

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

**Before the Joint Standing Committees on
Appropriations and Financial Affairs
and Criminal Justice and Public Safety**

**“An Act Making Supplemental 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 Year Ending June 30, 2023”**

January 24, 2023

Good afternoon, Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Beebe-Center, Representative Salisbury and members of the Joint Standing Committee on Criminal Justice and Public Safety. I am Kirsten Figueroa, the Commissioner of the Department of Administrative and Financial Services. I am here today to present LD 206, the fiscal year 2023 supplemental budget bill.

Before I get to the specifics of this supplemental, I'd like to provide a few updates related to Public Law 2023, chapter 1, the Winter Energy Relief bill, signed by the Governor January 4, 2023.

All remaining \$850 inflation relief checks – approximately 10,200 – have been sent out to waiting Maine taxpayers, thanks to the additional funding provided through the law. And, the first round of \$450 winter energy relief payments will be mailed later this week. Starting next week, we will aim for 200,000 payments per week until the nearly 876,000 payments are processed before the end of March. I'd like to take a moment to thank the staff who have added these payment programs onto their already overloaded days, specifically those at Maine Revenue Services, MaineIT, the State Controller's Office, the Office of the Treasurer, and our State Postal Center. I am incredibly impressed and grateful, as are the hundreds of thousands of Maine people impacted by these payments.

I have also heard from MaineHousing that they anticipate starting the delivery of the \$40 million Home Energy Assistance Program Supplemental funding next week. Within the following four weeks, all HEAP recipients who have already

received a benefit this year will receive this supplemental benefit. Moving forward as HEAP recipients receive their benefit, this supplemental benefit will be processed for them at the same time. As a reminder, benefits are paid directly to the fuel vendor on the recipient's behalf. MaineHousing is also prepping to distribute the \$10 million Emergency Fuel funding to prevent people and families from running out of heating fuel and experiencing a heating crisis. The Community Action Agencies are readying their programs in anticipation of the funds being available by the beginning of February. As to the \$21mm to address the crisis of unsheltered homelessness in Maine, specifically unsheltered homelessness during the winter months of 2023, MaineHousing issued two notices of funding availability on January 13th. We will continue to update you throughout the session on the progress of all the components of this important relief package.

Now to the supplemental budget for fiscal year 2023.

The supplemental and biennial budgets are built on the Governor's guiding belief that if we want to build a stronger, more prosperous state where opportunity is available to all, then we must invest in the infrastructure that supports our greatest asset: the people of Maine.

The bottom line of the General Fund supplemental is initiatives and transfers of approximately \$39 million – most of which are one-time. It is funded with one-time General Funds available from the continuation of enhanced federal matching in the fourth quarter (we used the first three quarters for Chapter 1) and some unspent funds from prior years totaling approximately \$60 million. The remaining \$21 million carries into and is utilized in the biennial budget.

The supplemental budget is used to make marginal adjustments and refinements to the FY23 budgets already authorized by the Legislature to meet operating needs, including position and revenue forecasting adjustments, for the balance of fiscal year 2023. Additionally, the supplemental budget is meant to address emergency situations that have arisen since the biennial budget was enacted.

Department leaders will testify on their components of the budget over the next few days, including position reclassifications and revenue forecasting adjustments.

The budget includes a number of position reclassifications. Civil Service Rules require the Director of the Bureau of Human Resources to maintain the classification plan and establish the processes and procedures with which to do so. There is a long-standing process in place to evaluate proper classification of

positions and determine through a functional job analysis whether a position meets the requirements for reclassification, including any pay adjustment. The State's collective bargaining unit agreements include negotiated language related to this process. Reclasses may be employee or management initiated. Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. Only approved reclasses are included in the supplemental. Reclass initiatives in Part A of the supplemental are necessary to fund these approved actions, which is required before the reclassifications can be processed and paid.

There are also a number of adjustments to allocations the result of the December 2022 Revenue Forecasting Committee. These adjustments are necessary to align the allocations to the most recent revenue forecast.

Thank you.

