



LD 2212, *An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027*

Neither For Nor Against

Joint Standing Committees on Appropriation and Financial Affairs & Health and Human Services

February 20, 2026

Senator Rotondo, Senator Ingwersen, Representative Gattine, Representative Meyer, and esteemed members of the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services Thank you for the opportunity to testify on LD 2212, the Governor's Supplemental Budget, *An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027*.

My name is Kristin Overton and I am the Executive Director of SKILLS, Inc., serve on the Board of Directors for the Maine Association of Community Service Providers (MACSP), and Chair the Community Supports and Employment Services Committee. SKILLS is a non-profit organization in central Maine, serving people with intellectual and developmental disabilities for 65 years in Somerset, Kennebec, Penobscot, and Waldo counties. We employ over 135 people and provide more than 120 people with residential, community building, in-home, and employment support under Sections 21, 29, and 97-F. I thank you for the partial COLA increases included in the budget last year and am truly sorry that we must come to you and ask, again, for you to fix what the budget leaves out.

I ask that you allocate and fund the 2026 3.1% COLA adjustments for these services. The majority of providers are barely scraping by. At SKILLS, we've had to pause all employee raises (the last was in October of 2024), significantly reduce the healthcare costs our agency can cover for our employees, and eliminate all but 6 holidays as benefit time, and we are still operating in a budgeted negative.

Every month, I host providers of community support and employment services in our MACSP Committee. Even though we welcome these new initiatives wholeheartedly, without the rate predictability and with a negative margin, we cannot afford to invest in new Department initiatives such as LifeSpan Waiver services, especially after the unexpected expenses of the new Licensing rule that went into effect on Dec 3, 2025.

The licensing rule has required us to hire a part-time nurse consultant to oversee medications at all 12 homes and 3 community support programs and greatly expand our infection control program which



will require a part-time compliance person and manage the new risk assessment and reporting process outlined in the rule. Community Support Providers across the State are now being told by the State Fire Marshal Office that we're considered Adult Day Care Centers and as such must install wired fire alarm systems and often sprinkler systems, install commercial-grade fire suppression hoods, and pay a new registration fee for Adult Day Care providers. We just received our first quote of \$27,500 for an alarm system (although we already had a wired smoke detector system) at one of our locations. Coupled with adding nursing services and dedicating a staff member to become a certified in Infection Prevention Control; our cost to come into compliance will be close to, if not more than, \$50,000.

In addition to these unexpected costs, our 4 Private Non-Medical Homes are expected to lose a great deal of money this year because the outdated service and cost-reporting rate system do not adequately cover the non-direct care staff related costs. Our employment support program was started at great urging of OADS employees due to lack of providers in the rural area we provide services in and we predicted it would take 4 years to break-even, even with initial grant funds to launch the program via the Innovation Grants.

Many of the LifeSpan services are new services with a slow growth rate. Growing a service line requires an initial loss due to the unpredictability of referrals in rural areas and the risk and calculation of years to break even is based on predictability of revenue in other areas. Although we are a non-profit, we are still a business and can only sustain services long-term if we're not operating at a loss. When you take away the predictability of the COLA, providers cannot invest in growing new service lines and cannot maintain services.

Turnover is between 40-45%. For every 3 employees hired, 1 doesn't make it past 3 months, and another doesn't make it past 1 year. Call outs are common and so is burnout from the numerous employees working overtime to fill shifts. In the first 2 years of the Rate Reform System, we saw turnover drop to 22% and employees received meaningful raises; overtime was down to the single digits.

Please provide funding to restore COLAs for essential care and support services in the supplemental budget. Thank you for your time and consideration. I would be happy to answer any questions you may have.

Respectfully Submitted,

Kristin Overton