



Maine County Commissioners Association

4 Gabriel Drive, Suite 2 Augusta, ME 04330, 207-623-4697
www.mainecontinies.org

February 18, 2026

Sen. Baldacci, Chair
Rep. Salisbury, Chair
Joint Standing Committee on State
And Local Government
100 State House Station
Augusta, ME 04333

Re: ***Comments of MCCA in Opposition to Sponsor's Proposed Amendment to LD 2009,
An Act to Allow a Political Subdivision to Enter into Federal Bankruptcy
Proceedings***

Chair Baldacci, Chair Salisbury, and Members of the Joint Standing Committee on State and Local Government:

On behalf of the Maine County Commissioners Association (MCCA), we write to provide supplemental comments in opposition to the sponsor's amendment to LD 2009, which proposal was presented to the Committee at its most recent work session.

As presented to the Committee, the sponsor's amendment would impose penalties on counties for not completing required audits, but it would not impose parallel penalties on municipalities for not completing required audits. MCCA advised the Committee at the work session that the proposed amendment was likely problematic, and now that MCCA's Legislative Policy Committee has met and discussed the proposal, MCCA stands in formal opposition to the amendment.

Executive summary. Our opposition is simple. There is a severe shortage of qualified auditors in the State, and all local governments are confronting extreme challenges in finding auditors able to timely perform required audits. These are circumstances outside the control of local governments, and imposing penalties on local governments for this auditor shortage would, in practical terms, punish the employees and/or property taxpayers that support county government. Instead, we encourage the Committee to consider an alternative approach: engage in a study or process aimed at addressing the underlying shortage of qualified auditors in Maine.

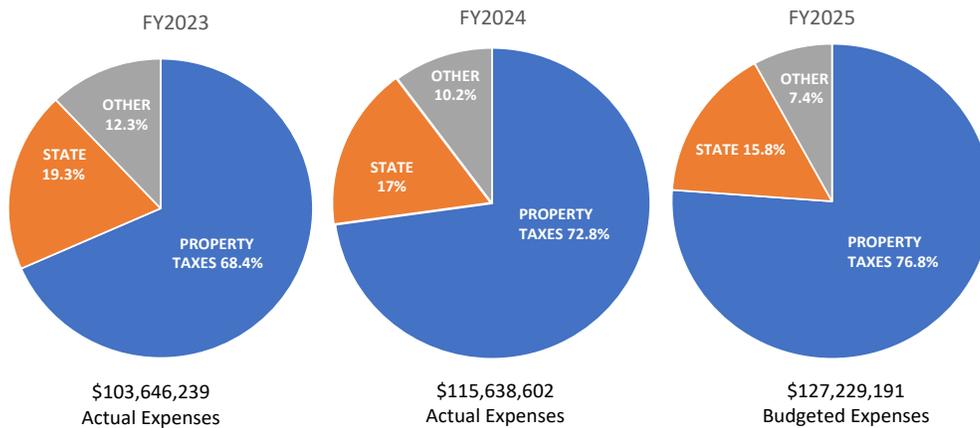
About MCCA. Briefly, the Maine County Commissioners Association was established in 1890 to assist Maine's county government in providing vital services to Maine citizens in a responsive, efficient, and credible manner. The Association is based in Augusta, represents all 16 of Maine's counties, and is governed by a board with representation from each participating county.

Auditor Shortage. As noted at the public hearing and work session on this bill, there is a severe shortage of auditors in Maine. The shortage of available auditors has made timely completion of required audits increasingly difficult for local governments, particularly in rural areas. Data published by the Office of

the State Auditor¹ indicates that approximately 80 municipalities appear to be delinquent by at least two years in submitting required audits, demonstrating that audit delays are a widespread, systemic issue affecting all local government agencies, not a compliance problem unique to any one level of government. So, yes, there is a widespread problem that is causing local governments to be delinquent in completing required audits, but that problem is not willful neglect, it is the shortage of auditors preventing audits from being timely completed.

A penalty on counties is a penalty on county employees or property taxpayers. The sponsor’s amendment discussed the potential of withholding state funds for delinquent audits. However, this remedy does not penalize county government. Rather, it penalizes county employees or local property taxpayers, which is of great concern to MCCA. Most of county government is funded by local property taxpayers, with limited support from state government.

How County Jail Expenses are Paid



Turning to county jails, which represent the largest single cost driver for county government, one can see that state support represents only a small percentage of jail operating costs, and the remainder comes from local property taxpayers – who have seen their property tax bills escalate substantially as costs go up and state support goes down as a percentage of operations. This is illustrated in the chart below.

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
County Jail Operating Costs	\$90.6M	\$90.8M	\$97.6M	\$108M	\$115.5M	\$127.2M ²	\$132.3M ³	\$137.6M ⁴
State Funding	\$18.5M	\$18.5M	\$20.4M	\$20.4M	\$20.4M	\$24.4M	\$24.4M	\$20.4M
State Funding %	20%	20%	20%	18%	17%	19%	18%	14.8%

¹ <https://www.maine.gov/audit/municipal/annual-audit-reports.html>.

² This figure is based on FY25 budget projections.

³ This is an estimated figure based on a 4% increase from FY 25 operating costs.

⁴ This is an estimated figure based on a 4% increase from estimated FY 26 operating costs.

Comments of MCCA re LD 2009 Amendment

February 18, 2026

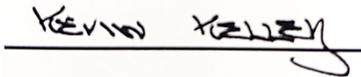
Page 3

Finally, it is important to understand that counties face ongoing challenges to fund county jails and other county operations as costs continue to go up, while county control over jail operations and their population is limited. A recently developed report from the County Corrections Professional Standards Council, which was established in 2022 by the Maine Legislature, documents the significant financial pressures counties face in operating county jails. The report also highlights the Department of Corrections' recent efforts to assist with funding for jail audits.

An alternative approach. MCCA shares the concern about the challenges faced in completing timely audits, but respectfully, MCCA believes the solution is not penalizes counties, uniquely among local government entities. Nor is the solution penalizing any local government entity where the primary reason for the delay is the statewide auditor shortage. So, with this in mind, we would encourage the Committee to focus on the auditor shortage when considering this issue. Perhaps the bill could direct a study of the issue, or encourage the formation of a working group to address the problem. This would be a constructive and appropriate response to the current challenge.

Conclusion. MCCA appreciates the Committee's continued consideration of this issue and would welcome the opportunity to participate in further discussions regarding audit availability and capacity challenges facing Maine's local governments.

Respectfully submitted,



Kevin Kelley
Co-Chair, Legislative Policy Committee, MCCA



Jean-Marie Caterina
Co-Chair, Legislative Policy Committee, MCCA

cc: Commissioner Andre Cushing, President, MCCA
James I. Cohen, Verrill Dana, LLP, Legislative counsel for MCCA