

**Testimony Neither for Nor Against the Governor’s Proposed Amendments to LD 2214,
“An Act to Make Supplemental Appropriations and Allocations for the Expenditures of
State Government, General Fund and Other Funds and to Change Certain Provisions of
the Law Necessary to the Proper Operations of State Government for the Fiscal Years
Ending June 30, 2024 and June 30, 2025”**

James Myall, Economic Policy Analyst

April 1, 2024

Good Afternoon, Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is James Myall and I am an Economic Policy Analyst with the Maine Center for Economic Policy. I’m here to offer testimony neither for nor against the Governor’s proposed amendments to LD 2214. “An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025.”

MECEP appreciates that the governor has proposed applying the additional revenue over the biennium to a number of important investments that will help Mainers become more economically secure and allow all Mainers to thrive. We particularly support the initiatives relating to housing, child care, and supporting direct care workers.

We also appreciate that the governor has proposed changes to part II which would maintain some of the flexibility municipalities have to provide general assistance to those facing homelessness. However, MECEP worries that the limits on the use of hotels and other short term accommodations may still be impractical when some municipalities have very little available long-term housing stock.

Regarding housing, MECEP believes that it is important to invest not only in long-term affordability solutions like those proposed in this change package and the original bill, but also in programs that address the more immediate issues for those facing homelessness. A rent relief program such as that in LD 1540 would help people now who cannot wait for the impact of building additional affordable housing units.

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The changes to the Paid Family and Medical Leave Program's procurement provisions in Part ZZZ represent a significant change from the language that was passed by the legislature last year and would reduce accountability in the procurement process. MECEP is working with the Maine Paid Family Leave Coalition to ensure that quality, transparency, and accountability can remain priorities in the procurement process.

MECEP continues to believe that the governor's economic outlook is too cautious, and the insistence on restricting new spending to one-time initiatives artificially constrains the legislature's ability to meet the needs of Maine people. There are many ongoing problems facing the people of Maine which require ongoing funding. And while there is always some uncertainty inherent in economic forecasting, the purpose of the Revenue Forecasting Commission is to guide the legislature's decision-making, and the revenue forecast does not justify the level of caution shown by the governor. Moreover, the fact that the Budget Stabilization Fund is at its statutory maximum provides a large financial cushion in the event that the forecast is incorrect.

While I won't go into them in detail, I will also refer you back to concerns MECEP had with the original supplemental budget presented to this committee, many of which remain unaddressed in the change package.

Thank you for your time. I'm happy to answer any questions.