

STATE OF MAINE GOVERNOR'S OFFICE OF POLICY INNOVATION AND THE FUTURE 181 STATE HOUSE STATION AUGUSTA, MAINE 04333-0181

To: Members of the Committee on Environment and Natural Resources

Re: Part 2 Budget, "Change Package" Proposals

From: Hannah Pingree, Director of the Governor's Office of Policy Innovation & the Future Date: May 21, 2021

This past week Commissioner Melanie Loyzim and I presented to your committee on several of the Governor's proposed Part 2 budget items that are related to this committee's oversite of the implementation of the <u>Maine Won't Wait Four Year Climate Action Plan</u>, as well as the Governor's Maine Jobs and Recovery Plan for the federal American Rescue Plan Act, and her bond proposal.

The Governor's "Part 2" budget for the FY22-23 biennium is 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 it also adds money to the state Stabilization Funds. The proposal, which is balanced and does not raise taxes, also leaves approximately \$23 million in funding on the table for use at law makers discretion.

Specifically, in these three proposals, there are significant investments in the urgent climate actions highlighted in the Climate Action Plan.

Below you will find an overview of those items specific to the Climate Plan and Governor's Change Package Budget initiatives in the Governor's Office of Policy Innovation and the Future (GOPIF):

OFFICE OF POLICY INNOVATION AND THE FUTURE Z135							
			2021-22	2022-23			
Initiative	Provides funding for community energy and emissions reduction planning, technical assistance, and grants for community projects, made directly to municipalities and regional groups. GENERAL FUND						
	All Other		1,500,000	1,500,000			
		Total	1,500,000	1,500,000			
			2021-22	2022-23			

Initiative	Establishes two Public Service Coordinator II positions and one Public Service Coordinator III position. Two positions will provide support for partnerships with Maine communities, including municipal, county, and regional groups, to support resiliency planning, and energy savings. One of these positions will focus on housing policy, including land use issues and incentives. This initiative also provides funding for related All Other expenses. GENERAL FUND			
	Positions - LEGISLATIVE COUNT		3.000	3.000
	Personal Services		421,140	430,111
	All Other		12,087	12,387
		Total	433,227	442,498
			2021-22	2022-23
Initiative	Provides funding for Municipal and Regional Resilience Planning and Implementation Grants.			
	GENERAL FUND			
	All Other		1,250,000	1,250,000
		Total	1,250,000	1,250,000

## Additional Background on Need for State/Municipal Partnerships on Climate and Other Issues:

The <u>Four-Year State Climate Action Plan</u> highlighted that there is a need for robust technical assistance and funding to communities. The map below included at the end of this memo shows how many towns in Maine lack the planning and technical capacity to do local climate planning activities. As demonstrated in the December 1 climate action plan *Maine Won't Wait*, we will need, over time, to expand resources to support communities to plan for and build resilience to potential climate impacts. Lack of capacity, expertise, and funding are consistently cited by municipalities as reasons why they are not able to address their climate risks. In addition, towns have uneven access to planning resources across the state to support other local planning issues.

During the pandemic, GOPIF has engaged regularly with municipal leaders, mayors, and county officials, building stronger partnerships between the state and communities on a variety of COVID, economic, housing, climate and energy, and other issues. We've often done this work in partnership with DAFS, DECD, DHHS, DEP, DOT, DACF, DMR, Efficiency Maine Trust, the Governor's Energy Office, and Maine Housing. Regular communication and connections to local leaders has been appreciated and builds the base for greater partnerships for the state and Governor's Office with municipalities, regional groups, and cities. With the elimination of the former State Planning Office (SPO) in 2012, there is not currently a single state government agency or office responsible to administer financial and technical assistance programs to help build sustainable communities. Some SPO programs were eliminated or significantly reduced; others were moved to different state agencies.

These efforts, plus a need to address the growing housing affordability and workforce housing crisis in Maine, underscore why strengthening policy support on housing issues and land use is necessary and requires additional capacity at the Executive Level.



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Happy to answer your questions or hear suggestions you have related to these proposals.