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**Testimony of Major General Douglas Farnham, Adjutant General / Commissioner,
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**BEFORE THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND
FINANCIAL AFFAIRS WITH THE JOINT STANDING COMMITTEE ON CRIMINAL
JUSTICE AND PUBLIC SAFETY**

"An Act Making Unified 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, 2023, June 30, 2024 and June 30, 2025"

February 14, 2023

Good afternoon, Senator Rotundo, Representative Sachs and Members of the Joint Standing Committee on Appropriations and Financial Affairs, also, Senator Beebe-Center, Representative Salisbury, and members of the Joint Standing Committee on Criminal Justice and Public Safety. My name is Douglas Farnham, and I am the Commissioner of the Department of Defense, Veterans and Emergency Management. I am here today to testify in support of the biennial budget bill, LD 258.

This budget advances the Governor's guiding belief that to build a stronger, more prosperous state where opportunity is available to all, then we must invest in the infrastructure that supports the people of Maine, our greatest asset.

That is why this budget proposal strengthens the very things that Maine people rely on every day to succeed, building on the strong success of the currently enacted budget and the last legislative session to tackle Maine's greatest challenges.

We have governed cautiously and in a fiscally prudent way over the past four years, making sure that – even in the hardest of times during the pandemic – we lived within our means. This budget proposal continues that practice.

We look forward to the discussions over the next several months as we outline each initiative and impact of the proposed investments.

The Department of Defense, Veterans and Emergency Management coordinates and administers the discharge of Maine State Government's responsibility for all military, veterans and emergency management activities through the authorization, planning, provision of resources, administration, operation, and audit of each. In addition to their Federal mission, our Soldiers and Airmen are immediately available to respond to the Governor and citizens of Maine in times of crisis. The Maine Bureau of Veterans' Services provides numerous support services to Maine's 108,000 veterans and manages the 4 Maine's Veterans' Memorial Cemeteries across the State. The Maine Emergency Management Agency is charged with all disaster mitigation, preparedness, response, recovery, and Homeland Security operations within the State of Maine.

My testimony today will focus on the Maine Emergency Management Agency or MEMA.

Administration – Maine Emergency Management Agency 0214

I will address our budget in the order listed in the Public Hearing Testimony agenda and will include programs with and without budget initiatives. I will begin on page A-171, Administration-Maine Emergency Management Agency program.

What the Budget purchases:

The Administration program in MEMA provides leadership, coordination, and support in the four phases of emergency management: mitigation, preparedness, response, and recovery to lessen the effects of disaster on the lives and property of the people of the State of Maine. It also provides guidance and assistance to county and local governments as well as other state agencies in their efforts to provide protection to citizens and property. The state budget provides funding for the required state match for federal grants, to maintain capability and key programs to standard.

The 18 initiatives associated with this program are found on pages A-171 through A-175. Included in those 18 initiatives, are 11 HR-approved, management-initiated reorganizations all of which were included in the FY23 Supplemental Budget, LD 206. These 11 initiatives provide ongoing funding for these approved reorganizations. Nine of these reorganizations enable the Agency to better meet its role in effective grant administration. MEMA has seen a marked increase in grant funding since 2017– with seven new grants assigned to the Agency since that time. Much of this funding is passed through to municipalities, non-profit organizations, healthcare facilities, and other local entities. These position reorganizations will allow the Agency to pass these funds through more quickly and effectively to local stakeholders. The remaining 2 reorganizations, create unique classifications for the Agency's Dam Safety Inspectors and reallocate the costs of those positions to the General Fund. These two positions are incredibly unique in State Government and serve as the sole regulators of dam safety in the State of Maine. Reallocating to the General Fund ensures we maintain the capability to conduct inspections and ensure regulatory compliance of critical infrastructure.

As a result of these 11 initiatives the General Fund will increase \$131,282 in FY24 and \$141,362 in FY25, the Federal Expenditures Fund will decrease \$62,161 in

FY24 and \$53,760 in FY25, and the Special Revenue Fund will increase \$11,768 in FY24 and \$15,777 in FY25.

Of the remaining 7 initiatives, 1 initiative reallocates position funding, 4 establish or make permanent new positions, and 2 initiatives fund services provided by other state agencies. I will first discuss the personnel initiatives and then the administrative proposals.

The personnel initiatives are as follows:

Starting on page A-172:

Initiative # 2: Transfers and reallocates one Director of MEMA position funded 100% Federal Expenditures Fund to 100% General Fund within the same program.

General Fund will increase \$172,245 in FY24 and \$178,783 in FY25. The Federal Expenditures Fund will decrease by the same amount respectively.

The director is appointed by the Governor and serves as executive head of the agency responsible for carrying out the program for emergency management. Given that the director is responsible for all matters of state emergency management (whether or not there is involvement from the Federal Government and/or a nexus to terrorism), this initiative proposes the director position be 100% funded by the state. In addition, this initiative makes available critical homeland security funding to be otherwise used for training, exercise, equipment, and other key expenses.

Initiative # 4: Establishes one Public Service Manager II position to lead a new Preparedness Division at MEMA and provides funding for related All Other cost.

Federal Expenditures Fund will increase \$129,025 in FY24 and \$135,720 in FY25.

This initiative establishes a new, full-time position to lead a new Preparedness Division at the Agency. The Agency currently manages several staff and two, major federal grant programs, all intended to improve the state's preparedness for all hazards through planning, training, and exercise activities. Preparedness staff are currently spread throughout three divisions; this position would allow the Agency to shift them into a single, united division.

Moving on to page A-173:

Initiative # 4: Continues and makes permanent one Contract/Grant Specialist position previously established by Financial Order to act as a Public Assistance Grant Administrator and provides funding for related All Other cost.

General Fund will increase \$103,956 in FY24 and \$108,886 in FY25.

The State of Maine historically receives a Major Disaster Declaration once every 1-2 years, averaging approximately \$5 million in disaster damages for each disaster.

That said, the Public Assistance team has processed in excess of \$180 million dollars in recovery assistance to date for the COVID-19 disaster. This position will be a "Public Assistance Grant Administrator", which is based on the substantial need to expand workforce capabilities and reduce the workload associated with four open Major Disaster Declarations.

Moving on to page A-174:

Initiative # 2: Establishes one Senior Planner position to act as a Resource Management Coordinator and provides funding for related All Other costs.

General Fund will increase \$102,308 in FY24 and \$107,614 in FY25.

This initiative establishes a new, full-time position at MEMA to work in developing State and Local distribution management plans, warehouse inventory and maintenance of emergency supplies, material, vehicles, trailers, or other specialized equipment. Responsibilities for resource management and logistics are currently shared across several Agency staff. As a lesson learned during the state's response to COVID-19, where thousands of resource requests were managed by the Agency, and the recent Logistics Capability Assessment Tool review conducted by FEMA, this initiative brings these functions under a single, dedicated position.

Initiative # 6: Continues and makes permanent one Senior Planner position previously created in Financial Order to function as a Mass Care Coordinator to provide disaster state relations services to include mass care sheltering, feeding, and volunteer agency coordination during and after disaster events.

General Fund will increase \$110,538 in FY24 and \$115,894 in FY25.

This initiative permanently establishes the Senior Planner position previously created by Financial Order. This is to provide disaster state relations services to include mass care sheltering, feeding, and volunteer agency coordination during and after disaster events. The position will also oversee sheltering and feeding planning and preparedness guidance to County Emergency Managements Agency's and their respective communities.

The remaining 2 initiatives for MEMA provide funding for increases in service and rates related to Human Resources, Financial and Information Technology support.

Moving back to page A-171:

Initiative # 1: Provides funding for an increase to statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology within MEMA.

General Fund will increase \$37,100 in FY24 and \$37,100 in FY25. The Federal Expenditures Fund will increase by the same amount respectively in FY24 and FY25.

This initiative represents the projected increased costs from MaineIT for the 2024-2025 biennium.

The final initiative for this program is on page A-175:

Initiative # 1: Provides funding for the increase in services as well as the increased rates for the use of the Security and Employment Service Center for the Maine Emergency Management Agency.

General Fund will increase \$106,616 in both FY24 and FY25.

This initiative represents the projected increased costs from Security and Employment Service Center for the 2024-2025 biennium. In addition, MEMA requires additional services to accommodate the increased workload in accounts payable and complex financial analysis. These factors result in increased billing rates to our department and agency.

The next program under MEMA is also on page A-175.

Emergency Response Operations 0918

What the Budget purchases:

The program funds the State Emergency Response Commission which is responsible to facilitate and coordinate the development of statewide plans to be implemented for comprehensive and effective response to hazardous materials emergencies for the safety and wellbeing of people and the environment.

There are no new initiatives for this program.

The last program under the MEMA is found on page A-185.

Stream Gaging Cooperative Program 0858

What the Budget purchases:

The program funds the state share for the Stream Gaging Cooperative Program. The state funds one-half or less of the United States Geological Survey's cost of flood monitoring, forecasting, and warning on designated Maine streams and rivers.

There are no new initiatives for this program.

This concludes my testimony. My staff and I would be happy to address any questions you may have.