



## Testimony in Support of LD 594:

“Resolve, Directing the State Auditor to Audit All State Agencies”

Senator Baldacci, Representative Salisbury, and distinguished members of the Committee on State and Local Government, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to provide testimony in support of LD 594, “Resolve, Directing the State Auditor to Audit All State Agencies.”

### The Importance of Transparency and Accountability

LD 594 is a crucial step toward increasing transparency, accountability, and efficiency in Maine state government. By requiring the State Auditor to conduct a comprehensive audit of all state agencies, this legislation ensures that taxpayers and policymakers clearly understand how state resources are allocated and spent.

With the state government's growing size and complexity, the public and the Legislature must have complete oversight of agency operations, staffing levels, budget growth, and project efficiency. Between 2019 and 2025, the biennial budget grew from around 7.2 billion<sup>1</sup> to around 10.5 billion,<sup>2</sup> a \$1.7 billion dollar increase even after adjusting for inflation.<sup>3</sup> The Governor’s proposed budget increases allocations by another \$1.1 billion, and this massive increase in spending should also come with an increase in oversight.<sup>4</sup>

A comprehensive audit will provide lawmakers with the data necessary to make informed decisions about the effectiveness of agency programs and expenditures.

### Benefits of LD 594

- **Enhanced Fiscal Responsibility:** Auditing all state agencies will identify inefficiency, waste, and potential savings within the state budget. This will enable policymakers to reallocate resources to programs that deliver the highest value to Maine citizens.
- **Reducing Wasteful Spending:** As shown above, Maine’s current budget deficit has correlated with a significant increase in spending, and auditing our

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<sup>1</sup> <https://legislature.maine.gov/doc/3079>

<sup>2</sup> <https://legislature.maine.gov/doc/11045>

<sup>3</sup>

<https://www.calculator.net/inflation-calculator.html?cstartingamount1=1&cinmonth1=1&cinyear1=2023&coutmonth1=12&coutyear1=2024&calctype=1&x=Calculate#uscpi>

<sup>4</sup> <https://www.maine.gov/budget/home>



state's spending habits would be a practical first step in case Maine needs to perform budgetary triage in the future.

- **Improved Government Performance:** By tracking the scope of completed and incomplete projects, LD 594 will help the Legislature assess agency effectiveness and ensure that taxpayer dollars are used efficiently to promptly complete critical projects.
- **Workforce Transparency:** The resolve's requirement to report the number of current employees, newly hired employees, and overall staffing trends will provide valuable insight into government employment growth and whether staffing levels are aligned with the needs of each agency.
- **Data-Driven Budgeting:** The requirement to analyze each agency's budget growth over time and its share of the total biennial budget will provide lawmakers with an essential tool for assessing long-term spending trends and determining whether budgets should be adjusted.
- **Strengthened Public Trust:** A government that is transparent and accountable to the people it serves fosters greater trust among taxpayers. Regular audits and reporting mechanisms ensure that agencies are operating efficiently and in the public's best interest.

### **Ensuring Effective Implementation**

While LD 594 is a necessary and positive step, we encourage the committee to ensure that the auditing process minimizes disruption to agency operations while still providing a thorough and accurate review. The State Auditor should be granted the resources to complete this audit without delay, and the resulting reports should be made easily accessible to both the public and policymakers.

### **Conclusion**

LD 594 is a common-sense measure that will provide essential oversight of state agencies, ensure responsible fiscal management, and give policymakers the tools they need to make informed budgetary decisions. By passing this resolve, the Legislature will take an important step in promoting good governance, efficiency, and public trust in Maine state government.

For these reasons, we respectfully urge the committee to support LD 594 and advance it for enactment. Thank you for your time and consideration.