new initiatives in the Governor’s Energy Office. The first initiative establishes 2 Public Service Coordinator II positions to provide legal counsel and to advise on key initiatives and negotiations. Additionally, the positions will advise in grid modernization proceedings at the Public Utilities Commission. The second initiative establishes 2 Public Service Coordinator II positions tasked with building economic opportunities for Maine communities and businesses in energy, with a particular focus on offshore wind and provides funding for a research consortium, which will also serve as a potential match to attract additional funding

from the federal government and other research opportunities. The third initiative establishes one limited period position, ending in June 2023, which is supported by a transfer from the Public Utilities Commission.

The Office of Policy Innovation and the Future is on **page 62** of the change package. There are 3 new initiatives in this program. The first initiative provides \$1.5 million of General Fund in each year for the Green Communities emissions reduction planning, technical assistance program. This request provides funding in accordance with the State's four-year Climate Action Plan to provide technical assistance and funding to regional organizations, non-profit providers and municipalities for local climate planning activities and emission reduction projects. The second initiative establishes 2 Public Service Coordinator II positions and one Public Service Coordinator III position to support partnerships with Maine's cities and towns, resiliency planning for sea-level rise and state-wide adaptation policy and housing, land use policy in accordance with the Governor's housing agenda and manage legislative initiatives. The final initiative provides \$1.25 million in one-time funding to fund Municipal Resilience Planning and Implementation grants in both 2022 and 2023.

Next on **page 63** there is one initiative for the **Finance Authority of Maine**. The initiative provides \$10 million per year to the Maine State Grant Program that provides need-based grants to Maine undergraduate students to help with the cost of higher education. This funding would increase minimum grant awards to \$2,500. **Part XXX** amends the statutory minimum payment under this program from \$1,000.

The **Human Rights Commission** initiatives may be found on pages 64-66. The first three initiatives, on **pages 64 and 65**, revise items in LD 221. The first increases funding in technology and general operating costs by approximately \$43,000. The second changes the hours of a Paralegal position to 64 hours biweekly rather than 40 hours biweekly. The third revises a range change proposal, which reduces the funding need by approximately \$28,000.

On **page 66**, the first new initiative proposes to continue one limited period position established by Financial Order and eliminate a Paralegal position and transfers All Other to fund the position. The second initiative provides for retroactive pay for a reclass.

We will now move to the **Department of Health and Human Services**.

We begin in the Additional Support for People in Retraining and Employment (ASPIRE) program. There is one initiative on **page 67** which continues 7 limited-period Senior Planner positions previously established by Financial Order. These positions provide regional oversight to ensure that Departmental requirements, contractual and statutory, are met at the contractor sites across the state. These Senior Planner positions are vital to ensure quality services are routinely delivered to all Additional Support for People in Retraining and Employment participants.

On **page 68**, there is one initiative in the Child Care Services program to continue one limited-period Financial Resources Specialist position to serve as the Child Care Subsidy Program Specialist and provides funding for related All Other costs. This position is critical to carry out the day to day operations of the Pediatric Mental Health Care Access Program. This position ensures all grant requirements are met, attends required grant meetings, submits reports, provides oversight of contracts, maintains a website to provide resources to the public, coordinates the advisory board and executive committee, and provides oversight of the grant budget.

The next initiative is in the Community Services Block Grant program, **page 69**, and continues one limited-period Social Services Program Specialist II position to serve as the State of Maine Community Services Block Grant (CSBG) Program Grant Manager. Due to increased federal requirements and recent audit findings, the department requires greater oversight and management of CSBG activities. During the pandemic, Coronavirus Relief Funds (CRF) almost doubled the funding available to contract providers. With the additional funding came distinct requirements that need to be coordinated with baseline CSBG funding. This position is critical to achieving the objectives of the CSBG and CRF programs.

Page 70 deletes an LD 221 initiative transferring and reallocating a position. **Page 71** deletes an LD 221 savings initiative in the DHHS Central Operations account.

There are 4 new initiatives in the Central Operations account on **pages 72 and 73**. The first initiative establishes one Public Service Manager III position to serve as the Health Information Technology Coordinator. Maine's Health Information Technology (HIT) infrastructure involves several DHHS offices, other state agencies, federal agencies, and collaboration with several non-governmental

participants, such as health systems. Working closely with Maine's Office of Information Technology, the Maine HIT Coordinator is responsible for coordinating and implementing statewide HIT strategies that aim to improve the health of all Mainers. Responsibilities of this position would include: leading the State's efforts to implement an HIT strategic plan to support a transformed health care system; aligning federal and state policies and regulations around HIT efforts; and identifying federal funding opportunities and developing Medicaid funding documents.

The second initiative establishes one Public Service Manager III position to serve as the Director of Program Implementation. This position will be responsible for aligning policy development to program implementation in service of delivering improved health and human services outcomes for Mainers. This role will coordinate and lead projects across the Department and, where applicable, the State. This position was identified as a priority prior to the COVID-19 pandemic and has become a bigger priority in the intervening months with the Department leading State-wide efforts such as COVID testing.

The third initiative establishes one Public Service Coordinator II position to serve as the Senior Financial Analyst for MaineCare related analysis.

The final initiative, on **page 73**, establishes 5 limited period positions and provides funding for related All Other costs. Over the past year, DHHS has processed 46% more contract documents than it does over a normal year and this increase has strained the division. Due to the pandemic, and federal relief bills, notably the American Rescue Plan, the Department is projecting the level of contracting to be consistent or higher for the foreseeable future. These limited-period resources will ensure accuracy and timeliness.

On **page 74** is a proposal to delete two LD 221 initiatives from the Developmental Services – Community program: a one-time savings proposal and a transfer and reallocation of a position.

As you will recall, the Department has proposed consolidating the number of MaineCare programs from 13 to 4. This change will require a considerable amount of programming and administrative work to implement. The following revision in the Developmental Services Waiver - MaineCare program on **page 75** removes the consolidation from FY22 and revises the FY23 number based on other initiatives included in the budget.

This will allow adequate time for the Department to make the necessary programming changes. This revision affects numerous programs and appears again on **pages: 77, 84, 88, 89, 91, 93, 98, 99, 114, 115, 117, 124, 128, 131, and 136.**

Page 76 adds two new initiatives for the Developmental Services Waiver - MaineCare program. The first initiative provides funding to increase rates for Family Centered Homes and Shared Living providers under the Section 21 and Section 29 waivers. The Family Centered Home (FCH) model of support is derived from the adult foster care model which was initially established upon the closure of the Pineland Center. The rates for this model were not included in the initial calculations of the impending rate increase for Home and Community-Based Services (HCBS) within the MaineCare Benefits Manual, Chapter III, Section 21 group homes. The model is currently in transition as the Department implements the federal Home and Community Based Service (HCBS) rate setting rule. At the time the rate increase is awarded, the providers will be asked to make changes to ensure HCBS settings compliance or transition their programs to Shared Living. During the pandemic, under Appendix K authority, the Department changed the policy and rates for shared living when more than one resident is served. This was done to make additional shared living opportunities available during the emergency. The policy has been successful and will now be made permanent with this rate change. This will also support permanency for those who moved to shared living under the emergency policy. This initiative will also appear on **pages 78, 90, and 104.**

The Families First Coronavirus Response Act authorized a 6.2 percentage point increase in the Federal Medical Assistance Percentage (FMAP) through the end of the quarter in which the U.S. Secretary of Health and Human Services continues the pandemic related public health emergency. The current emergency extends into July – making the FMAP increase available through the first quarter of state fiscal year 2022. The second initiative on **page 76** recognizes the General Fund savings in the Developmental Services Waiver – MaineCare program associated with the extension through quarter 1. This initiative affects numerous programs and appears again on **pages: 78, 90, 92, 94, 105, 108, 116, 118, 126, and 137.** The total General Fund impact is a deappropriation of \$47,738,074.

We have already covered the initiatives on **page 77** and the first initiative on **page 78**. The second initiative on **page 78** adjusts the Developmental Services Waiver – Supports, Other Special Revenue Fund account to align the allocation and revenues with the May 2021 Revenue Forecasting Committee report. There is a corresponding adjustment to the General Fund account – if Service Provider Tax revenue increases fewer General Fund dollars are necessary to provide the same level of services. Adjustments related to the May 2021 Revenue Forecasting Committee report are also on **pages: 90, 104, 116, 118, 126, and 132**. The total General Fund impact is an appropriation of \$5,104,525 in each year of the biennium.

The final initiative on page 78 relates to the FMAP change and has already been discussed.

There are two new initiatives in the Disproportionate Share – Dorothea Dix Psychiatric Center (DDPC) program on **page 79**. The first initiative establishes an Emergency Response Training Coordinator position and reduces funding in All Other to fund the position. Emergency preparedness is a requirement of all hospitals certified by the Center for Medicare and Medicaid Services. The requirements are comprehensive and include development and implementation of an emergency preparedness plan, including training/education of staff, regular drills, and, in the case of an emergency, support of hospital administration in implementing the hospital incident command system. This is currently provided under contract. The position has been integral to the success of DDPC during the current COVID-19 pandemic. The Other Special Revenue Funds allocation associated with this program appears on **page 81**.

The second initiative on this page establishes one Management Analyst II position. Serving as the Revenue Cycle Manager, this position will coordinate the accounts receivable function of the hospitals as it relates to patient billing. This position will coordinate with the Reimbursement Unit in the Department of Health and Human Services Financial Service Center and with internal hospital teams. Over the biennium, hospital census is expected to increase and coordinating the revenue cycle will be critical. The psychiatric hospitals are also seeking additional revenue through private insurance and this position will establish and maintain those relationships. This initiative also appears on **pages 80, 81, and 133**.

We can now move forward to **page 82**. There is one new initiative in the Food Supplemental Administration program. This initiative continues one limited-period position to serve as the Supplemental Nutrition Assistance Program (SNAP) Education Program Specialist and provides funding for related All Other costs. This position provides oversight and management of Maine's Supplemental Nutrition Assistance Program-Education and Food Supplement Employment and Training (FSET) programs and ensures successful operation of critical employment and training programs that assist SNAP participants in obtaining and retaining employment necessary to ensure family economic stability.

There is one initiative in the IV-E Foster Care/Adoption Assistance program on **page 83**. This initiative provides one-time funding for the structural gap for the cost of IV-E eligible kids in care. This will temporarily mitigate the projected shortfall in fiscal years 2022 and 2023 and further stabilize the funding of the program. This initiative also appears on **page 135** in the State Funded Foster Care/Adoption Assistance program. The total General Fund impact is \$4,626,162 in each fiscal year.

Moving on to **page 85**, there are 3 new initiatives in the Maine Center for Disease Control and Prevention program. To rebuild and invest in public health in Maine, the Maine Center for Disease Control has created a reinvestment plan which includes increasing the staffing level to perform required work and building adequate infrastructure to perform essential functions. The first initiative establishes one Public Health Educator III position for the Maine Immunization Program. The second initiative establishes 7 Epidemiologist positions, 2 Public Health Educator III positions and one Senior Health Program Manager position for the Epidemiology program and reduces funding in All Other to fund the positions. The third initiative establishes 2 Management Analyst II positions.

On **page 86**, there is one initiative in the Maine Health Insurance Marketplace Trust Fund to align allocations with available resources per Public Law 2019, chapter 653, An Act To Enact the Made for Maine Health Coverage Act and Improve Health Choices in Maine.

There are two new initiatives in the Maternal & Child Health program on **page 87**. The first initiative continues one limited-period Comprehensive Health Planner I position funded by the Maternal, Infant and Early Childhood Home Visiting grant within the Maine Center for Disease Control and Prevention (CDC)

and the Maternal Opioid Misuse Model (MaineMOM) grant within the Office of MaineCare Services. The Maine CDC duties will be to promote the mission of the Public Health Nursing program and represent the CradleME program by providing education to health professionals, social workers, and community agencies. The MaineCare duties will involve staffing the MaineMOM aspects of the CradleME call and referral center for pregnant women with opioid misuse disorder. This initiative is also on **page 121**.

The second initiative continues one Comprehensive Health Planner II position to serve as the Pediatric Mental Health Access Program and Grant Coordinator critical to performing the day to day operations of the Pediatric Mental Health Care Access Program. This position ensures all grant requirements are met, attends required grant meetings, submits required reports, provides oversight of contracts, maintains a website to provide resources to the public, coordinates the advisory board and executive committee, and provides oversight of the grant budget.

We can turn to **page 90**. There are 5 initiatives in the Medicaid Services-Development Services program. We have already covered the last three. The first initiative provides funding to ensure MaineCare services receive an annual cost of living adjustment. This will provide a cost of living adjustment (COLA) for services that are not benchmarked to Medicare, cost settled and/or do not already receive annual adjustments. This initiative also appears on **page 101**. The General Fund cost in FY23 is \$8,402,107.

The second initiative provides funding to implement recommended rates from a rate study of Substance Use Disorder Intensive Outpatient Program services. Implementation of these recommended rates, due to be finalized in Spring 2021, aligns with the recommendation from MaineCare's Comprehensive Rate System Evaluation to prioritize rate studies of behavioral health services, and also reflects the importance of ensuring adequate rates for this critical service, especially given the impact of COVID-19 on substance use and overdose deaths. This initiative will increase MaineCare rates to ensure MaineCare members have access to high value services.

We will move on to the Medical Care – Payments to Providers program on **page 95**. There are a number of revisions to LD 221 initiatives. The first updates the appropriations and allocations for the new Intensive Outpatient Program (IOP) for high acuity MaineCare members to address the gap in Maine's behavioral health system.

The original fiscal estimate was prepared prior to receiving the rate study, which is now in and is considerably higher. The start date for the rate change will move from July 1 to January 1, 2022. This initiative also appears on **page 114**.

The second revision, starting on the bottom of page 95 and continuing on **page 96**, updates the rates used for the initiative to increase rates related to MaineCare Benefits Manual, Chapter III, Section 97, Appendix D, Principles of Reimbursement for Child Care Facilities, resulting from a rate study to ensure services will meet the requirements of the Family First Prevention Services Act. The rate study was completed this spring enabling the Department to provide an updated figure. This initiative also appears on pages **107 and 109**.

The next initiative, in the middle of page 96, updates the initiative related to the Section 113 Non-Emergency Transportation (NET) broker payments. This initially was proposed as a savings initiative; however, given the Public Health Emergency maintenance of effort requirement, costs are slated to increase in FY22. There were 298,000 MaineCare members at the start of the pandemic in February 2020; there are 350,000 MaineCare members in April 2021. This increase in membership directly contributes to the increase in NET.

Family Planning claims are entitled to 90% Federal Financial Participation compared to approximately 64% for typical claims. Better identification of Family Planning claims will enable the Department to claim the appropriate enhanced match. The initiative at the top of **page 97** is revised to reflect the Department's updated projection for adjusting the match rate used when paying these claims.

The Center for Medicare and Medicaid Services (CMS) has directed state Medicaid agencies to reduce reimbursement for 340B drugs due to drug manufacturers offering 340B entities discounts from 20-50%. The Office of MaineCare Services (OMS) does not currently reimburse 340B drugs differently than other drugs and cannot receive rebates on 340B drugs. However, at the bottom of page 97 and top of **page 98** is the revision to the initiative to establish a reimbursement methodology that reimburses 340B providers at the approximate cost of 340B physician administered drugs, delaying the implementation until FY23.

The next revision, in the middle of page 98, delays the implementation of the initiative to develop a preferred drug list and prior authorization process for

physician-administered drugs where there are more cost-effective biosimilar equivalents. This initiative will achieve cost savings without adversely impacting the treatment provided to MaineCare members. Savings will come from moving market share from highly utilized, brand name, physician-administered medications to the lowest net cost biosimilar with proven efficacy.

The remaining revisions in this program were covered earlier in my testimony.

Page 100 deletes two hospital related LD 221 initiatives – the first for Institute for Mental Disease (IMD) outpatient reimbursement and the second for psychiatric units rates per discharge. The Department plans to focus additional attention on hospital rate adjustments in the coming year.

We will now move to new initiatives in the Medical Care - Payments to Providers program on **page 101**. The first initiative provides funding to implement the recommendation of the comprehensive rate study evaluation for dental rates. This initiative will benchmark MaineCare rates for dental services to a percentage of median commercial rates by Maine payers. This investment will help ensure MaineCare member access to these critical services. Dental rates were amongst the lowest MaineCare rates in comparison to rates by other comparable state Medicaid programs and Maine's commercial dental rates.

The second initiative provides funding to implement a new payment model for the Maine Maternal Opioid Misuse (MaineMOM) program as required per the federal grant. This initiative implements a new MaineCare service model for pregnant and postpartum members with Opioid Use Disorder (OUD) and their infants to improve care, improve outcomes, and reduce costs. The implementation of this model is required as part of the five-year MaineMOM federal award.

The third initiative – MaineCare COLA – has been covered.

The fourth initiative provides funding for the creation of a value-based hospital supplemental payment sub-pool. The distribution of sub-pool funding will be through a value-based model that increases hospital accountability for performance and incents engagement with delivery system reform.

Turning to **page 102**, the first initiative on the page provides funding to establish a pilot program to provide reimbursement for structured recovery housing services that support parents with Substance Use Disorder who are at risk of becoming or

currently are involved with Child Protective Services. Services provide interventions to address housing, transportation, food, interpersonal safety, and toxic stress. The focus is on establishing healthful independent living for the family unit. This service will utilize a value-based payment approach by incentivizing the delivery of high-quality services that reduce health care costs and improve quality of care. This pilot proposal is currently under review by CMS as part of 1115 Substance Use Disorder IMD Exclusion waiver.

The second initiative provides funding for a pilot for evidence-based parenting programs designated for parents identified with Substance Use Disorder risk factors focused on enhancing the child's behavioral and regulatory capabilities and strengthening parent/caregiver attachment. An additional pilot is targeted for providing enhanced coaching and supports for families working toward reunification. These services mitigate risk of parental SUD risk factors and strengthen attachment and positive parenting skills with their children. The pilot proposal is currently under review by CMS as part of 1115 Substance Use Disorder IMD Exclusion waiver.

The next initiative provides funding for a new service to support individuals with chronic homelessness in securing and maintaining housing. This initiative is based on evidence-based principles around the impact of housing on health, health outcomes, and reducing health care costs.

The final initiative on this page provides funding to establish the National Diabetes Prevention Program for MaineCare Members, an evidence-based lifestyle change program to prevent or delay type 2 diabetes.

The first initiative on **page 103** provides funding to establish a pilot program under 1115 SUD IMD Exclusion waiver to provide reimbursement for skills development services that support parents with Substance Use Disorder. This establishes a home and community-based services pilot designed for members with SUD to support self-care, daily living skills, personal adjustment, socialization, relationship development, use of community resources, and adaptive skills necessary to reside in community settings. This is part of the pilot proposal currently under review by CMS as part of 1115 Substance Use Disorder IMD Exclusion waiver.

The second initiative provides funding to standardize Medicare benchmark across numerous sections of MaineCare policy. This initiative is based on recommendations from MaineCare's Comprehensive Rate System Evaluation (RSE) for implementing a comprehensive, streamlined, and coherent system to set rates for MaineCare services and programs. This recommendation was a top priority in the RSE based on the clear case for investment given low relative reimbursement and high potential to reduce downstream costs and improve member health based on the services involved. Services include PT, OT, APRN, podiatry, vision, physicians, imaging, and speech and hearing. ACA Physician Services will remain at 100% Medicare. This initiative will provide a net increase to MaineCare rates to ensure that MaineCare members have access to high value services.

The third initiative provides funding for an anticipated increase in the available supply of PNMI B Substance Use Disorder treatment beds resulting from approval and implementation of Maine's 1115 Institute for Mental Disease (IMD) Exclusion waiver for Substance Use Disorder. Maine's 1115 IMD Waiver allows MaineCare to expand access to substance use disorder treatment by increasing the bed capacity limit for Section 97, Appendix B Private Non-Medical Institution (PNMI) SUD treatment facilities. We anticipate an increase in residential treatment capacity services as a result of this change.

The fourth initiative on this page provides funding to increase rates for MaineCare Benefits Manual, Chapter III, Section 97, Private Non-Medical Institutions, Appendix B, Substance Use Disorder Facilities. Implementation of these recommended rates aligns with the objectives of MaineCare's Support for ME program to assess and address gaps in capacity of the SUD treatment system, MaineCare's 1115 SUD IMD Exclusion waiver to enable reimbursement of these services for MaineCare adult members, and also reflects the importance of ensuring adequate rates for this critical service, especially given the impact of COVID-19 on substance use and overdose deaths. This initiative will establish MaineCare rates that are sufficient to ensure that MaineCare members have access to high value services.

On **page 104**, the first initiative provides funding for the proposed 1115 IMD Substance Use Disorder Exclusion waiver pilot to continue MaineCare coverage for parents during the process of Substance Use Disorder rehabilitation and reunification with their children.

Continuing coverage for parents who lose their MaineCare coverage after losing custody of their children is critical to ensure the parents are receiving necessary treatment(s) required to allow the children to be reunited with their parents. This pilot proposal is currently under review by CMS.

The second initiative on this page provides funding to implement recommended rates from the rate study of Substance Use Disorder Intensive Outpatient Program services. Implementation of these recommended rates aligns with the recommendation from MaineCare's Comprehensive Rate System Evaluation to prioritize rate studies of behavioral health services, and also reflects the importance of ensuring adequate rates for this critical service, especially given the impact of COVID-19 on substance use and overdose deaths. This initiative will increase MaineCare rates to ensure MaineCare members have access to high value services.

The third initiative on page 104 provides funding to implement a Coordinated Specialty Care model to treat members for a first episode of psychosis. Coordinated Specialty Care (CSC) is an evidence based early intervention program for transition age youth in the early stages of psychotic disorders that demonstrates improved quality of life and functioning, reduces disability, decreases hospitalizations and length of hospital stays, as well as diversion away from criminal justice involvement. This initiative is needed to establish this program within MaineCare policy and fund a bundled rate necessary for service delivery of this model. This initiative also appears on **page 115**.

The last two initiatives on this page were discussed previously.

The first initiative on **page 105** provides one-time funding of more than \$22 million to support hospitals in their response to the COVID-19 pandemic. This funding will be disbursed through supplemental payments. The COVID-19 pandemic has resulted in increased costs and lower service utilization at hospitals.

The second initiative was already discussed. The third initiative provides funding for full dental benefits to MaineCare adults over 21 years of age. Coverage of preventive and routine dental care for adults will enable earlier identification and correction of issues before more costly procedures, including emergency care, are needed. Evidence suggests that good oral health is associated with improved mental and physical health outcomes and better employment prospects for members. This fiscal impact also assumes passage of the budget initiative calling

for investment in dental reimbursement rates to benchmark to Maine commercial rates. There is accompanying language in **Part CCC**.

The final initiative on page 105 provides one-time funding of more than \$10 million to support MaineCare Benefits Manual, Chapter III, Section 97, Appendix C, Private Non-Medical Institutions (PNMI-C) for increased costs and lost revenue during the COVID-19 pandemic. This funding is intended to primarily address frontline workforce shortages and staffing costs. The COVID-19 pandemic has resulted in increased costs and lower occupancy rates at nursing facilities.

The last initiative in the Medical Care – Payments to Provider program is on **page 106**. This initiative provides funding in FY23 for full benefits to children under age 21 who would be otherwise eligible for federal benefits but for their immigration status, and establishes the Children's Health Insurance Program (CHIP) Unborn Child Option to cover care during pregnancy and a limited postpartum period for pregnant people who would be otherwise eligible for federal benefits but for their immigration status. The initiative also provides one-time funding in FY22 for required technology changes. This proposal supports prevention, and would decrease emergency room and inpatient costs. This initiative also appears on **pages 119 and 123**.

We can move ahead to the Mental Health Services-Children program. On **page 110** one LD 221 savings initiative is deleted. There are two new initiatives on **page 111**. The first transfers funding from the Office of Substance Abuse and Mental Health Services program to the Mental Health Services - Children program for youth and family substance use disorder agreements. This will align the youth and family substance use disorder agreements in the appropriate functional location. This initiative also appears on **page 127**.

The second initiative continues one limited-period Developmental Disabilities Resources Coordinator position and provides funding for related All Other. This position is responsible for researching and evaluating program and service needs while working with regional providers, contracted agencies, and the Department of Education to ensure the availability of quality behavioral health treatment and services for eligible children from birth to age 21. This position is responsible for locating and vetting new providers on behalf of MaineCare and matching children in need with services in their area. It provides professional work in the development, coordination, maintenance, and oversight of a comprehensive array

of behavioral health programs and services for children with Autism, Intellectual and Developmental Disabilities, Mental Health Disorders, Chronic Medical Conditions, and Residential Program needs in central Maine. During the pandemic families with children experiencing a need for mental and behavioral health services experienced more challenges locating services that met their needs (telehealth versus in-person).

Page 112 updates the initiative providing funding to expand advocacy services for mental health clients receiving community-based mental health services, including Assertive Community Treatment, Community Integration, Crisis Services, Medication Management and Residential Treatment. These services will be available statewide and provide advisement and representation for clients receiving community-based mental health services to ensure the protection of their human, civil, legal, and financial rights. This initiative supports the Department's obligations under the Bates versus AMHI Consent Decree to enforce provisions that clients with serious mental illness not be refused service nor terminated from services without Departmental permission, as well as assists the Department in monitoring compliance with the newly enacted Office of MaineCare Services rule, Protections for Adults with Serious and Persistent Mental Illness. Funding from this initiative also provides mental health client advocacy and educational services regarding client rights to the Department and community-based staff, and advisement and consultation with Department and community-based staff regarding client rights and care issues.

Moving to **page 113** there are two new initiatives in the Mental Health Services – Community program. The first initiative establishes 2 Nurse III positions. The Office of Behavioral Health (OBH) is tasked by the Department with reviewing critical incidents involving recipients of behavioral health services; service providers are required by licensing rule to report incidents to OBH for review. Critical incidents are adverse or potentially adverse occurrences that imperil life or limb or well-being, that seriously breach organizational policy, or that breach client rights. By State statute (Title 34-B § 3863 3(E)2), hospitals must report to OBH any involuntary psychiatric holds exceeding 24 hours in emergency departments in order for the Department to track these extended holds as well as assist hospitals in facilitating a placement for the individual. This initiative establishes two Nursing positions to manage Critical Incident reviews and involuntary psychiatric holds in a thorough and timely fashion. These positions are essential in ensuring that

regulatory and statutory obligations are met; that individuals are connected with the appropriate level and setting of care; and that behavioral health services are delivered in a safe, high quality manner, respectful of client rights. These positions previously existed but were eliminated under the prior administration; subsequently, the work was distributed among other staff at OBH, which has not afforded these vital processes sufficient resources. This initiative also appears on **page 127**.

The second initiative establishes 3 Comprehensive Health Planner II positions to support activities and responsibilities associated with the administration, coordination, and performance of contracts, grants, Request for Proposals (RFPs), and Consent Decree compliance. With over \$48 million annually in federal grants related to substance use disorder and mental health, these positions will handle the day-to-day coordination and monitoring of grants and contracts; draft language and coordinate data collection for RFPs; coordinate to ensure that funding and services align, are planned appropriately, and are in compliance with grant terms and conditions as well as the Consent Decree; identify grant funding opportunities; manage grant applications, reporting, and closeout responsibilities; monitor and track grant performance in collaboration with project managers, leadership, data team, program managers, and the contract team to ensure programmatic and fiscal deliverables are met. These positions are critical for the Office of Behavioral Health to effectively, efficiently, and accurately manage federal grant and State funding for a wide array of vital professional and direct client services. This initiative also appears on **page 127**.

The remainder of initiatives in this program have been previously discussed, as have the initiatives covered from here through page 118.

On **page 118**, the Nursing Facilities program, the first two initiatives have been discussed and we can move to the last initiative. This initiative provides one-time funding of more than \$28 million to support Nursing Facilities response to the COVID-19 pandemic. Funding is intended to primarily address frontline workforce shortages and staffing costs. The COVID-19 pandemic has resulted in increased costs and lower occupancy rates at nursing facilities.

Next is the Office for Family Independence. The first initiative on **page 119** provides funding for third party and internal technology costs to meet operational needs of the Office for Family Independence. Funding is needed to

maintain various eligibility systems and data services. These systems include the Automated Client Eligibility System (ACES), Siebel task management system, Oracle Policy Automation (OPA), asset verification services, employment verification services, and various others. These systems and services are needed to provide timely and accurate eligibility determinations to Maine citizens who are seeking assistance and to reduce fraud and abuse of public assistance programs.

The second initiative establishes one Social Services Program Specialist II position to oversee and manage various contracts administered by the Office for Family Independence (OFI), as well as to provide additional oversight of agreements that are funded by OFI but administered by other DHHS offices. This includes drafting, negotiating, budgeting, and monitoring agreements to ensure compliance and efficient use of resources.

On **page 120**, in the Office of Child and Family Services Central program, there is one new initiative to establish one Identification Specialist II position to support children's residential treatment facilities background checks. The Federal Family First Prevention Services Act requires children's residential treatment facilities to fingerprint staff. Without this position, OCFS will not be able to comply with the federal (42 U.S.C. 671(a)(20)(D)) and state (22 MRSA §8110) laws and will be unable to claim federal funds (Title IV-E) related to children's residential treatment, approximately \$70,000 per month.

We will now move on to the Office of MaineCare Services program beginning on **page 121**. The first initiative provides funding to conduct the recommended rate and methodology studies from the Office of MaineCare Services' Comprehensive Rate System Evaluation. This initiative includes funding to conduct a comprehensive, streamlined, and coherent system to set rates for MaineCare services and programs. This initiative includes funding for rate studies and rate setting consulting support, and an external vendor to support quality reporting for the value-based purchasing initiatives included in the rate setting work. The rate studies and rate setting consulting support is one-time. The quality reporting vendor is ongoing.

The second initiative provides funding for consultant contracts to enable the Department of Health and Human Services to implement the Certified Community Behavioral Health Clinic (CC-BHC) service delivery model. The CC-BHC model

is a comprehensive reform of behavioral health service delivery and payment methodology.

The third and fourth initiatives were already covered.

Turning to **page 122**, still within OMS, the first initiative establishes 5 positions for implementing a comprehensive, streamlined, and coherent system to set rates for MaineCare services and programs. This initiative includes funding for three additional staff for the Office of MaineCare Services rate setting team (one is a limited-period position), a policy writer to support State rulemaking and Federal approvals related to rate changes, and one additional staff to support the value-based purchasing initiative implementation.

The second initiative establishes four limited-period positions through June 17, 2023. Establishing these limited-period positions will enable the Department of Health and Human Services to implement the Certified Community Behavioral Health Clinic (CC-BHC) service delivery model. The CC-BHC model is a comprehensive reform of behavioral health service delivery and payment methodology.

The third initiative establishes one limited-period position within the Office of MaineCare Services program to serve as the SUPPORT for ME Program Manager through June 17, 2023. The position will continue efforts that are currently underway through the Department's 18-month SUPPORT for ME planning grant, which aims to strengthen and build infrastructure to support an improved Substance Use Disorder (SUD) treatment and recovery service system in Maine. Funding for this grant and its current Program Manager ends on September 30, 2021. An ongoing Program Manager is needed to ensure the development and implementation of a coordinated, improved, sustainable system of care, based on current best practice standards for MaineCare members with SUD. Without these resources, DHHS and OMS risk creating unintentional barriers, gaps, and misalignment of limited resources that could impede MaineCare members' SUD treatment and recovery efforts. This is especially critical given the impact of COVID-19 on substance use and overdose deaths.

We can now turn to **page 129** for the only initiative in the PNMI Room and Board program. This initiative provides one-time funding of \$706,200 to support MaineCare Benefits Manual, Chapter III, Section 97, Appendix C, Private

Non-Medical Institutions (PNMI-C) for increased costs and lost revenue during the COVID-19 pandemic.

There is one initiative in the Purchased Social Service program on **page 130**. This initiative continues one limited-period position and provides funding for related All Other costs. This position works collaboratively with the Violence Prevention Manager performing planning, evaluation, budgeting, and reporting functions; and providing functional supervision of VOCA programs. This position is responsible for the assessment of financial and programmatic performance of VOCA funded contracts, participates in federal and state audit activities and reviews and authorizes expenditures for statewide services provided to victims of crime.

The next initiative to review is the second initiative on **page 135**. This initiative continues one limited-period Public Service Manager II position to serve as the Comprehensive Child Welfare Information System (CCWIS) Business Lead in the State-funded Foster Care/Adoption Assistance program. Public Law 2017, chapter 471 directed the Department to implement the Comprehensive Child Welfare Information System. The primary purpose of the position is to oversee the development of the CCWIS and provides program and field expertise to the vendor's software development team.

That concludes the testimony on HHS initiatives.

On **page 138** there is one initiative in the **Maine Commission on Indigent Legal Services**. This initiative reorganizes one Executive Director position from range 52 to range 37 and funds the position at step 12 to assist with recruitment and retention of qualified individuals for this position. There is corresponding language in **Part GGG**.

On **page 139**, there is one initiative for the **Maine Indian Tribal-State Commission** that provides one-time funding of \$55,200 in each year of the upcoming biennium for additional staffing to support the Commission's planning efforts.

Next, on **page 140**, we move to the **Department of Inland Fisheries and Wildlife**. There are 2 new initiatives in the Endangered Nongame Operations program. The first establishes one Resource Biologist to manage the department's game registration system and provide logistical oversight of large field projects creating several efficiencies including reduced training time and improved and

more consistent oversight of field crews. This position is split funded in the Resources Management Services program on **page 148**.

The second initiative on this page establishes one Public Relations Specialist who will identify and address public outreach needs, including preparation of articles, newsletters, virtual seminars, social media posts, and reports related to fish and wildlife management. This position is also split funded in the Resources Management Services program on **page 148**.

One initiative is deleted on **page 141** and is re-proposed on page 142.

There are 4 new initiatives in the Enforcement Operations – IF&W program on **page 142**. The first initiative provides \$68,000 in each year of the biennium to fund aircraft repairs for the Maine Warden Service aircraft. These aircraft are used for front line support during search and rescue efforts. The second initiative provides funding to fully fund the department’s need for vehicles through Central Fleet Management for the Maine Warden Service. The third initiative establishes one Game Warden Investigator position in the Maine Warden Service. This position will conduct extensive investigations involving serious personal injury or fatal watercraft and recreational vehicle crashes, hunting related homicides, and serious wildlife crimes. The final initiative on this page provides \$86,525 in each year of the biennium to contract for nuisance/sick/injured animal services to the public. This one-time funding will allow the Warden Service to conduct a pilot program where these services are provided through contracted services.

The Department requested that the allocation increase for the Fisheries and Hatcheries Operation program on **page 143** be unincluded. **Page 144** adds 3 new initiatives for the same program. The first initiative eliminates one full-time Fish Culturist position and provides the funding for 2 seasonal 30-week Fish Culturist positions. This will cover the spring and fall fish stocking seasons and better serve the operations of the Hatchery Division. The next initiative replaces the one deleted on the previous page and provides General Fund resources for capital expenditures for the replacement of 6 fish stocking trucks and 2 sets of fish stocking tanks. The final initiative on this page reallocates 24 positions to 50% General Fund and 50% Federal Expenditures Fund due to declining federal grant funds.

Page 145 amends two initiatives in the Office of the Commissioner. The first initiative increases funding for technology costs for the MOSES application and the second increases funding for Service Center costs. The revised numbers reflect further analysis by the Department on the availability of All Other for operational costs. Unfortunately, due to declining federal grants, the department was unable to identify alternatives to this request. **Page 146** adds 2 new initiatives for the same program. The first provides funding for increases in insurance costs. The second initiative is an increase in Other Special Revenue Funds allocation of \$2,450,700 in FY22 and \$1,633,800 in FY23 in order to fund the assessment and repair of state owned dams. This allocation is funded by the transfer of \$4,084,500 included in **Part III**. The Department owns 77 dams. This will fund repairs to 5 dams and enable an engineering assessment of need for others.

There is one new initiative in the Division of Public Information and Education on **page 147**. This initiative establishes one Office Associate II position at the Maine Wildlife Park to support the continued growth at the park.

Page 148 includes the remaining portions of the Resource Biologist position and Public Relations Specialist position referenced on **page 140**.

The final initiative in the Department on **page 149** establishes one limited period Inland Fisheries & Wildlife Resource Biologist position in Resources Management Services. This position will support the department's deer management activities.

Moving on to the **Judicial Department**, the first change is on **page 150**. Judicial requested this initiative be unincorporated. Due to the pandemic, case filings and court activities have been limited so that the existing funding for guardian ad litem costs is sufficient.

On **page 151**, the Courts – Supreme, Superior and District program has 7 new initiatives. The first initiative establishes 10 new Deputy Marshal positions to provide entry screening in the courthouses throughout the state. The following 5 initiatives provide the funding necessary for approved reclassifications of various positions. The final initiative, on **page 152**, provides funding to increase the compensation of Deputy Marshals in order to address difficulty with recruitment and retention.

Initiatives for the **Department of Labor** begin on **page 153**. There is a revision to one initiative on this page removing the headcount and updating the Federal

Expenditures Fund allocation. Including headcount on these limited period positions was an error in the original proposal.

One initiative is deleted on **page 154** as the Department was able to fund this administratively.

There are two new initiatives in the Employment Security Services program on **page 155**. Both are in the Federal Expenditures Fund. The first initiative adjusts the funding to reflect that 5 limited period positions authorized as Accounting Specialists were filled as Accounting Associate IIs resulting in a savings of over \$13,000 per year. The second initiative continues two Secretary Associate Legal positions and one Management Analyst II position through June 10, 2023.

On **page 156**, there is one initiative for the Employment Services Activity program to establish 16 limited-period CareerCenter Consultant positions to increase support for people who need assistance with their return to work. The pandemic has resulted in many people being out of work for an extended period of time. The transition back to work can be daunting; CareerCenter Consultants work with people to develop an individual employment plan, which includes information on jobs in their area that match their skills and interests as well as actions that will lead to their employment.

Page 157 provides funding to support the work of the Permanent Commission on the Status of Racial, Indigenous and Maine Tribal Populations.

There is one initiative in the Regulation and Enforcement program on **page 158**. This establishes 4 positions and increases All Other for position expenses and for funding additional legal support from the Office of the Attorney General in order to ensure compliance with State labor laws and protections for Maine workers. Maine people who have not been paid back wages seldom receive those wages because DOL lacks the resources to litigate on their behalf. Increasing the staffing would improve timeliness of investigations; improve the likelihood that back wages could be recovered; and, allow DOL to conduct strategic investigations. Effective enforcement ensures that all employers are conducting business on a level playing field. When certain employers violate laws and ultimately do not have to pay fines or back wages, their financial bottom line is subsidized unfairly. They have conducted business with free labor and received an unfair competitive advantage.

The final item for the Department of Labor is in the Workforce Research program on **page 159**. This initiative reallocates the cost of one position from the Federal Expenditures Fund to the General Fund. Federal funding for workforce analysis has declined over the last decade. By shifting the funding for an existing position, the Department would be able to tailor its analysis to Maine-specific needs and would be poised to better answer questions relating to Maine's workforce.

There is one initiative in the **Maine State Library** on **page 161**, to fund the approved reorganization for one Librarian III position to a Librarian Specialized Services position.

Moving on to the **Department of Marine Resources**. The first initiative in the Bureau of Marine Science, on **page 162**, is a revision to the transfer of positions to the new Bureau of Sea Run Fisheries and Habitat program. The corresponding change to that program is on **page 175**.

At the top of **page 163**, there is a correction to the Federal Expenditures Fund allocation in both FY22 and FY23. At the bottom of page 163 and the top of **page 164**, the initiative is corrected to add a reduction to the Federal Expenditures Fund allocation.

There are three initiatives deleted for the Bureau of Marine Science on **page 165** and repropose on pages 166 and 167.

Beginning on **page 166** there are 6 new initiatives in the Bureau of Marine Science. The first establishes one Public Service Coordinator II position to support the Department's involvement in offshore wind development in the Gulf of Maine and also to provide policy capacity for Maine's work related to protections for North Atlantic right whales. The knowledge base related to fisheries policy and science allows the Department to utilize a single position and cover both areas. This position will provide necessary policy support on Endangered Species issues and support the agency's work on offshore wind projects in federal waters, including participation in regional and state policy and research initiatives. The initiative can also be found on **page 171**.

The second initiative establishes one Marine Resource Scientist II position to monitor the increase in white sharks in the waters off Maine's coast. This initiative has a direct link to public safety related to the growing presence of white sharks. This position's focus will be to research, monitor (real time), and conduct

tagging of white sharks, and as an added benefit will also support the right whale acoustic monitoring during the time of year when a focus on sharks is not necessary.

The third initiative reclasses one Marine Resource Technician position to a Marine Resource Specialist II position.

The fourth initiative reorganizes one Marine Resource Specialist II position to a Marine Resource Scientist I position. This is a management-initiated reorganization approved by the Bureau of Human Resources with an effective date of January 2019. This initiative will also fund the retroactive payment.

The fifth initiative reorganizes two seasonal Conservation Aide positions currently at .5 FTE each to one full-time position; reclasses the position to a Marine Resource Specialist II, including retroactive pay; and reallocates the position to the Sea Run Fisheries Bureau. This initiative also appears on **page 176**.

The sixth initiative, on **page 167**, funds approved reclassifications for one Marine Resource Scientist III position to Marine Resource Scientist IV position, 3 Marine Resource Scientist I positions to Marine Resource Scientist II positions, and one Conservation Aide position to a Marine Resource Specialist I position. This also appears on **page 173**.

The next program is the Bureau of Policy and Management. There are 2 revised initiatives in this program, on **pages 168 and 169**, to reduce the All Other Federal Expenditures Fund allocation in both years of the biennium.

There is one initiative deleted on **page 170** and is repropose on page 171.

There are 6 new initiatives in this program on **page 171**. The first initiative establishes a position to serve as the aquaculture administrator. This position will oversee the extensive administrative functions of the program, the scheduling of hearings, manage paralegals, and ensure all legal requirements pertaining to the lease application and administration process are properly followed. In so doing, the administrator will provide relief to the hearing officers, allowing those staff to devote more time to their work of reviewing lease applications, conducting hearings and drafting decisions.

The second initiative creates 2 positions that will support the research, monitoring, and assessment of Maine's marine resources and fisheries associated with Maine's proposed offshore wind research array.

The third initiative relates to the Public Service Coordinator II position in the Bureau of Marine Science on page **166**.

The fourth initiative establishes one Marine Resource Scientist III position to support Maine's work related to protections for North Atlantic Right Whales and will conduct acoustic monitoring in the Gulf of Maine to better inform our understanding of how whales use the Gulf, leading to more targeted and effective management actions.

The fifth initiative reorganizes one Public Service Coordinator II position to a Public Service Manager II position.

The sixth initiative provides \$2 million per year to expand baseline funding for research and monitoring associated with Maine's proposed offshore wind research array. This funding will provide resources to fund research and develop technical analysis associated with offshore wind that expands knowledge of the interactions between our natural resources and commercial development. This research is critical to ensure that the work and results of the Research Array and future offshore wind efforts are in the best interest of Maine people and environment. It will serve as critical seed funding to support local innovation and research and development that can leverage additional resources.

In the Bureau of Public Health, one initiative is deleted on **page 172** and replaced on **page 173**. The only change is that the initiative description updates the title of one of the positions being reclassified.

Within the Bureau of Marine Patrol, **page 174**, there are 2 initiatives. The first corrects the allocation in the Other Special Revenue Funds. This is a technical correction.

The second initiative transfers the costs of 2 positions to the General Fund due to lack of funding in the Federal and Other Special Revenue funds. These positions will provide a full complement of Marine Patrol Officers to ensure the protection and conservation of Maine's marine resources and safety of the public.

The revision to the Sea Run Fisheries and Habitat program on **page 175** was covered earlier; the corresponding entry is on **page 162**.

There are two new initiatives in this program on **page 176**. The first provides funding for the approved reclassification of one Marine Resource Scientist I position to a Marine Resource Scientist II position. The final initiative was previously covered on **page 166**.

There are 3 new initiatives for **Maine Maritime Academy**. The first is in the Maine Maritime Academy Scholarship Fund – Casino on **page 177**. This increases the allocation in their Other Special Revenue Funds account based on the May 2021 Revenue Forecasting Committee report. On **page 178**, the first initiative provides a 3% increase in funding over the approved baseline amount of \$9,164,135 bringing the new FY22 number to \$9,439,059, and a 3% increase to that number for FY23 bringing the FY23 number to \$9,722,231. The final initiative is a one-time appropriation of \$18 million to fund repairs to the Curtis Hall dormitory.

On **page 179**, one initiative for the **Maine State Museum** is deleted. On **page 180**, the first initiative replaces the one just deleted by correcting the initiative description. The second initiative provides one-time funding of \$875,000 to support new exhibits in the museum.

There are 2 initiatives on **page 181** for the **Department of Professional and Financial Regulation**. The first initiative continues and makes permanent one Professional Licensing Supervisor. The second initiative continues and makes permanent one Office Specialist II position. These positions will provide additional support for the behavioral health licensing programs within the Office of Professional and Occupational Regulation and will facilitate an improved licensing process and provide enhanced access to behavioral health services in Maine.

The initiative on **page 182** for the Board of Licensure in Medicine is a technical correction. Public Law 2021, chapter 29 provided the funding for this Commission member but eliminated the headcount and added an end date, essentially turning it into a limited period position. This initiative corrects the headcount.

Moving to **page 183** there is one new initiative in the **Department of Public Safety**, Computer Crimes program. This initiative establishes 3 State Police Detectives and 3 Planning and Research Associate II positions. These positions

are being established in response to the increased investigative demands placed on the Maine State Police Computer Crimes Unit. The number of complaints or referrals of suspected Internet Crimes Against Children (ICAC) cases received from the National Center for Missing and Exploited Children (NCMEC) has increased steadily over the last 5 years. In 2016, the unit received 374 complaints; in 2020, nearly 1,100; and this year the pace is more like 1,300. At current staffing levels, only 200 cases per year can be investigated. The increase in ICAC cases and limited staff has created a backlog of cases that the unit is unable to investigate in a timely manner. These positions will be ongoing as the need for computer- based crime investigation is increasing every day. The Maine State Police Computer Crimes Unit assists all of Maine’s law enforcement partners to provide a safe environment for our citizens and these positions will help keep Maine one of the safest states in the country.

Page 184 reflects an increase in the allocation for the Gambling Control Board based on the May 2021 Revenue Forecasting Committee report.

The last initiative for DPS is in the Highway Safety program and can be found on **page 185**. This initiative establishes 2 Highway Safety Coordinator positions. The Federal funds from the National Highway Traffic Safety Administration will support the cost of these positions. The positions will utilize, coordinate and monitor Highway Safety program grants used to fund local law enforcement high visibility enforcement efforts and marketing through the State to increase highway safety awareness.

There are three initiatives for the **Public Utilities Commission** on pages 186 and 187. The first, on **page 186**, is in the Emergency Services Communication Bureau and provides funding for the increased cost of the Director of the Emergency Services Communications Bureau to be consistent with other PUC directors. There is corresponding language in **Part UUU**.

The first initiative in the Public Utilities – Administrative Division, on **page 187**, is a reduction in the Other Special Revenue Funds allocation to align with projected revenues. The PUC anticipates lower prepaid wireless fees. The final initiative is a technical correction to the baseline headcount for this account. The funding included this position but headcount was missing.

Next is the **Secretary of State**, Bureau of Administrative Services and Corrections. The first two initiatives on **page 188** provides funding for the approved reorganization of two positions.

The third initiative establishes one Elections Coordinator position. This position is necessary to ensure that the Secretary of State continues to meet its statutory deadlines. In order to comply with federal laws and ensure uniformity of process, the Elections Division has centralized several areas of election management, including procurement and distribution of election supplies; leasing and deployment of a uniform system of voting tabulators, including creation and testing of election media; processing of applications and issuance of ballots for uniformed service and overseas voters; management of the central voter registration system, including oversight for data integrity of voter records maintained at the municipal level; and development and implementation of new voting programs, including implementation of Ranked-choice Voting in 2018, the Presidential Primary introduced in 2020, accessible electronic absentee ballots and automatic voter registration. There has also been an increase in the number of people's veto petitions, challenges and lawsuits. This position is needed to help manage and carry out new programs, conduct data gathering and analysis to inform program decisions and activities, and to develop and provide guidance and training of municipal officials in about 500 voting jurisdictions.

The final initiative provides one-time funding to promote, carry out, and coordinate programs designed to improve opportunities for women in the state. This allocation is supported by a transfer included in **Part TTT**.

Turning to **page 189** there are 2 initiatives for the **Maine Community College System**. The first initiative provides a 3% increase in funding over the approved baseline amount of \$71,584,958 bringing the new FY22 number to \$73,732,507, and a 3% increase to that number for FY23 bringing the FY23 number to \$75,944,482. The second initiative increases the allocation in the System's Other Special Revenue Funds account based on the May 2021 Revenue Forecasting Committee report.

Page 190 includes a revision within the **Office of the State Treasurer**. This amendment changes the allocation for the Loan Guarantee Program from \$250,000 in each year to \$500,000 in FY22 only. The program will sunset in FY22.

Pages 191 and 192 include the allocation adjustments for municipal revenue sharing taking into account the December. **Part G** of the change package updates the percentages used from 3.75% in both 2022 and 2023 to 4.5% in 2022 and 5% in 2023. These adjustments will result in an additional \$80 million in payments to municipalities. The allocation adjustments are higher as this accounts for the December and May forecasts.

Finally, moving on to the final initiatives, the **University of Maine System** on **page 193**. The first initiative provides a 3% increase in funding over the approved baseline amount and provides additional funding for the law school and pest management programs. The FY22 increase of \$7.7 million will bring the funding to \$205,804,730. The FY23 increase of \$14,064,984 brings the appropriation to \$212,176,372. On **page 194**, the last initiative increases the allocation in the University's Other Special Revenue Funds account based on the May 2021 Revenue Forecasting Committee report.

There is an amendment to Part B on **page 195**. The previous Part B was approved as part of Public Law 2021, chapter 29. This is an additional self-funded reclassification.

Language Document

As we review the language today, I will start with the reminder that many pieces of the language originally included in LD 221 were incorporated into Public Law 2021, chapter 29. The language change package deletes those pieces of language and replaces those Parts with new pieces of language. We also touched on a number of the pieces of language as we reviewed initiatives.

We will begin on **pages 1-6** of the language document with a replacement of **Part C**. Part C is updated to reflect the additional state contribution, the targeted education funds, the annual target state and local share percentages, and the mill expectation of the local contribution for fiscal year 2021-2022. As noted earlier when we reviewed the initiative on **page 44** of the change package, the increase in state funding increases the target state share percentage from 51.83% to the 55%, reduces the mill expectation from 7.90 to 7.25, increases the amount of funding targeted for early college by \$1.5 million, and increases the funding in Maine Math and Science School by \$225,000.

On **page 7** of the language document, is the removal of the original Part F, the amendment to the ‘cascade’ removing the Property Tax Relief Fund for Maine Residents and transfer of that remaining balance. The new **Part F** directs the State Controller to transfer \$18 million from the General Fund to the Highway Fund in FY22. These funds are intended to offset the adjustments necessary to the 2022-2023 Highway Fund budget due to the decline in May’s revenue forecast as well as to fund a shortfall in the light capital paving program.

Page 8 of the language document deletes the original **Part G** and updates the percentage of funding distributed to the Local Government Fund for municipal revenue sharing from 3.75% to 4.5% in fiscal year 2022 and 5% in fiscal year 2023. The anticipated increase for municipalities is approximately \$29.7 million in FY22 and \$51.5 million in FY23.

Part H, on **pages 9-11** of the language document, is amended by deleting the original proposal, which was to update the service provider tax law regarding consumer purchases of digital media. The new **Part H** implements a number of tax changes. It updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986 as amended through March 11, 2021, for tax years beginning on or after January 1, 2021 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended, except that amendments to that Code made by section 9042 of the American Rescue Plan Act of 2021, Public Law No. 117-2, do not apply to any tax year beginning after December 31, 2019, and before January 1, 2021.

Part H also provides a sales tax exemption on the purchase of menstrual products sold on or after October 1, 2022.

Part H implements two additional changes for tax year 2021: It establishes the earned income tax credit rate for tax year 2021 for all eligible individuals as 20% of the federal earned income credit for the same taxable year. And, it increases the maximum property tax fairness credit for tax year 2021 to \$1,000 for resident individuals under 65 years of age and \$1,500 for resident individuals 65 years of age and older.

Finally, Part H increases the property tax fairness credit for tax years 2022 and later to the amount by which the benefit base for the resident individual exceeds 4% of the resident individual's income with a maximum credit of \$750 for resident individuals under 65 years of age and \$1,200 for resident individuals 65 years of age and older, thereby expanding the eligibility to more middle income families.

On **pages 12-13** of the language document is the new Part J. The original Part J was a transfer of cash from the Medical Use of Marijuana Fund to the unappropriated surplus of the General Fund. This was included in Public Law 2021, chapter 29. The new **Part J** amends section 578 of Maine's Tree Growth tax law. Under section 578, the State is required to reimburse municipalities for a portion of the revenue loss associated with the Tree Growth Program. This helps moderate municipal property tax rates for municipalities that experience reduced valuations due to the mandated use of the lower tree growth values in place of higher fair market values. The current statutory language in section 578 uses inconsistent terms when referring to certain information required to be used by the State Tax Assessor when calculating the tree growth appropriation and municipal reimbursements. Part J amends section 578 to reconcile these terms and to clarify the method for calculating the appropriation and reimbursement. This language also removes a limitation to the appropriation that only applied to tax years 2008 and 2009 and is no longer necessary. It also removes an unnecessary paragraph regarding rulemaking authority, as appropriate rulemaking authority already exists for section 578 under a related statute.

On **page 14** of the language document, **Part M** is updated to extend financing arrangements for vehicles purchased for Central Fleet Management. The change allows for financing terms to extend from 4 to 6 years. This more closely aligns with industry standards for financing and with the useful life of CFM vehicles. On average, vehicles remain in Central Fleet for 9 years or 125,000 miles. This change may result in lower monthly rates for agencies.

Page 15 of the language document, amends Part P by deleting the language and appropriation adjustment for the attrition proposal included in Public Law 2021, chapter 29 and adds the new **Part P**. This part allows for promotional adjustments for Tax Examiner and Tax Examiner II positions within the Bureau of Revenue Services. This will improve the ability of the Bureau of Revenue Services to attract and retain capable examiners in order to provide taxpayer assistance

commensurate with the increasing complexity of federal and state tax laws. Section 2 authorizes the transfer of funding from the salary plan to support costs in the 2022-2023 biennium only.

The change package for Part Q, on **page 16**, deletes the language associated with the voluntary employee incentive program which was included in chapter 29. The new **Part Q** transfers \$15 million into a new Other Special Revenue Funds account within the Department of Agriculture. This funding will support the necessary work of abating, cleaning up or mitigating the threats or hazards posed or potentially posed by perfluoroalkyl and polyfluoroalkyl substances (PFAS) contamination impacting agricultural producers in the state and the food supply, to provide support to impacted farms, to support critical PFAS research necessary for farm viability, and to otherwise allow for the Department to strategically and effectively respond to PFAS concerns and issues as they arise. An initiative to establish allocation in this account is included on **page 16** of the change package.

Part R is on **page 17** of the language document. The change package deletes the original Part R, the authorization to continue tax expenditures, as it was included in Public Law 2021, chapter 29. The new **Part R** transfers \$25 million to the uncontrolled Sites Fund within the Department of Environmental Protection to support the treatment of drinking water, environmental testing and management of contaminated wastes caused by per- and polyfluoroalkyl substances. For areas of the state impacted by per- and polyfluoroalkyl substances (PFAS), this would provide \$15 million to provide drinking water treatment, \$5 million for environmental testing and \$5 million for managing PFAS-contaminated wastes. PFAS contamination has hurt farmers' livelihoods, property values, and the public's trust in the safety of their drinking water. DEP will distribute funds directly into Maine's economy through contracts and grants, while using some to mitigate the burgeoning cost of PFAS contamination to Maine's citizens. An initiative to establish allocation in this account is included on **page 58** of the change package.

Part S, on **page 18** of the language document, reflects the deletion of the original Part S, the transfer of balances from the liquor revenues at the Maine Municipal Bond Bank and adds a new Part S. This **Part S** transfers \$5 million to the Maine Environmental Protection Fund for a competitive grant program to upgrade municipal culverts at stream crossings in order to improve fish and wildlife

habitats and increase community safety. These projects allow communities to more effectively prepare for storm and flood events and advances the goals of restoring habitat for fish, including sea-run fish and native brook trout, and wildlife. This funding will leverage additional federal funding. An initiative to establish allocation in this account is included on **page 57** of the change package.

Page 19 of the language change package deletes the original **Part T**, the transfers to the Budget Stabilization fund of \$10 million in both 2022 and 2023, and updates the language to transfer \$52 million of the General Fund surplus to the Budget Stabilization Fund in fiscal year 2021. If approved, this budget would grow the Budget Stabilization Fund to more than \$319.9 million, a record amount of savings, and an increase of more than \$111 million under Governor Mills' tenure.

Part EE, on **page 20** of the language document, deletes the original proposal to change the title of the Director of Legislative Affairs. This new **Part EE** transfers \$582,051 by June 30, 2021 and \$411,529 by June 30, 2022 to the Department of Education's National Board Certification Salary Supplement Fund in order to support the salary supplement payments for teachers with national board certification in accordance with Title 20-A, section 13013-A.

Page 21 of the language document deletes the original proposal to add the Chief of Operations at the Department of Education to the list of major policy-influencing positions. The new **Part GG** transfers \$50 million from the General Fund surplus to the Maine Municipal Bond Bank for the School Revolving Renovation Fund.

Page 22 of the language document deletes the original Part HH, removing Education in the Unorganized Territory from the list of accounts authorized to carry unspent Personal Services. That language was included in Public Law 2021, chapter 29. The new **Part HH** establishes the Maine School Safety Center in statute.

Part LL, on **pages 23-24** of the language document amends the accounts and programs listed in the 'Application of revenues' sections related to the Service Provider Taxes and health care related taxes. This corresponds to the MaineCare account consolidation initiative included in Part A. This replaces the original Part LL which identified the specific Consumer Price Index to be used when calculating nursing facilities cost of living adjustments.

Pages 25-30 of the language document deletes the original **Part OO**, the update to the hospital tax base year which was included in Public Law 2021, chapter 29, and replaces it with language to update the name of the food supplement program to the Supplemental Nutrition Assistance Program consistent with the federal program name.

Part RR, on **page 31** of the language document amends the language by adding the director of the state based marketplace to those appointed by the Commissioner of the Department of Health and Human Services. This position was established as part of Public Law 2019, chapter 653, An Act To Enact the Made for Maine Health Coverage Act and Improve Health Choices in Maine.

Part SS, on **pages 32-33** of the language document, amends the language by updating the fiscal year in which the transfers occur. The Department has determined that the amount of programming necessary to consolidate the MaineCare accounts requires additional time. The consolidation is anticipated for fiscal year 2023.

Part WW is on **pages 34 and 35** of the language document. This deletes the originally proposed Part WW that authorized HHS emergency rule-making authority. That language was included in Public Law 2021, chapter 29. The new **Part WW** transfers unencumbered balances from several MaineCare accounts to the unappropriated surplus of the General Fund; overall, these transfers represent the estimated impact of the continued 6.2 percentage point bump in federal participation for the Medicaid program for the fourth quarter of fiscal year 2021. Additionally, this Part transfers \$90 million to the MaineCare Stabilization Fund – this is comprised of the \$45 million from unencumbered balances identified in this part and the continuation of the increased federal participation into first quarter of FY22. There are deappropriations included in Part A to reflect that continuation. The enhanced FMAP is available through the end of the public health emergency pursuant to the Families First Coronavirus Response Act. Funds in the Medicaid Stabilization Fund will be used to ensure sustainability of services and full implementation of reforms.

The originally proposed Parts BBB, CCC, DDD and EEE transferred available balances from accounts at the Department of Health and Human Services. These transfers were included in Public Law 2021, chapter 29. The change package includes a new **Part BBB** on **page 36** of the language document that increases the cap on the number of participants in the Higher

Opportunity for Pathways to Employment Program (HOPE). This program is funded with federal funds through TANF and ASPIRE.

The update to **Part CCC**, on **pages 37 and 38** of the language document, adds comprehensive preventative, diagnostic and restorative services to the limited dental services currently available to MaineCare members 21 and over. There is an initiative in Part A of the change package on **page 105**.

Part DDD, on **page 39** of the language document, deletes the transfer included in Public Law 2021, chapter 29 and adds state funded MaineCare and Children's Health Insurance Program coverage for noncitizen residents of this State who are ineligible for coverage under the federal Medicaid program or Children's Health Insurance Program due to their immigration status. There is an initiative in Part A of the change package on **pages 107, 120 and 124**.

Page 40 of the language document reflects the deletion of the original Part **EEE**. The new **Part EEE** identifies that All Other funds for the Maine Commission on Indigent Legal Services will carry.

Page 41 updates the summary only for **Part FFF**.

Next, we will move to **page 42** of the language document. This deletes the original Part **GGG** which updated the fiscal year in which the Inland Fisheries & Wildlife fiscal stability program would begin. That language was included in Public Law 2021, chapter 29. The new **Part GGG** changes the salary range for the executive director of the Maine Commission on Indigent Legal Services from a range 52 to a 37. The Commission has had difficulty recruiting based on the salary. The top step of range 37 is \$122,512 while the top step of range 52 is \$115,939.

The change package updates Part **III** on **page 43** of the language document. The original proposal related to judicial salaries was included in Public Law 2021, chapter 29 and is deleted here. The new **Part III** transfers \$4,084,500 to the Department of Inland Fisheries and Wildlife, Office of the Commissioner, Other Special Revenue Funds account. These funds will support repairs for several department owned dams and for the assessment of other dams to identify structural integrity and maintenance priorities. There is a corresponding initiative on **page 146** of Part A increasing allocation for these funds.

Part LLL, on **page 44-45** of the language document, is amended to more clearly identify the positions eligible to participate in the 1998 Special Plan of the Maine Public Employees Retirement System. This is not adding any positions to the eligible positions but is clarifying the titles.

Part MMM is on **page 46** of the language document. This deletes the original proposal to carrying unexpended balances at the Secretary of State Elections and Commissions account as that change was included in Public Law 2021, chapter 29. The new **Part MMM** repeals Part S from Public Law 2021, chapter 29. This Part was the one day transfer of \$32,000,000 from Other Special Revenue Funds to the General Fund unappropriated surplus on June 30, 2022 and back to the Other Special Revenue Funds on July 1, 2022. Based on the May revenue forecast, this one day transfer is no longer necessary.

Page 47 removes the original Part NNN that included carrying language for Debt Service in the Office of the State Treasurer and was included in Public Law 2021, chapter 29. The new **Part NNN** amends Title 5 to identify that the Education Advisory Committee on School Psychologists is eligible for Expenses Only compensation.

The original Part OOO updated items included in the definition of targeted technologies for research and development. The University System has advised that this Part is not needed. The new **Part OOO** is on **pages 48 through 51** of the language document. This Part amends the existing authority of the Department of Health and Human Services to establish fee schedules for MaineCare Services to require review on a regular schedule, to clarify that rulemaking is not required for the adoption of fee schedules except where specifically provided in Title 22, Chapter 855, and to require that rate schedules and cost of living increases be posted on the department's website.

We are now moving into new Parts for language. **Part QQQ**, on **page 52** of the language document, transfers \$6.7 million to the Department of Agriculture, Conservation, and Forestry, Division of Forest Protection Aerial Fire Suppression Fund. These funds will be used to modernize the Department's fleet by purchasing two used but modern Bell 407 helicopters and modify them for fire use; dismantle the two Hueys that have not been overhauled for parts, storing the engines, transmissions and rotor systems for later use; modify the three overhauled Hueys; purchase two used but modern Cessna 206s to replace the

C-180 and C-185. The C-180 will be returned to the US Forest Service and the C-185 will be sold.

Part RRR is on **page 55** of the language document. This Part transfers \$6.8 million to the Department of Defense, Veterans and Emergency Management for the State's share of maintenance, repair, capital improvement, modernization and energy efficiency projects for Maine Army and Air National Guard readiness centers and support facilities. This investment in our Maine National Guard infrastructure will provide for better training, increase unit readiness, provide safer working environments for our service members, improve morale, and display attractive and efficient buildings within our communities. There is an initiative on **page 37** of the change package allocating these funds.

On **page 55, Part SSS** transfers \$87 million to the Bureau of General Services. This proposal to transfer \$87 million into the Capital Construction and Improvement Reserve Fund provides a unique opportunity to catch up on years of unfunded repairs to every greater Augusta-area state-owned building. **Page 7** of the change package identifies allocation in both 2022 and 2023.

On **page 55, Part TTT** transfers \$100,000 to the Secretary of State's Permanent Commission on the Status of Women. The funding will be used for the examination of health care, childcare and work force challenges facing women in Maine today.

Part UUU, pages 56-57, adds the Director of Emergency Services Communication to the applicable statutes for the Public Utilities Commission. This is an existing position within the PUC.

On **page 58, Part VVV** authorizes the transfer of \$2.9 million from the Reserve for General Fund Operating Capital to a COVID-19 response fund. These funds may be allotted by financial order. This, basically, extends the authority provided in Public Law 2021, chapter 1, Part AA. To date, those funds have not been utilized. Having access to these funds provides needed flexibility to respond to COVID-19 related needs.

Part WWW is on **pages 59 and 60**. This Part prohibits the sale and distribution of flavored tobacco products, including flavored cigars and flavored electronic smoking devices. This Part takes effect on January 1, 2022.

Part **XXX** is on **page 61**. This Part amends the law to specify that the minimum grant amount under the Maine State Grant Program within the Finance Authority of Maine may not be less than \$2,500 if sufficient funds are appropriated for that purpose.

Finally, **Part YYY** is on **page 62** of the language document. This Part allows for the Director of the Bureau of Resource Information and Land Use Planning and the Director of the Maine Geological Survey to be two separate positions.

This concludes my testimony for today. Thank you, and I am happy to address any questions you may have.