

**Testimony of Kirsten LC Figueroa, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on  
Appropriations and Financial Affairs  
and State & Local Government**

**“An Act Making Unified Appropriations and Allocations for the Expenditures of  
State Government, General Fund and Other Funds 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 17, 2023**

Good morning, Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Nangle, Representative Stover and members of the Joint Standing Committee on State and Local Government. I am Kirsten Figueroa, the Commissioner of the Department of Administrative and Financial Services. I am here today to testify in support of the fiscal year 2024-2025 biennial budget bill, LD 258, specifically those items on today’s agenda relating to DAFS.

This budget advances the Governor’s guiding belief that to build a stronger, more prosperous state where opportunity is available to all, 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 live 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 the impact of the proposed investments.

## **Department of Administrative and Financial Services**

The Department of Administrative and Financial Services (DAFS) consists of ten bureaus, a handful of boards and commissions, and more than 1,200 employees serving the public and all three branches of state government.

The Department has a broad range of responsibilities. We serve as the principal fiscal advisor to Governor Mills, prepare the state budget, coordinate the financial planning and programing activities of state agencies, prepare the financial records of the state, and advise the Maine Legislature on the economic status of the state and financial statutes of state government.

Additionally, DAFS oversees all aspects of: human resources, including employee benefits, contract negotiations, recruiting, retaining, training and performance; information technology services, including cyber security, data management, application development, project management, technology infrastructure, accessibility, and network services; maintenance, repairs and capital improvements of state-owned buildings and grounds; leased space; procurement, contracting and vendor management; state postal services; surplus property; tax collection, tax law and tax policy; and fleet management.

Various internal services for state agencies are provided by the Department, including review of accounting transactions and procedures and the implementation of account controls. We oversee three state-owned landfills. We also administer the state's lottery operations, medical and adult use cannabis programs, and the sale of distilled spirits within Maine's borders.

DAFS employees are respected as conscientious stewards of the State's assets: fiscal, human, physical and technical. We are valued for the professional expertise we provide that ensures State departments and agencies efficiently, effectively, and economically fulfill their important missions for the people of Maine. We lead and collaborate with open doors, open minds, and open hearts.

Before we get into the specifics, I'd also like to discuss a few components that you will hear throughout all department budgets that involve DAFS.

The first is internal service funds.

The Department of Administrative and Financial Services develops, delivers, and maintains centralized government systems that support the financial, human resource, physical and technological infrastructure of state government.

This allows the other departments to focus their expertise on their Department and statutory priorities – the state’s natural resources, education, health and human services, etc. - while we guide, support and innovate within our areas of expertise.

Centralized Services Internal Service Funds include:

Service Centers within DAFS provide centralized accounting, payroll, budgeting and human resources services to departments and agencies.

MaineIT is responsible for the delivery of safe, secure, and high-performing networks and systems to State Agencies for daily performance of their missions for the citizens of Maine. IT enterprise functions benefitting all state agencies are managed through this office to ensure consistency, volume discount efficiencies, and optimum performance and throughput.

Central Fleet Management (CFM) within DAFS centrally procures, distributes and disposes of passenger and light truck vehicles. CFM handles many aspects of vehicle service including writing vehicle specifications, ordering vehicles, providing drivers with maintenance schedules, service assistance, fueling resources, insurance protection, and accident information processing.

The Division of Risk Management within DAFS provides high quality insurance, loss control and claims services to all state agencies, the State's higher education institutions and some quasi-state agencies at the lowest possible cost.

Central Services within DAFS provides a wide range of mail services, including interoffice mail, as well as disposition of state surplus materials and equipment no longer needed by the state agency that purchased them. This group also manages federal surplus property.

All components of an internal service fund, including staff, All Other and capital, are included in our Internal Service Fund budgeting. Personal Services increases the result of collective bargaining, or any other Personal Services action, as well as increases to

All Other costs for various reasons, including vendor increases or supply chain costs, etc – just like with any agency – impact these budgets. Internal Service Funds are meant to recover the costs of providing the service. We bill agencies for these services and they pay us with All Other funds.

In this biennial budget, DAFS has adjusted these rates as they hadn't been in a number of years. Agency All Other funds are not increased in the baseline to reflect the increased costs of the ISFs, so statewide we will all include initiatives for additional All Other to cover these services.

Next is reclasses.

As we discussed in the supplemental, Civil Service Rules require the Director of the Bureau of Human Resources to maintain the classification plan and establish the processes and procedures with which to do so. There is a long-standing process in place to evaluate proper classification of positions and determine through a functional job analysis whether a position meets the requirements for reclassification, including any pay adjustment. The State's collective bargaining unit agreements include negotiated language related to this process. Reclasses may be employee or management initiated. Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. In the biennial, the initiative might be already approved by BHR or pending – the initiative will indicate the status. Reclass initiatives in Part A of the budget are necessary to fund these approved actions, which is required before the reclassifications can be processed and paid. Reclass initiatives in Part B are self-funded.

DAFS has five committees of jurisdiction – plus significant interaction with the Joint Standing Committee on Appropriations & Financial Affairs.

The following seven divisions (really 6.5), of our ten, fall under the jurisdiction of the Joint Standing Committee on State and Local Government and will be covered in this testimony:

- State Economist, part of the Office of the Commissioner
- Office of the State Controller

- Bureau of the Budget
- Bureau of Human Resources, excluding the Office of Employee Health and Benefits, and the Office of Workers' Compensation
- Division of Financial and Personnel Services (Financial/Human Resource Service Center)
- MaineIT (former Office of Information Technology)
- Bureau of General Services

We've also distributed to Appropriations members our Orientation document presented earlier in the month to the Joint Standing Committee on State and Local Government, which has more details about the various inner workings of these divisions of DAFS. I am incredibly passionate about DAFS and our DAFS team. I do have a lot of words to say as we describe and advocate for our budget, but still there's so much more in the report.

I will discuss budget initiatives by division, in the above order – the order in which they appear in the Orientation document, except that we moved Financial and Personnel Services – rather than in page number order, as I believe it is less complicated and provides a clearer picture of our operations and responsibilities.

One more thing before the details. I'd like to take a moment to thank the amazing people who oversee key elements and these SLG components of the Department – in the spirit of efficiency, they aren't in the room today, but will be available for work session – and all of the DAFS employees who are performing the work I'm about to detail day in and day out. They are dedicated and incredible.

### **Office of the Commissioner – Administrative & Financial Services (0718)**

Starting with the Office of the Commissioner on **page A-37**. Generally, the Office of the Commissioner provides strategic direction for the various bureaus and divisions of DAFS – primarily as it relates to policy and communication with the various segments of State government and the outside world, including the Governor, Legislature, the media, etc. Each bureau within DAFS reports to the Commissioner's Office.

The Office also includes the State Economist and her staff. The Office of the State Economist is responsible for tracking and analyzing economic and demographic trends in support of policy development. The Office maintains – and presents on – various modeling and analytical tools with the capability to do economic impact analysis, demographic projections, long-term and short-term economic forecasting, and statistical analysis. As designated by statute, the State Economist is a member of the Revenue Forecasting Committee, and the office provides staff support for both that committee and the Consensus Economic Forecasting Commission. The Office also serves as a liaison between the state and the U.S. Census Bureau, including designation as the State Data Center lead agency for Maine.

The General Fund annual appropriation of approximately \$2 million funds 4 positions in the Office of the State Economist and 8 positions who oversee the various efforts of the Department of Administrative and Financial Services and who seek to continually improve the quality of services provided by the Department.

There are two initiatives in this program.

The first initiative increases All Other appropriations by \$3,550 in each fiscal year to cover the increased cost of the econometric models used by the State Economist and the Office of Tax Policy. This is a shared cost between the Office of the Commissioner and the Bureau of Revenue Services. The Bureau of Revenue Services request may be found on the bottom of **page A-44**.

The second initiative provides funding for the Office's share of the financial and human resources service center. Service Centers within DAFS provide centralized accounting, payroll, budgeting and human resources services to departments and agencies. Service Centers are established as an internal service fund intended to recoup their costs through billings to departments and agencies for services provided.

### **State Controller – Office of (0056)**

The budget for the Office of the **State Controller** is on **page A-51**. The Office is responsible for maintaining and reporting all state financial transactions. Staff analyzes fiscal transactions and payrolls to ensure legality and correctness. The Office is responsible for appropriation, allocation and allotment control including the review

and approval of all accounting transactions within AdvantageME, the automated production system for accounting and payroll services. In addition, the Office of the State Controller provides internal audit support for the agencies that comprise state government. Official financial records for all state agencies are administered by this Office. The Office's Financial Reporting Unit prepares and publishes the State's Annual Comprehensive Financial Report based on Generally Accepted Accounting Principles (GAAP). Additionally, OSC provides insurance advice and services for all forms of insurance for State Government. Other areas of responsibility include: travel and expense policy, central payroll processing, fixed asset inventory, and Federal single audit resolution.

There are 27 positions within the Office of the State Controller; the annual budget is approximately \$3.5 million. There are 8 initiatives in this program.

The first initiative provides \$8,000 in each fiscal year for technology services provided by the Maine IT.

The second initiative provides \$25,000 in each fiscal year for training and tuition reimbursement for the Office's professional staff. Currently, there are nine positions in the bureau that require professional certifications and eleven employees who maintain professional certifications, including Certified Public Accountants (CPA), Certified Internal Auditors (CIA) and Certified Information Systems Auditors (CISA). These certifications require at least 40 hours of continuing education each year to maintain proficiency in their areas of responsibility. These certifications and training are necessary to allow staff to stay current with their expertise.

The third initiative provides \$25,000 each year for contractual services to provide training to agency partners for enterprise-wide systems such as the AdvantageME accounting system and DocuWare electronic content management system. The Bureau provides these systems with ongoing enhancements for thousands of agency users and this funding will help us to provide current training materials and resources. As systems are upgraded, new staff are hired, and processes are adjusted for new rules and/or efficiencies, it's important to ensure users have current information, training and understanding.

The fourth initiative provides \$14,494 in fiscal year 24 and \$15,286 in fiscal year 25 in Personal Services to increase the hours of one Accounting Technician position from 64

hours to 80 hours biweekly to support statewide vendor master file updates and vendor inquiries due to increased transaction volume, to mitigate increased cyber fraud attempts and to provide appropriate segregation of duties in the Accounting Division.

Turning to **page A-52**, the first initiative on this page provides \$81,001 in fiscal year 24 and \$85,172 in fiscal year 25 in Personal Services and \$5,375 in related All Other costs in each year to establish one Staff Accountant position to support accounting transaction review and approval due to increased transaction volume and to provide appropriate segregation of duties in the Accounting Division. There continues to be a significant increase in the volume of transactions each year. In recent years, some transaction types have more than doubled because of increases in funding at both the state and federal level. Disbursements and accounting journals make up the bulk of the volume increase as additional accounting and reporting requirements accompany most of the federal reporting. Even for temporary ARPA programs (like the Jobs Plan), the accounting and reporting requirements will continue for several years. In fiscal year 2022, we processed more than 2.1 million disbursements and more than 4.6 million financial transactions. Additionally, there has been an increase in external fraud attempts (e.g., vendor EFT modifications, social engineering, etc.). OSC has instituted a multifaceted approach to address these issues, including greater use of electronic document processing, automated validation and verification, and risk-based auditing. Even with these changes, staff must devote additional time to review transactions and to perform appropriate due diligence during the approval processes.

The next initiative provides \$20,014 in fiscal year 2024 and \$20,009 in fiscal year 2025 in Personal Services to reclassify two Public Service Manager II positions to better align their compensation with the levels of responsibility and accountability for the work activities associated with managing statewide accounting for more than \$12 billion of general, federal and other special revenue funds, and statewide payroll activities for more than 12,000 state employees.

The final two initiatives provide funding for increases in insurance coverage through the Division of Risk Management and the financial and human resources service center.

### **Risk Management (0008)**

**Risk Management**, on **page A-47**, managed by the Office of the State Controller, is the internal service fund for insurance. There are 5 positions in the Risk Management

Division who are committed to providing high quality insurance, loss control and claims services at the lowest possible cost to all state agencies, the State's higher educational institutions and some quasi-state agencies. The Division annually reviews the entire subject of insurance as it applies to all State property and activities (except for workers' compensation and health benefits); develops and maintains accurate records of all insured buildings and contents, State-owned vehicles, aircraft, and ocean marine equipment; and gathers and evaluates other pertinent information to properly apply insurance coverage. The Division insures 4,300 buildings; 18,500+ employees; 4,300 vehicles; 6,000 watercraft; 19 aircraft; and 20 drones.

There are three initiatives within the Risk Management-Claims program.

These changes combined will allow the Risk Management Division to address increases in claim costs, changes in the cost and availability of insurance in the marketplace, and increases in demand for underwriting activities.

The first initiative provides \$7,241 in fiscal year 2024 and \$12,732 in fiscal year 2025 in Personal Services to reclassify one Public Service Manager II position to a Public Service Manager III position to better align with the work activities associated with risk management claims.

The second initiative provides \$122,487 in fiscal year 2024 and \$129,126 in fiscal year 2025 in Personal Services to establish one Public Service Manager II position to assist with managing the Division of Risk Management and to oversee the division's staff and statutory responsibilities. Loss prevention, subrogation and claims management activities have increased as we better manage the State's risk of loss. Risk Management performed an additional 251 property inspections and 24 property audits in 2022, resulting in an additional \$60,000 in cost recoveries over the prior two-year average. The number of policies processed has increased an average of 24% per year over the past three years. This additional position will assist with the implementation of a new claims management system; expand loss prevention and cost recovery activities to reduce the State's risk of loss; and better manage insurance lines to minimize future costs for insurance.

The final initiative increases the All Other allocation in the Risk Management Fund by \$2,000,000 in each year to cover increased claim activity. Adjusting this allocation will reduce the need for mid-year financial orders.

## **Budget – Bureau of (0055)**

Moving to **page A-12**, the **Bureau of the Budget** manages all aspects of the state budget on behalf of the Governor. The Bureau is responsible for carrying out the program initiatives of the Executive Branch within the limits of legislative oversight to achieve the most effective program outcomes and results within available budget resources. The State Budget Officer and her staff are responsible for: supporting the Governor in the submission of budget documents to the Legislature; managing the annual Work Program; and budget and position analysis and control. Since 2019, the Bureau has submitted 8 budgets and 6 change packages. In addition to the Maine Jobs Plan and the recent Winter Energy Relief Package.

The Bureau of the Budget also compiles and issues the Maine State Government Annual Report; is responsible for preparing and submitting the four-year revenue and expenditure forecast for the General Fund and Highway Fund; and the State Budget Officer serves as a member of the Revenue Forecasting Committee and as a member of the State Procurement Review Committee.

There are 13 positions within the Bureau of the Budget: 12 are funded by the General Fund and 1 by the Highway Fund. The combined annual budget for the Bureau is just over \$1.8 million.

There are four new initiatives in this Program. The first three initiatives provide funding for increases related to centralized services provided by the Department of Administrative and Financial Services, Maine IT, Division of Risk Management, and the financial and human resources Service Centers. The total impact of these three initiatives is a General Fund increase of \$16,900 in fiscal year 2024 and \$17,400 in fiscal year 2025 and a Highway Fund increase of \$180 in each fiscal year.

The final initiative in the Bureau of the Budget provides funding for the proposed reorganization of a Public Service Coordinator I position to better align with the position's responsibilities. This initiative increases General Fund appropriations by \$6,357 in fiscal year 2024 and \$9,661 in fiscal year 2025.

## **Administration – Human Resources (0038)**

We start on **page A-5** with the Bureau of **Human Resources**. The Bureau is responsible for statewide human resources policy and procedure, including the administration of the State government's civil service system, employee relations activities, collective bargaining, recruitment and retention of State employees, statewide human resources programs, classification and compensation, performance evaluation, training, the State employee benefits package, deferred compensation plan, the State's workers' compensation plan, and equal employment opportunity policies and practices.

BHR includes the Division of Talent Management, Compliance Division, Office of Employee Relations, Field Services – responsible for delivering direct human resources services to most of the executive branch – as well as Office of Employee Health and Wellness and Office of Workers' Compensation and is supported with a General Fund appropriation of approximately \$3.2 million, most of which funds the 22 positions within the Bureau.

There is also an Other Special Revenue account, which had been used when BHR billed agencies for training. Training is now coordinated and provided on an as needed basis and funded directly by the bureau itself and/or agencies.

The first initiative in this program transfers one Public Service Coordinator I position from the Human Resources program General Fund account to the Financial and Personal Services Fund program, Internal Service Fund account. This position supports all human resources functions for the agencies covered by the General Government Service Center. This initiative will align work effort with appropriate funding and allow the costs associated with this position to be rebilled to the several agencies that this position supports. The initiative results in a General Fund decrease of \$98,037 in fiscal year 2024 and \$103,271 in fiscal year 2025. The corresponding initiative transferring the position into the Service Center can be found on **page A-26**.

The second initiative establishes one Public Service Coordinator II position to provide expertise to the bureau in the legislative and rulemaking processes and provides funding for related All Other costs. This position, serving as a Policy Analyst, will provide expertise to the bureau in the legislative and rulemaking processes, working closely with the department's legislative liaison, BHR Human Resources Officer,

Executive Director of Employee Health and Wellness, and Director of Workers' Compensation. This position meets the critical need to provide the bureau with expertise in review and analysis of legislation, preparation of summaries, drafting of testimony, and calculation of fiscal impact, as well as the critical need to initiate the rulemaking process to update Civil Service and other rules. This is consistent with other divisions within DAFS with a high volume of legislative and rulemaking activity such as Maine Revenue Services and the Office of Cannabis Policy. This initiative increases General Fund appropriations by \$127,862 in fiscal year 2024 and \$134,501 in fiscal year 2025.

The final initiative on **page A-5**, establishes one Public Service Coordinator I, as a Human Resources Analyst position, to provide expertise on classification and compensation and provides funding for related All Other costs. The classification and compensation group is responsible for: the evaluation of functional job analysis for position reclassifications, whether management or employee initiated; any and all efforts to reorganize and realign workforces for efficiencies and to ensure statutory obligations are met; establishment of new positions established through budget or financial order; minimal qualifications development for job postings; and, ensuring consistent statewide compensation commensurate with assigned duties. This is the unit responsible for the ongoing efforts of the Classification and Compensation Study meant to review the State's 40+ year old system for classifying, compensating, and rewarding State employees to attract and retain qualified employees. This effort, in addition to the day-to-day efforts of this small but mighty unit, involves in-depth discussion with every department in state government; market pay analysis and evaluation; classification systems' evaluation; and outreach to other states.

Specifically, this position will focus on functional job analysis evaluations (FJAs), including efforts to reduce the time for processing employee-initiated filings to limit future State liability. The number of FJAs has nearly doubled in the past two years, from 437 to 749, representing nearly 1,200 positions. There are currently only two permanent full-time positions doing this work. We have supplemented with a limited period position created with Maine Jobs funds, but that position a) is currently vacant and b) ends this October. This position would result in a permanent team of three, which is still fewer than needed. The backlog of FJAs, which has historically been fewer than 100, has grown to more than 190. Departments need these reviews timelier as job postings, filling vacant positions, starting new legislatively or federally awarded work, and reorganizing and realigning workforces for efficiencies and to ensure

statutory obligations are met, rely on these evaluations. This initiative increases General Fund appropriations by \$111,544 in fiscal year 2024 and \$117,273 in fiscal year 2025.

Turning to **page A-6**, the last initiative in BHR establishes one Public Service Coordinator II position to perform professional services work in the highly specialized area of diversity, equity, and inclusion and provides funding for related All Other costs. DAFS-BHR leads this effort for all state government by coordinating: strategic planning; agency DEI staff; training; and hiring practices. This position is critical to ensure the necessary expertise for continuing the important work already underway through a limited period position to educate and develop human resources professionals, State leadership, and employees on diversity, equity, and inclusion. The research is clear: providing a welcoming environment for all employees is critical to ensuring our workforce feels safe, recognized, and valued. This is a key component to elevating Maine state government as an employer of choice. Being an employer of choice places the State in the best possible position for ongoing recruitment and retention efforts. This initiative increases General Fund appropriations by \$127,862 in fiscal year 2024 and \$134,501 in fiscal year 2025.

### **Workers' Compensation Management Fund (0802)**

The **Workers' Compensation Management Fund** is on **page A-58**. This division of 13 provides direction, management, and technical assistance in the administration of life-impacting workers' compensation cases for all state employees within the 3 branches of government at all locations throughout the state. The Workers' Compensation Management Fund is established to provide for the expenses related to the resolution of workers' compensation claims including: records and information management; investigation; medical review; representation; rehabilitation; payment of compensation; appropriate medical expenses and other payments required by the Workers' Compensation Board; the settlement of cases; and other related and necessary expenses.

There are four new initiatives in this program.

The first initiative continues and makes permanent one Public Service Coordinator I position previously established by Financial Order 001935 F2. This position is necessary to ensure timely and comprehensive management of Workers'

Compensation cases. Specifically, this position: audits workers' compensation claims, which ensures compliance and prevents costly penalties and fees; handles a small caseload to ensure effective coverage of claims, along with career development; maintains legal spreadsheets for all claims to ensure our legal partners have updated file and claim information; tracks all medical-only claims that have work restrictions for proper reporting to the Workers' Compensation Board; schedules and prepares medical packages, and creates medical indices for case manager review, and for our legal and medical partners. Most importantly, this position allows Case Managers to perform the higher-level tasks necessary to manage claims appropriately and effectively. The initiative increases the Workers' Compensation Management Internal Service Fund Personal Services allocation by \$98,343 in fiscal year 2024 and \$103,712 in fiscal year 2025.

The second initiative establishes one Public Service Coordinator I position to provide oversight and training for the Human Resources Assistants (HRAs) in Workers' Compensation and to assist with the processing of worker compensation claims. The HRA position has high attrition, so this new oversight position will enable two things: 1) a pathway for career development in the office and 2) consistent oversight and training of current and future HRAs.

HRAs are an integral part of our time sensitive claims processing system as they process all first reports of injuries filed with our office, which must be filed with the Workers' Compensation Board within 7 days in most cases. They perform the initial investigation by contacting all parties involved, including obtaining medical documentation necessary for case management review. HRAs also process medical bill payments as well as other reimbursements to injured workers. These payments must be made within 30 days of receipt, adding on to other time sensitive matters they handle. There are currently three HRAs, so this position will maintain responsibility for some claims processing, but at a lower percentage. HRAs are typically assigned departments, and each is responsible for about 315 or more claims – up to 550 at the height of the pandemic.

The initiative increases the Workers' Compensation Management Internal Service Fund Personal Services allocation by \$91,030 in fiscal year 2024 and \$96,337 in fiscal year 2025.

The final two initiatives in this program fund proposed employee-initiated reclassifications. These initiatives would increase the Fund's Personal Services allocation by a total of \$16,290 in fiscal year 2024 and \$25,203 in fiscal year 2025.

### **Financial and Personnel Services – Division of (0713)**

On page A-26 is the **Division of Financial and Personnel Services** internal services fund program, which is organized into five service centers that provide consolidated and centralized administrative, financial and personnel management services to most Executive Branch departments and agencies. There are 275 positions and an annual budget of approximately \$29 million.

There are ten initiatives in this program.

The first initiative provides funding to increase the hours of one part-time Public Service Coordinator I position from 20 hours to 40 hours biweekly to support the operations of all Service Centers, including development of metrics, improved financial reporting, and creating and tracking performance measures. Additionally, this position will assist with reviewing, analyzing, and supporting the division's Service Center in creating value added reports for agency partners to better manage budgets and simplify financial tracking. This is an increased allocation of \$27,688 in fiscal year 2024 and \$27,677 in fiscal year 2025.

The second initiative is the transfer of one Public Service Coordinator I position from the Human Resources program, General Fund, that I discussed in the Bureau of Human Resources on page A-5, to the Financial and Personnel Services Fund program, Internal Service Fund. This initiative will align human resources work effort with appropriate funding and allow the costs associated with this position to be rebilled to the several agencies that this position supports. The initiative results in a General Fund decrease of \$98,037 in fiscal year 2024 and \$103,271 in fiscal year 2025, and a corresponding increased allocation in the Financial and Personnel Services Fund for the same amounts.

The third initiative establishes one Accounting Technician position, one Staff Accountant position, one Senior Staff Accountant position, and provides funding for related All Other costs within the General Government Service Center. Over the years, the GGSC's workload has increased as new programs and agencies have been added;

however, the position count in this division has been reduced. These positions are needed to process transactions, process payment approvals, and complete daily transactional work and data entry. Currently this work is being performed by our Managing Staff Accountants. This initiative is necessary so the Managing Staff Accountants can focus on strategic work including analysis; financial and budgetary reviews, reconciliations and reports; training; and more interaction with and guidance to our agency partners. This is a total allocation of \$258,795 in fiscal year 2024 and \$271,794 in fiscal year 2025.

The last initiative on **page A-26** establishes one Office Assistant II position and one Accounting Analyst Supervisor position within the Security and Employment Service Center. The SESC has taken on additional workload due to reduced staff and high turnover at one of our agency partner's business office. Work includes developing a consistent and reasonable cost allocation method; increased involvement in grant management, reporting and compliance with federal cash management requirements; and specialized tracking of "disaster" and "pre-disaster" costs for identification and federal cost recovery. Additionally, there is an increased volume of work due to the addition of two new small agencies as well as for the Departments of Labor and Public Safety due to additional grant funding. This is a total allocation of \$186,143 in fiscal year 2024 and \$196,198 in fiscal year 2025.

Moving to the top of **page A-27**, this initiative increases All Other allocation by \$240,148 in fiscal year 2024 and \$232,963 in fiscal year 2025 to fund statewide technology services provided by Maine IT.

The next initiative increases the hours of one Staff Accountant position from 54 hours biweekly to 80 hours to support the additional accounts and agency partners assigned to the General Government Service Center. This is \$26,335 in fiscal year 2024 and \$27,711 in fiscal year 2025.

The third initiative on this page funds the proposed reclassification of one vacant Office Associate II position to an Accounting Analyst position to support federal grant management within the Natural Resources Service Center. Increased review at the federal level and more rigorous reporting requirements have led to the need for additional resources to fully support this workload. Failure to approve this action may lead to audit findings and the potential loss of federal funding. This is increased allocation of \$16,238 in fiscal year 2024 and \$16,470 in fiscal year 2025.

The next initiative establishes one Public Service Coordinator I position to support human resources activities for the Department of Health and Human Services and provides funding for related All Other costs. This position will support human resources activities and the more than 3,000 positions in DHHS, the state's largest department, including processing of family medical leave, Americans with Disabilities Act claims, and hybrid work support. This is increased allocation of \$111,544 in fiscal year 2024 and \$117,273 in fiscal year 2025.

The next initiative provides funding to increase the hours of one Public Service Manager I position from 64 hours biweekly to 80 hours to support human resources activities within the Security and Employment Service Center.

The final initiative in this program provides funding to increase the hours of one Accounting Associate I position from 32 hours biweekly to 80 hours to support accounts payables including intake, review of documentation, and transaction processing for agency partners for the Security and Employment Service Center.

### **Central Administrative Applications (Z234)**

On page A-18 is the **Central Administrative Applications** program. This program was established to segregate costs related to the State's centralized computer applications such as those used for accounting, budgeting, payroll, online document storage, hybrid work management, data warehouse and other statewide applications.

There are three initiatives in this program.

There are two initiatives that fund internal service funds. The first and third initiatives increase funding for the program's share of the cost for the financial and human resources service center and statewide technology services provided by Maine IT.

The other initiative provides \$1,371,117 in each year to support statewide software systems used to process, control and report on the State's financial information. Costs are related to upgrades necessary to the state's financial and online content management systems; systems to manage and track hybrid work environment, including office space reservations; and to add capacity to our online processing system to convert more paper-based processes to electronic.

## **Information Services (0155)**

Next, on **page A-29**, is Information Services also known as Maine IT. Maine IT provides centralized direction, coordination and oversight to information technology policy making, planning, architecture and standardization, with the focus on delivery of effective information technology services. This includes responsibilities over information technology leadership, communications, planning, financial performance management, procurement and contract management, and resource management.

The goal of MaineIT is to manage technology from the perspective of the entire enterprise, utilizing common architecture and infrastructure, ensuring a unified vision and strategic plan through effective project management, accountability and establishment of statewide priorities. The General Fund component funds areas within the Office of the Chief Information Officer and statewide initiatives such as security, business continuity, and disaster recovery planning. The Internal Service Fund includes 419 positions and, as an internal service fund, is funded by the Executive Branch agencies that utilize any number of MaineIT's dozens of services, including radio services, telecommunications, desktop support, help desk, and applications development. Additionally, the Chief Data Officer provides data stewardship and communication to ensure valid and reliable data are protected and available for legal and ethical use/reuse for data driven decision making throughout state government. MaineIT supplements its state workforce with contractors who assist with project work and specialized technology needs.

There are six initiatives in this program.

We will start with the second initiative on the page requesting General Fund appropriations of \$3,595,000 in fiscal year 2024 and \$4,095,000 in fiscal year 2025. This represents the ongoing strategic investments in our State's cyber resiliency to improve our capability of safeguarding State networks and infrastructure against cyber-attacks as part of MaineIT's Security Plan. The Governor proposed and the Legislature agreed that enterprise security should be funded with General Funds. In the FY22/23 biennial the Legislature split the roughly \$8.2 million request between General Fund and Maine Jobs during the pandemic response. At the time, it was noted that ongoing General Fund funding is key to maintaining these protections. The investments span prevention, response, and the critical training of State employees.

Over recent years, the cyber threat landscape has become increasingly volatile and more complex, emphasizing the need for targeted funding to remediate the most critical gaps in our information security preparedness. Cyber-attacks against public sector IT assets and entities continue to proliferate, posing one of the most significant risks to our state's ability to deliver secure and reliable services to our citizens while safeguarding the sensitive data entrusted to our care. The threat landscape has only continued to increase in frequency, sophistication, and complexity since the onset of the pandemic, creating unprecedented challenges for the State in its mission to safeguard the confidentiality, availability, and integrity of citizen data.

In any organization, employees are the main source of breaches with 85 percent of breaches involving a human element. Through appropriate training and awareness initiatives, we aim to substantially reduce the risk to essential services due to user error, insider threats, or exploitation of users. For our cyber security tools to work, Maine needs to be successful 100 percent of the time.

The State has begun to make significant strides in shoring up our enterprise security in an environment fraught with risk. Nationally, cyber-attacks against state and local governments continue to increase and we are on the frontlines of defense. As cyber-attacks, especially ransomware, continue to increase in volume, variety and sophistication, a growing number of victims are state and local governments and school districts. To lead on cybersecurity, we must continue to prioritize cybersecurity funding for initiatives that strengthen, improve, and promote our State's Information Security Program, build the capacity of our state's cybersecurity workforce pipeline, promote adoption of best practices and enhance security awareness at all tiers of government.

The State's general fund investments in information technology have enabled significant strides towards greater protection of the enterprise. Specifically, these funds have allowed MaineIT to prioritize three levels of effort:

1. Improving the breadth and depth of our information security professional staff. While we continue to have shortfalls in cybersecurity personnel, we have had success in onboarding six out of 8 of the positions requested in the Governor's Recommended Supplemental Budget for FY 2022 and 2023. These knowledgeable and skilled information security professionals are working to implement and operationalize OIT security initiatives, identifying a broad array of security risks on our network, and ensuring that security measures are up-to-date and effective. These professionals play

a key role in protecting the State's sensitive information assets and ensuring compliance with various federal and state information security regulations and standards.

2. Improvements to Automated Information Security Tools and Infrastructure. Information security tools play a critical role in protecting the State's network from cyber threats and potential data breaches. These tools help to secure sensitive information and prevent unauthorized access to sensitive data, such as personal information, financial information, and confidential government documents. These tools work together to provide a multi-layered defense against cyber-attacks and data breaches, helping to ensure the integrity and confidentiality of the state's sensitive information.

3. Matching funds for the IJJA State and Local Cybersecurity Grant Program. State matching funds from Public Law 2021, chapter 635 leveraged federal cybersecurity funding from the 2021 Infrastructure Investment and Jobs Act's (IIJA) State and Local Cybersecurity Grant Program. This Grant Program provides an opportunity to fund initiatives that will move all levels of government towards baseline cybersecurity readiness and will incentivize collaborative partnerships at the federal, state and local levels. This initiative recognizes the high degree of interconnectedness of our state and local entities and will raise our collective cyber readiness to help our communities statewide become more secure. Maine continues to encourage the federal government to expand its funding for cybersecurity issues as fraud, scams, and breaches are a state, national, and global threat.

Additionally, progress would not have been possible without the funds provided through the Maine Jobs and Recovery Plan (MJRP). These included the State Cybersecurity Program for \$8,173,402 and Business Continuity Plan for Information Technology for \$6,000,000. These funds were part of the planned \$40 million "to invest in targeted upgrades to make State systems more user friendly, as well as cybersecurity needed to ensure safe State operations." To cite specific improvements, MaineIT has:

1. Implemented new security practices and resources to continuously review, evaluate, and remediate security vulnerabilities as part of the continuous monitoring strategy;

2. Established audit and compliance capabilities with security and privacy laws, rules, and regulations to protect federal and state sensitive data;
3. Partnered with security vendors to provide 24/7 security monitoring of the State of Maine environment, making the enterprise less vulnerable to cyber-attacks and data breaches;
4. Enhanced and implemented capabilities that enable Endpoint Detection and Response functions to support a hybrid workforce;
5. Enhanced email security capabilities to tighten protections and mitigate threats; and
6. Increased capacity to address security gaps and to address threats to the State of Maine.

MaineIT had a third-party security vendor conduct a security and privacy control assessment in 2019 against standards set by the National Institute of Standards and Technology (NIST). MaineIT ascribes to security and privacy controls set by NIST as these are the same standards used in all federal compliance requirements and by the State of Maine in audits conducted by the Officer of the State Auditor. Another, recently concluded assessment conducted by the same third-party security vendor showed a nine percent increase in our security and privacy control implementation. While this is a modest gain, this is a good news story when you consider NIST substantially increased the number of security and privacy controls required of an entity. NIST controls are generally used to enhance the cybersecurity framework, risk posture, information protection, and security standards of organizations. Specifically, NIST added 66 additional security and privacy controls and 149 control enhancements.

These general funds will be needed to offset what is currently being funded by MJRP. While we are constantly assessing what will be required to “appropriately fund” cybersecurity, this is a complex undertaking due to the ever-evolving nature of the cyber landscape and technology improvements and enhancements. What we know now is, our assessment shows areas we need to improve and certain areas where we need to catch up to minimal standards. We continue to have a lot of work ahead of us to reduce the risk to our IT infrastructure in our current cyber threat environment. We greatly appreciate your support as we continue working to understand the complex and

emerging cybersecurity risks that we face as a State. We are committed partnering with you to safeguard the State's IT infrastructure and the information entrusted to us by Maine residents.

The next initiative is on the top of **page A-30** and increases General Fund support by \$772,150 in each fiscal year. The technology industry is one of the fastest-growing industries in the United States. Computing professions are growing more than twice as fast as the average for all occupations, and significantly faster than most other science, technology, engineering, and math career fields. For the public sector, changing the approach to searching for new talent is essential to begin closing the workforce gap.

The public sector needs to use its strengths to encourage young people, veterans, and near-retirement workers to join the public sector – to both give back and use their talents to move public organizations forward. We believe our Intern/Mentorship Program addresses not only those entering the workplace but infuses the existing workforce as they train and mentor interns. This dual approach allows talent to grow from within to gain supervisory skills to enhance their own development and posturing them to become tomorrow's leaders.

The cost to hire interns, who complete the same level and quality of work as entry-level state employees, is significantly less than hiring a full-time employee to serve in the same role. This, coupled with the benefits of developing our current workforce and attracting new talent makes the value of this program to the State, IT, and citizens, immeasurable.

Currently no funding model exists to support a robust internship program within MaineIT. Agencies wishing to support an IT intern must identify the funding for that intern from within their agency. Many agencies have come to greatly appreciate their intern workers, many of whom transition to state employees when positions for full-time hire are available.

MaineIT is requesting \$722,150 in each year to support the internship program.

Skipping the fourth initiative, the next initiative establishes four positions in the Project Management Office to be billed to agencies as the services are used. The Project Management Office provides oversight and accountability for successful project

implementation by applying nationally recognized best practices to ensure projects are completed on time, within budget, and meet original goals while avoiding scope creep. The PMO provides a full array of project management services through the entire lifecycle of Projects and Initiatives critical to ensure the State's interests are met and intended outcomes are achieved.

The PMO continues its effort to replace costly staff augmentation contractors with state employees. Using State employee staff allows the PMO to gain the efficiency of assigning project managers to multiple projects, the benefits of ongoing training and familiarity with state projects and processes. By using state employees, quality is increased, and dollars are saved. A contracted project manager can only work on one project at a time while state employees have consistently and effectively managed 2-5 projects at a time. High quality project management has been proven to reduce unexpected expenditures, delays, and even project failures and deliver high quality results. This results in increased internal service fund allocations of \$564,620 in fiscal year 2024 and \$593,068 in fiscal year 2025.

This next initiative for MaineIT establishes two positions to support the Department of Defense, Veterans, and Emergency Management. These positions are required to acquire and maintain US Secret Service security clearance to work on DVEM's systems. They will be funded through DVEM (see corresponding request on page A-179) with \$232,715 in fiscal year 2024 and \$244,602 in fiscal year 2025.

Now to talk about various geospatial requests.

The first initiative on page A-29 establishes one Public Service Coordinator I position and one System Analyst position in the General Fund to service Geospatial mapping needs within the Maine GeoLibrary and provides funding for related All Other. The Maine Library of Geographic Information (GeoLibrary Board) was established in 2002 through State statute to expand and promote the value of geographic spatial data through widespread distribution and innovative use for the benefit of Maine's citizens. The GeoLibrary Board is comprised of public and private stakeholders who, among other tasks:

- Collect, maintain, and determine how to use geospatial information system data.
- Support and maintain a state-of-the-art, comprehensive, and ever-expanding portal to public geospatial information and services.
- Reduce redundancies in the creation, verification, and maintenance of public geographic information to enhance its utility for complex analyses.
- Develop services to facilitate generalized access for and use of data by governmental agencies and the public.

MaineIT has historically augmented support for the GeoLibrary Board using two partially dedicated resources, totaling about 30 hours each week collectively. These staff hold roles that are intended to be dedicated full time to supporting Maine State agency needs. Our attempt to leverage existing resources in a part-time capacity to support the GeoLibrary Board has caused both this, and their primary focus area, to suffer. Attempting to divide time between two separate areas of focus hinders our ability to maintain a balance of ensuring both State of Maine agencies and the GeoLibrary Board are fully and adequately served in all Geospatial Information System initiatives.

The practice of leveraging our resources in this manner to support both GeoLibrary Board and Maine Geospatial Information Systems initiatives is not enough and does a disservice to both areas needing full-time support resources. There is far more work that is required which simply cannot be accomplished through the current support model. Maine is lacking in our ability to secure and leverage Federal matching grants. Additional funding avenues and our ability to robustly support citizens and governmental agencies using the data is also significantly constrained.

To deliver on the strategic direction and to be an effective partner in supporting the Maine GeoLibrary Board with its statutorily mandated tasks, we are asking to establish two new full-time positions to serve and focus on GeoLibrary Board initiatives, modernizations, strategic enhancements, and citizen support. The \$246,228 and \$270,993 being requested for Fiscal Year 2024 and 2025 respectively, will allow MaineIT to fill these positions to robustly support the GeoLibrary Board, generate more value, increase cost savings to the State of Maine, and ensure the citizens of Maine are able to benefit from the service.

Next and related is the fourth initiative in this program, or the second initiative at the top of **page A-30**. In addition to the increased headcount to serve the essential mission of the GeoLibrary Board, MaineIT is also requesting General Fund support for State Aerial Image Collection Projects. The General Fund support for this initiative will be used to collect, refresh, and store high resolution aerial images for the State, and financially support specific projects for Geographic Information System Mapping (GIS) and Orthoimagery and Light Detection and Ranging (LIDAR).

Part of the GeoLibrary Board mission is the maintenance of the GeoLibrary, where aerial data, spanning back over a decade, is stored for statewide support and use. As GeoLibrary programs, imagery, technology, and data collection practices mature, new imagery data must routinely be collected to ensure the data is both viable and valuable long term to Maine communities. In Fiscal Year 2022 alone, the GeoLibrary acquired aerial imagery for over 16,000 square miles.

The data collected through the GeoLibrary has a transformative effect on land development costs for private and public sectors in Maine's economy. These detailed aerial images collected are used to map land, boundaries, climate change, erosion, and other land anomalies. In addition, elevation data provides a rich resource for analyzing natural and manmade environments. The GeoLibrary provides a coordination avenue for State agencies to support their efforts and combine aerial imagery needs to reduce overall costs. On-going funding will provide continuity for a program that has substantially benefited the state, counties, and municipalities.

As part of the cost-sharing funding model, the State has an obligation to provide matching funds necessary to supplement the fiscal support received from private sources, local governments, municipalities, and other statewide grant opportunities. The GeoLibrary needs an ongoing funding source to stabilize the Orthoimagery program, as well as GIS and data infrastructure for the future. The \$553,772 being requested in both Fiscal Year 2024 and 2025 will provide the financial support necessary to match funds to counties and attract additional funding from local communities.

### **Centralized Imaging Services (Z372)**

Turning back to **page A-22**, there is one initiative in this program providing an appropriation of \$500,000 in each fiscal year to conduct aerial imaging acquisition and processing and Light Detection and Ranging (LIDAR) on state agency directed

projects. While the GeoLibrary Board provides services and tools that align with the needs of the public, the Board does not currently have a mission to fund data and imagery collection and facilities that are statutory requirements of individual State agencies. Combining the resources of technology tools and platforms creates efficiencies and reuse but underlying those tools is still the need for ongoing collection of imagery and data. This initiative proposes to create a standing fund, dedicated to serve State agency data collection needs, to be prioritized and managed by a governing board internal led by MaineIT. This provides better opportunity to align data collection with the GeoLibrary Board and ensure Maine is getting the best value when acquiring aerial services.

The entirety of the first year of this funding will be dedicated to meet the Department of Agriculture, Conservation and Forestry's Public Lands division and their requirement to update forestry inventories that was established in Public Law 2017, Chapter 289. In subsequent years, these funds will be prioritized across all agencies' needs.

### **Statewide Radio Network System (0112)**

The **Statewide Radio Network System**, found on **page A-53**, is the debt service for the statewide radio network. Radio Operations is a division within MaineIT that procures, installs, commissions and maintains a consolidated radio communications network to provide service to all State of Maine public safety and public service users.

The baseline General Fund appropriation to cover debt service for the infrastructure and the rolling replacement of radios is approximately \$4.2 million each year.

There are no new initiatives in this program. But, it makes sense to discuss language **Part R** at this time as it relates to this debt service account.

**Part R** may be found on **language page 23**. This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2024 and 2025 for the acquisition of portable radios, upgrades of tower hardware, and the purchase of equipment to support tower maintenance for the Statewide Radio Network within Maine IT. This mechanism ensures the State can continually upgrade and provide maintenance of the State's radio network serving first responders and numerous other State agencies. The radios are on a rolling replacement schedule.

The last Division is the Bureau of General Services (BGS). BGS provides consolidated management and coordinated oversight for a range of property, procurement, and central services to meet the operational needs of State programs and services. BGS pursues cost-effective operations in its own activities and in the operations of other departments and agencies. BGS is comprised of eight functional divisions:

Division of Property Management; Division of Leased Space; Division of Planning, Design & Construction; Division of Safety and Environmental Services; Division of Central Fleet Management; Division of Central Services Division of Procurement Services; and, Office of State-Owned Landfill Management (under the jurisdiction of the Joint Standing Committee of Environment and Natural Resources).

### **Buildings & Grounds Operations (0080)**

The **Buildings and Grounds Operations** program is on **page A-14**. This program ensures that facilities are safe, sanitary and healthy for those who work and visit them. This program covers both the Division of Property Management and the Division of Leased Space.

The General Fund appropriation and Highway Fund allocation support approximately 100 positions responsible for general maintenance and repairs, groundskeeping, and housekeeping as well as heating and cooling for state-owned facilities in the Augusta area representing nearly 2 million square feet. Funds in this program pay for utilities, fuel and security efforts of the buildings.

The Internal Service Fund supports 3 positions and contains the activity of the Division of Leased Space that administers over 250 active leases for office, warehouse, garage, storage, tower, classroom, mixed use, and training purposes in the service of 37 State agencies, across 68 different municipalities and 5 unorganized territories. The Division's leasing portfolio includes 1,882,244 square feet of space with an approximate value of \$27 million. This total includes rent, utilities, custodial services, and all associated costs of the leased space. The Other Special Revenue Fund contains activity associated with the leasing of state property to external agencies.

There are four initiatives in this program.

The two initiatives on **page A-14** provide funding for increased utility and fuel costs and for contracted services and repair costs. The first initiative increases funding in the General Fund and the Highway Fund by \$1,155,159 in each fiscal year to support cost increases related to the Augusta area. The second initiative increases the Other Special Revenue Funds allocation by \$285,000 in each year to support similar expenses on the Bangor campus.

At the top of **page A-15**, the third initiative establishes 2 Plant Maintenance Engineer positions for the Bureau of General Services to assist with the maintenance and repair of water, heating and electric systems in state owned facilities.

The work of these positions ensures the operation of the boilers and other heating and cooling equipment in our state-owned facilities. Regulations require that qualified technicians be on site 24 hours, 7 days a week, 365 days a year to ensure appropriate monitoring (some systems require at least every 4 hours).

Based on the size, number, and age and state of our equipment, this staff operates at a deficit that requires frequent double shifts and no room for unanticipated or scheduled absences. The current staff are dedicated to their mission but are struggling with the overload of work. We did add one position in the last budget; however, we need more. The staffing shortage is a safety issue for our staff and those who work or visit our buildings, and puts our regulatory compliance at risk.

The final initiative in this program increases the allocation in the Real Property Lease Internal Service Fund account. This increase is necessary to support the current level of activity in the account and will minimize the need for financial orders processed during the year.

### **Leased Space Reserve Fund Program (Z145)**

The next program, on **page A-31**, is the **Leased Space Reserve Fund Program**. This fund is used to collect savings that accrue from relocation of a state agency from leased space to a state-owned facility or a relocation of a state agency from leased space to a lower-priced leased space. Funds are used to defray moving costs.

Next is the Division of Planning, Design & Construction. This Division is responsible for capital improvement planning for facilities, architectural and engineering design

procurement, and approval of design agreements, bidding of public improvement projects, and construction administration and monitoring of all the State's public improvements and public-school projects. Currently, the Division is engaged in approximately 300 active projects.

First, some background on the need for funding investments to attend to state-owned facilities and infrastructure.

### **Background Study and Market Factors**

BGS hired a consultant, Gordian, formerly Sightlines, to conduct an extensive evaluation of the state's building portfolio in 2020. Their report concluded that the state-owned buildings managed by BGS were older than comparable state government facilities in Maine (peer institutions were the community colleges and university campuses). Thirty-three percent (594,000 square feet) of the State of Maine's owned space was built before 1885. Another 45% (810,000 square feet) was built between 1851 and 1975. Seventy-eight percent (78%) of the State's buildings (comprising 1,404,000 square feet) are more than 48 years old.

Due to chronic underfunding of maintenance, repairs, and capital improvements generally, Gordian identified a cumulative backlog in 2020 of \$87 million in immediate "catch up" costs. These funds were intended to address systems and facilities that had met their useful life and required full replacement. To maintain a "steady state" of all systems, \$8 million in "keep up" costs was needed annually.

In 2022, the "catch up" number increased to \$124 million and the cost to "keep up" building conditions costs increased to \$9 million annually. Inflation, scarcity due to supply chain issues, and the cost of labor are responsible for the increase, which generally reflects the inflation factor used in the construction industry of 10% per year. However, in today's market, a 10% annual increase is optimistic. For example, bids for the Cultural Building renovation were double the architect's renovation cost estimate.

It's important to note that the \$124 million is not all inclusive. Gordian's 2022 numbers do not and could not reflect two major factors that will increase the total costs. First, renovation costs are substantially underestimated if asbestos or other hazardous materials, and/or dangerous conditions prevent full access to the buildings. This can

conceal degradation and obsolescence of electrical, plumbing, mechanical, and structural systems. This was the case at the Cultural Building and the Stone Buildings. Second, the cost of hazardous materials remediation. Gordian was not tasked with assessment of hazardous materials, so the cost to remediate is not included in the report and would be in addition to the \$124 million. These costs can be extensive. In the Cultural Building, for instance, asbestos abatement costs are approaching \$4 million, adding 15% to the total construction budget. Additionally, the cost estimates did not include Mackworth Island or the Dorothea Dix Psychiatric Center, both of which require substantial facility work measured in the tens of millions of dollars. Nor do the estimates include civil projects such as retaining wall repairs, tunnel efforts, or the remediation of Dolby Landfill contaminated leachate.

There are several programs that support these efforts, in addition to the Maine Governmental Facilities Authority.

#### **Capital Construction/Repairs/Improvement – Admin (0059)**

On page A-17 is the baseline for the **Capital Construction/Repairs/Improvement – Admin** program. This program supports the preliminary work of planning and design of the large improvement projects managed by the Division of Planning, Design & Construction. The General Fund baseline budget is \$301,836. This Program also has an Other Special Revenue allocation in the rare case of private contributions made in support of state facilities.

There are no new initiatives in this program.

#### **Public Improvements – Planning/Construction – Admin (0057)**

The next program, **Public Improvements – Planning/Construction – Admin**, is on page A-39. This program covers the 11 staff in the Division of Planning, Design & Construction and the Division of Safety and Environmental Services. As previously highlighted, the Division of Planning, Design & Construction staff are responsible for the planning, design and construction administration of all the state's public school projects and the state's facility improvements. They manage the procurement process for architectural and engineering contracts, conduct the bidding for construction, and monitor construction projects. The Division of Safety and Environmental Services provides hazardous material (asbestos, lead, mold, mercury, PCBs) and indoor air

quality assessment and mitigation oversight services for public schools and state facilities and serves as the lead agency of the State for these matters. The annual budget is approximately \$2.0 million.

The Department of Administrative and Financial Services has direct responsibility to ensure the safety and wellness of our state government employees. Our Bureau of Human Resources' statutory mission is "to establish within state government a high concern for state employees as people". Our Bureau of General Services (BGS) is tasked specifically with ensuring "facilities are safe, sanitary and healthy for those who work in and visit them". DAFS advocated for and two positions were restored in PL 2021, Chapter 398 to staff the statutorily required Division of Safety and Environmental Services.

In direct response to the serious health threat posed by COVID-19, BGS worked with each department and agency to identify and complete retrofits to our State buildings that enhance worker safety and health. Improvements aimed at air quality include: installing bipolar ionization systems in State-owned and leased buildings; mechanical equipment replacements and upgrades to improve air circulation within nine State buildings; upgrading to higher density (MERV 13) air filters; and installing air purifiers throughout buildings without central air systems. As is their routine practice, the BGS team has been diligent about ensuring that all facilities meet U.S. CDC designated criteria for ventilation system design and indoor air quality. We replaced or upgraded the ventilation equipment in 1.2 of the 1.8 million square feet of state-owned space in Augusta.

The Division of Safety and Environmental Services has made a concerted effort to collect and catalog in a comprehensive file known data related to harmful contaminants contained in and around State workspaces (both owned and leased), including asbestos, lead, PCB and mold. This database includes all testing associated with the discovery and remediation, such as air and water testing, and including post clearance results. We also document the steps taken to remediate these items. Additionally, the Labor-Management Committee on Building Safety has met bi-weekly over the last year and provided an effective venue for MSEA to raise concerns brought to them by their members. At these meetings, BGS provides detailed actions, updates and remediations of any known air quality and hazardous materials issues. People know this Division exists and is diligent and responsive. This is an ongoing, dynamic effort and we use

and track this information to help ensure that facilities are safe, sanitary, and healthy for those who repair, maintain, work in, and visit them.

During recruitment efforts, it was determined that the supervisor position needed to be a higher classification due to the knowledge and special licenses. The first initiative provides funding to increase the hours of one Occupational Health and Safety Compliance Assistance Specialist position from 52 hours to 80 hours biweekly to ensure timely and adequate coverage of the responsibilities of this division. In addition, this full-time position will allow the Division to proactively engage on the design and installation of all ventilation improvements.

The second initiative provides funding for the Department's share of the cost for the financial and human resources service center within the Department of Administrative and Financial Services.

### **Bureau of General Services – Capital Construction & Improvement Reserve Fund (0883)**

The next program, on **page A-16**, is the baseline budget for the **Capital Construction & Improvement Reserve Fund**. This fund is used for the receipt and expenditure of funds earmarked for major capital improvements, repairs, and renovation of state government owned facilities. The funding is necessary for repair, replacement, and renovation including: parking garage repairs; plumbing and electrical issues; roof replacements and repairs; mold, lead, asbestos and water testing; walkway repairs; septic system maintenance; building envelope repairs; drainage upgrades; site work; above- and below- ground infrastructure; paving improvements and striping; master plan updates; masonry repointing; window replacements; space planning; mechanical system upgrades; painting, flooring, carpeting, lighting repairs and updates; retaining wall maintenance; remediation efforts; and capital asset management planning.

These funds are more flexible than other capital improvement funds, such as Maine Governmental Facilities Authority (MGFA), allowing us to more nimbly respond to emergencies or unplanned events, such as a failed system or building envelope issue. These funds can also be used for project assessment, which helps us more strategically assign our MGFA funds; design facility upgrades and improvements in advance of the issuance of MGFA funds, allowing the MGFA projects to go to bid as soon as funds are available; and demolition, which MGFA does not cover.

The funding for this account is a bit sporadic. Public Law 2015, chapter 267, Part L-8 amended the statute that prioritized year end transfers, otherwise known as “the cascade”, by eliminating the transfer to this program. Prior to this elimination, at the close of each fiscal year following certain other transfers, 10% of the remaining excess revenues were transferred to this fund to support necessary projects and improvements related to state owned properties. Also, there is an Other Special Revenue account for proceeds from the sale of state buildings and property, which has spent down to nearly zero, meant to be used to support maintenance. However, deposits are not consistent as sales of state property are infrequent and even when available cover only a small fraction of the need.

Happily, Public Law 2021, chapter 398, Part SSS transferred \$50,000,000 from the unappropriated surplus of the General Fund to the Other Special Revenue Funds account in this program for the purpose of funding unmet capital construction and repair needs for state-owned buildings.

The one initiative in this program provides a \$2 million allocation in Capital Expenditures in both fiscal year 2024 and 2025. Renovation and repair work is now in process, and the entire \$50 million has been assigned to nearly 30 capital improvement projects. Twenty-four percent (24%) has been expended and an additional twelve percent (12%) has been encumbered. Design work is in process for the remainder. This allocation increase will enable the use of these funds for those projects in the next biennium.

Next is more information on the Maine Governmental Facilities Authority (MGFA).

The Maine Governmental Facilities Authority (MGFA) was created in 1997 to assist with financing the acquisition, construction, improvement, reconstruction, and equipping of additions to governmental facilities. The authority is governed by five members including the State Treasurer, the Commissioner of Administrative and Financial Services, and three members appointed by the Governor. The MGFA issues securities on behalf of the Executive, Legislative, and Judicial Branches to fund large projects essential to governmental operations.

Under the MGFA process, the Commissioner of Administrative and Financial Services identifies projects essential to Executive Branch operations, obtains legislative

approval for borrowing, and designates those projects to the MGFA Board for issuance of securities.

MGFA funding is a critical tool that allows DAFS to address the deteriorated condition of the State's old and chronically underfunded facilities, often allowing for an adaptive reuse to address current agency needs. Funds are used to address hazardous material abatement, building envelope repairs and restoration, improvements at state-owned landfills to reduce contaminated leachate, and to plan for and construct replacement structures in the rare case where a specialized use has outgrown the existing building's capacity.

It makes sense to discuss language **Parts E, F and G** at this time as they all relate to MGFA requests.

### **Debt Service – Government Facilities Authority (0893)**

The baseline budget for the next program, **Debt Service – Government Facilities Authority**, may be found at the top of **page A-24**. This program provides funding for annual principal and interest payments in support of capital construction and renovation of state facilities. These funds provide the means to assist Maine State Government in financing the construction and equipping of facilities by providing access to the tax-exempt bond market. The annual appropriation in this account is nearly \$22 million.

### **MGFA Funds 2019-2022**

Since 2019, three legislatively authorized MGFA borrowings have, are or will fund full renovations of long-neglected buildings (the Ray Building, 221 State Street, and the Greenlaw Building); abatement, repair and replacement of some major systems in the Cultural Building to restore it to functionality; and the first phase of work on the Stone Building. Important work included extensive building envelope work at the Maine Criminal Justice Academy; replacement of several badly deteriorated roofs (Tyson Building and 6 Elkins Lane, to which some Maine State Archives collections were relocated); and masonry work to secure Cross Building granite panels, many of which are held on with metal bands. Funds were also used on Phase II of the project to remediate contaminated leachate at Dolby Landfill, acquired in 2011, and to fund a new Office of Chief Medical Examiner facility as the current building is obsolete, does

not have an isolation area for communicable diseases, and is no longer able to support the number of autopsies required.

### **MGFA Requests FY 24-25 Biennial Budget**

All this to say... We have made significant improvements to state-owned facilities. But there is still much to do and it is imperative to continue these critical infrastructure investment efforts. Therefore, in the biennial budget, DAFS is requesting authority for three MGFA tranches.

The first amount of \$34.05 million (**Part F, page 9**), will fund: continued efforts to address extensive building envelope and mechanical needs at the Maine Criminal Justice Academy; the final phase of the Dolby landfill capping project; the next phase of the Stone Building renovation (abatement and mechanical work); the next phase of roof edge and flashing work on the Center Building; some interior work to restore an old auditorium that will serve as conference space on the East Campus; remediation and closure of East Campus tunnels; renovation of several long-neglected small historic buildings occupied by the Maine Arts Commission, Maine Historic Preservation Commission, and the Secretary of State; and structural work at a storage barn within the Dorothea Dix Psychiatric Center campus, turned over to BGS in poor condition when no longer used by the hospital. Due to refinancing and retirement of older borrowings, DAFS has funds to absorb the debt service in the baseline appropriation.

The second amount of \$37 million (**Part G, page 10**) will be used for window repairs and replacements at the Bureau of Motor Vehicle Building; a security screening facility at the Cross Building; security fencing at the Blaine House; insulation and window repairs at the Cross Building; the next phase of work at Stone Building (windows and interior renovations); renovation work to the former Inland Fisheries & Wildlife Building on the Bangor Campus; and a replacement of mechanical equipment at the Crime Lab.

It is important to note that these project lists are based on what we know today. BGS will shift as needed to accommodate bids in this unpredictable market, supply chain issues, contractor availability, and emergency needs.

The first initiative on **page A-24** provides \$3 million each year for annual principal and interest payments on funds borrowed through the Maine Governmental Facilities

Authority in support of **Part G**, on **language page 10**, which authorizes the issuance of \$37,000,000 for capital repairs and improvements to state-owned facilities and hazardous waste cleanup on state-owned properties.

The third amount of \$39.5 million (**Part E, page 8**) renovates the historic “CETA” Building (former AMHI nurses’ residence) at the East Campus and adds space for offices, labs, and equipment storage.

This plan will consolidate several Inland Fisheries & Wildlife locations into one central facility. The new facility will accommodate offices, conference rooms, education space, a necropsy lab, equipment and vehicle storage, and the fish health lab. It will create needed adjacencies among department units; provide centralized space for vehicles, storage, and supplies; and enhance opportunities for public education and interaction.

More than 7,000 people per year visit IF&W’s main office. This number will increase with additional outreach and educational programming; helping the Department reach its goal to recruit new outdoor enthusiasts. The proposed facility will be designed to meet Maine’s Climate Action goals through energy efficiency, use of Maine wood products, and incorporation of technologies to reduce greenhouse gas emissions.

The proposed location, the East Campus, is consistent with the Augusta State Facilities Master Plan. The CETA Building, former nurses’ quarters for the Augusta Mental Health Institute, will be renovated and expanded for this project. An adjacent barn/building will provide storage for boats, ATVs, snow machines, and other equipment (all unheated space), and house the necropsy lab (heated space).

There are a number of benefits to renovating this state-owned building on land already owned and managed by the state. The East Campus plan carries the benefit of Property Management Division services and avoids the rent increases endemic to private leases. It avoids “additional rent” for things that PMD and the state would provide at a lower cost such as heating and cooling, water and sewer charges, maintenance fees, pest control, insurance, janitorial services, trash removal, snow removal and grounds work, and general property management. Leases also contain escalation provisions requiring the state to absorb increased costs including increases in property taxes. For instance, the lease for 109 Capitol Street, executed in 2017, experienced an increase in year two “additional rent” from \$611,854 to \$780,725. Of the increase, \$12,180 per

month is attributable to an increase in property taxes. In contrast, this state-owned project renovates an existing historic building, not only advancing the master plan goals for the East Campus, but also reusing existing building infrastructure.

As such, the second initiative on **page A-24** provides \$3.2 million in each year for annual principal and interest payments on funds borrowed through the Maine Governmental Facilities Authority in support of **Part E**, on **language pages 8 and 9**, which authorizes the issuance of up to \$39.5 million for this project.

One more note before we leave this Division, the funding we are requesting to do all of what was just outlined is less than what it would have cost to demolish and replace the Cultural Building (which we wouldn't do given the now iconic nature of the building!) which would have cost at the very minimum \$110 million. Oh, we also have two attachments: one is a drone view of the East Campus – we've touched or will touch just about every one of these buildings; the other is a rendering of the proposed IF&W headquarters.

### **Central Fleet Management (0703)**

The next Division is **Central Fleet Management** on **page A-19**. The Central Fleet internal service fund coordinates the purchase, use and disposal of the state's vehicles. Funds in this program are used to purchase vehicles and equipment, pay for maintenance, fuel and insurance and maintain adequate staffing to provide fleet support services and analytical reporting of fleet costs. This service and the vehicles themselves are supported through the fees paid by user agencies.

There are 16 positions within the Central Fleet Management Central Motor Pool Internal Service Fund account; the annual budget is just over \$9.3 million.

There are five initiatives in this program.

The first initiative establishes one Fleet Support Specialist position to manage the asset management software and telematics program to ensure efficient tracking and care of the cars and light trucks procured, maintained and provided by the Division of Central Fleet Management.

The second initiative increases the allocation by \$46,766 in fiscal year 2024 and \$51,655 in fiscal year 2025 to fund the proposed reorganization of eight positions within the Division to better align their classifications to their work responsibilities. The total increased allocation related to these reclasses is \$46,766 in fiscal year 2024 and \$51,655 in fiscal year 2025.

The next two initiatives relate to a vehicle fleet telematics system. This includes a one-time \$10,000 allocation in fiscal year 2024 and an ongoing allocation of \$365,000 for the annual maintenance costs associated with a vehicle fleet telematics system.

Central Fleet Management maintains vehicle records in an internally developed, customized, and antiquated R-Base system that is no longer supported. In addition, we use several different MS Excel spreadsheets to track various processes, tasks, and items. And then there's the hard copies of invoices and other documents that must be retained and physically filed. Billing and reporting tasks are completed by merging all this together manually. The systems need to be replaced with a modern fleet management application that can consolidate all the processes and data into one comprehensive database. Upgrading will also provide telematics functions to collect administrative data currently submitted by hand (maintenance diagnostics, mileage, EV/hybrid data for proper placement with agencies, and vehicle charging data.) The introduction of telematics will allow mileage to be tracked and uploaded automatically, and with the planned increase in electric vehicles, will allow tracking of battery power consumption and charging details.

It will provide the following benefits:

- Consolidate data currently recorded on spreadsheets and other documents
- Improve accounting and billing processes
- Improve analytics and reporting capability
- Introduce required telematics for mileage tracking and vehicle diagnostics for most state vehicles. Telematics offer future needs such as fuel and battery power consumption and charging details in EVs.
- Maintain digital copies of invoices and other documents to minimize paper records
- Integrated fuel program
- Integrated EZ-Pass program
- Integrated purchasing program

- Integrated stock program
- Integrated garage work orders for the state-run facility and for local garages near the vehicle's location
- Integrated rental vehicle program

The final initiative provides one-time funding of \$30,000 each year to cover the ongoing maintenance costs of an asset management software system that will be shared between the Division of Central Fleet Management and the Central Services program. A corresponding initiative will be found in the **Central Services – Purchases** program on **page A-21** and the **Purchases – Division of** program on **page A-40**.

#### **Central Services – Purchases (0004)**

Next is the Division of Central Services.

**The Central Services - Purchases Program**, on **page A-21**, is an Internal Service Fund funded by fees charged to its customer agencies. The 31 staff are responsible for managing central services in the areas of Postal Services and Surplus Property.

State Postal Center provides a wide range of mail services for State agencies, including interoffice mail. The Postal Center presorts and bar codes mail thereby receiving discounted rates from the United States Postal Service.

Surplus Property provides various mechanisms for the disposition of state surplus materials and equipment no longer needed by the state department that purchased them. In addition, federal surplus property is obtained for donation to qualifying state, public or non-profit organizations throughout Maine.

As just noted in the Central Fleet Management section, the first initiative provides funding for ongoing maintenance, to be shared with Central Fleet, of the asset management system. Surplus Property is operating under original processes and tasks without the benefit of any modern technology. These rely on paper forms, one spreadsheet and limited tracking of vehicles in a Microsoft Access database. Information is stored in file cabinets. The ability to generate reports on intake and sales of surplus items is manual, incomplete and time consuming.

The Surplus Property organization needs to establish and integrate a modern asset management system to process, track, and liquidate surplus property efficiently and effectively. This will improve the agency experience, streamline the customer sales process, and increase intake and sales volume, with the ultimate benefit of creating a profitable and self-funded unit. An asset management system will consolidate all processes into one comprehensive system and provide the following additional benefits:

- Elimination of all paper documents and manual filing
- Online submission of surplus items by agencies
- Improved intake processes and tracking of items
- Implementation of barcodes and scanners to track all surplus items
- Implementation of Point-of-Sale equipment
- Improved public, donee, and employee sales
- Implementation of an online “virtual” warehouse for the public, donees, and employees
- Improved federal surplus sales, tracking and compliance, allowing for expanded acquisition of federal property for state and local government agencies and qualifying non-profits
- Improved accounting and billing processes
- Improved analytics and reporting capability

The second initiative in this program establishes one Postal Services Worker position. Postal workers pick up and deliver all types of mail, sort incoming mail for delivery and presort outgoing mail for discounting, apply appropriate postage to letter and package mail, and drive postal vehicles in the performance of their duties.

DAFS recently completed a study of Postal processes and the hours required to complete tasks by function. The report concluded that to meet standard delivery service and to perform all the functions required, Postal needs to staff 78.18 hours per day. To staff to this minimum, Postal needs one additional Postal Services Worker.

The third initiative on **page A-21** funds the proposed reclassification of two positions. The first changes one Office Associate II position to an Accounting Technician. Both Postal Services and Surplus Property have business functions that would be improved and streamlined with business processing, expense review and processing, billing and accounting skills.

The second reclassification is from a Central Services Supervisor to a Business Manager I position. This reclassification adjusts the imbalance between management of Postal and Surplus and offers a cost-effective way to recruit a person with the skillset and management experience needed to address production and operational concerns. It would allow for a greater focus on Surplus operations, particularly Federal Surplus, and allow Surplus to be the profitable operation it should be. These two reclasses increase allocation in the internal service fund of \$9,232 in fiscal year 2024 and \$9,904 in fiscal year 2025.

The final initiative in Central Services provides one-time General Fund support of \$1,734,808 for replacement equipment for the Postal Division and ongoing funding of \$98,262 for postage meters, maintenance, and supplies.

By now, you are sensing the trend that we have with a number of our Divisions. We need to modernize. Similarly, the equipment and technology used in the Postal Service is outdated and several systems are no longer able to be updated and are not supported by Maine IT on the state's IT network. Four major areas of Postal operations are impeded by old equipment and lack of reliable technology:

1. Data is entered manually, and old technology (various Access databases and R-Base for billing and processing) are no longer supported.
2. Mail scanning is part electronic and part manual, making the need for cellular technology critical. Also, certified mail cards are processed on a system running on Windows 98 software, the equipment frequently breaks down requiring hand-stamping, and equipment parts are difficult to obtain.
3. Folding, Inserting and Meter-printed material runs on Windows 7 software, which is not upgradeable or supported, causing service issues. Equipment failure is a risk due to lack of availability of parts for the 10-year-old equipment. There is no battery backup, and it's hard to find people who can service our outdated machinery.
4. The PCs and equipment that sort our Read and Sort system are operating on Windows 7, are obsolete and not upgradeable. The sorting system is 8 years old and other key equipment components are 15 years old. Again, parts availability, breakdowns, and delayed service are an issue.

The State Postal Center provides a wide range of mail services for more than 147 separate State locations, including interoffice mail. Last year, they handled more than 9 million pieces of outgoing mail, handled more than 4.5 million pieces of incoming mail, and processed more than 60,000 parcels/signature-required items. And still they are looking to do more!

Currently, Postal Operations are a mix of state provided and direct services as we cannot support all of the mail services with too little staff and outdated or non-existent systems. Modernizing will allow us to pull the direct services back to this Division creating cost savings to the state, efficiencies and tracking not currently available. The following equipment upgrades would be funded with the budget request and allow Postal Services to scale the business and improve effectiveness.

1. **Handheld Scanners** - Upgrade or replace the scanners to work on the cellular network in addition to Wi-Fi so it can support cellular voice and location tracking.
2. **Analytics Software** – Acquire this cloud-based software that can track all tasks done on all the connected machines and processes. This will provide standardized reporting and billing capability.
3. **Blue Crest Business Manager** – Upgrade the server to a Maine IT supported platform and upgrade the software to the latest Blue Crest software, also installed on the staff laptops so staff can control processes from their desks and track billing data.
4. **Certified Mail Equipment** – Replace the desktop PC with a Maine IT supported PC or use staff laptops with appropriate software. Replace the printer.
5. **Metering Systems** – Renew the lease on the six SendPro machines. Replace the package metering system with a new system that is connected to the Business Manager.
6. **Folding and Insertion Machines** – Replace or upgrade both machines with the latest technology. We need machines that have the same capabilities so that all tasks can be performed on either machine in case of an outage.
7. **OCR Sorting Machine** – Upgrade the machine to the latest technology so that it can be integrated with the Analytics software.

### **Purchases – Division of (0007)**

The next program is on **page A-40**. The Division of **Purchases** procures materials, supplies, equipment and services that represent the best value to the State of Maine. The Division has responsibility under law to make purchases on behalf of all departments and agencies of State Government, with consideration to life cycle,

delivery, quality and price. The Division of Purchases provides for open and competitive bidding in the procurement of goods and services to the greatest extent possible. The budget for this program is approximately \$2.1 million each year and supports 13.5 positions. There are four initiatives in this program.

The first initiative provides \$7,500 in each fiscal year for the costs associated with the statewide technology services provided by Maine Information Technology.

The second initiative provides one-time funding of \$300,000 to fully implement the Microsoft Dynamics portal to allow RFP proposals to be submitted, evaluated and awarded within the portal and provides on-going funding of \$20,000 each year to cover licensing costs to streamline the procurement workflow and contract review process.

The third initiative provides a one-time appropriation of \$700,000 to support the asset management system that we discussed in the Central Fleet Management program, on **page A-19**, and Central Services Purchases program, on **page A-21**. The \$30,000 requests in Central Fleet and Central Services are the ongoing requests that will support the maintenance of the asset management system.

The final initiative in this program provides \$54,000 in each fiscal year for contractual expenditures related to temporary staffing and multimedia services.

I will now turn to language parts related to the Department of Administrative and Financial Services.

#### **Part D**

**Part D** begins on **language page 7**. This Part updates the title of the Director of Human Resources to the State Human Resources Officer within the major policy influencing position of the Department of Administrative and Financial Services and in the list of positions with salaries set by the Governor. Sections 3 and 4 direct the Revisor of Statutes and Department of Administrative and Financial Services to update this title when updating, publishing or republishing the statutes or when adopting or amending rules and developing or publishing forms, policies and publications.

## **Parts E, F, G**

**Parts E, F, and G** all relate to the Maine Governmental Facilities Authority. I've left the information here that we spoke about earlier as reference, but won't read it again.

**Part E**, on **language pages 8 and 9** of the language document, authorizes the Maine Governmental Facilities Authority to issue additional securities up to an amount of \$39.5 million for the purposes of paying the costs associated with the planning, design, renovation, abatement, construction, financing, furnishing, and equipping, of new and existing facilities to serve as a headquarters for the Department of Inland Fisheries and Wildlife. There is a corresponding initiative on **page A-24** to provide the funding for the annual principal and interest payments in the amount of \$3.2 million each year.

**Part F** on **language page 9** authorizes the Maine Governmental Facilities Authority to issue additional securities up to an amount of \$34,050,000 to pay for the costs of capital repairs and improvements to, and construction of, state-owned facilities and hazardous waste cleanup on state-owned properties. The debt service associated with this part can be covered within the baseline appropriation of the Debt Service-Governmental Facilities Authority program found on **page A-24**.

**Part G** on **language page 10** authorizes the Maine Governmental Facilities Authority to issue additional securities up to an amount of \$37,000,000 to pay for the costs of capital repairs and improvements to, and construction of, state-owned facilities and hazardous waste cleanup on state-owned properties. There is a corresponding initiative on **page A-24** to provide the funding for the annual principal and interest payments in the amount of \$3 million each year.

## **Part N**

**Part N** may be found on **language page 21**. This Part authorizes the State Controller to carry any remaining balances in the Debt Service – Governmental Facilities Authority program in the Department of Administrative and Financial Services in each year of the 2024-2025 biennium into the following fiscal year.

## **Part O**

**Part O** may be found on **language page 22**. This Part authorizes the State Controller to carry any remaining balances in the Central Administrative Applications program in the Department of Administrative and Financial Services in each year of the 2024-2025 biennium into the following fiscal year.

## **Part P**

**Part P** may be found on **language page 22**. This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2024 and 2025 for the acquisition of motor vehicles for the Central Fleet Management Division.

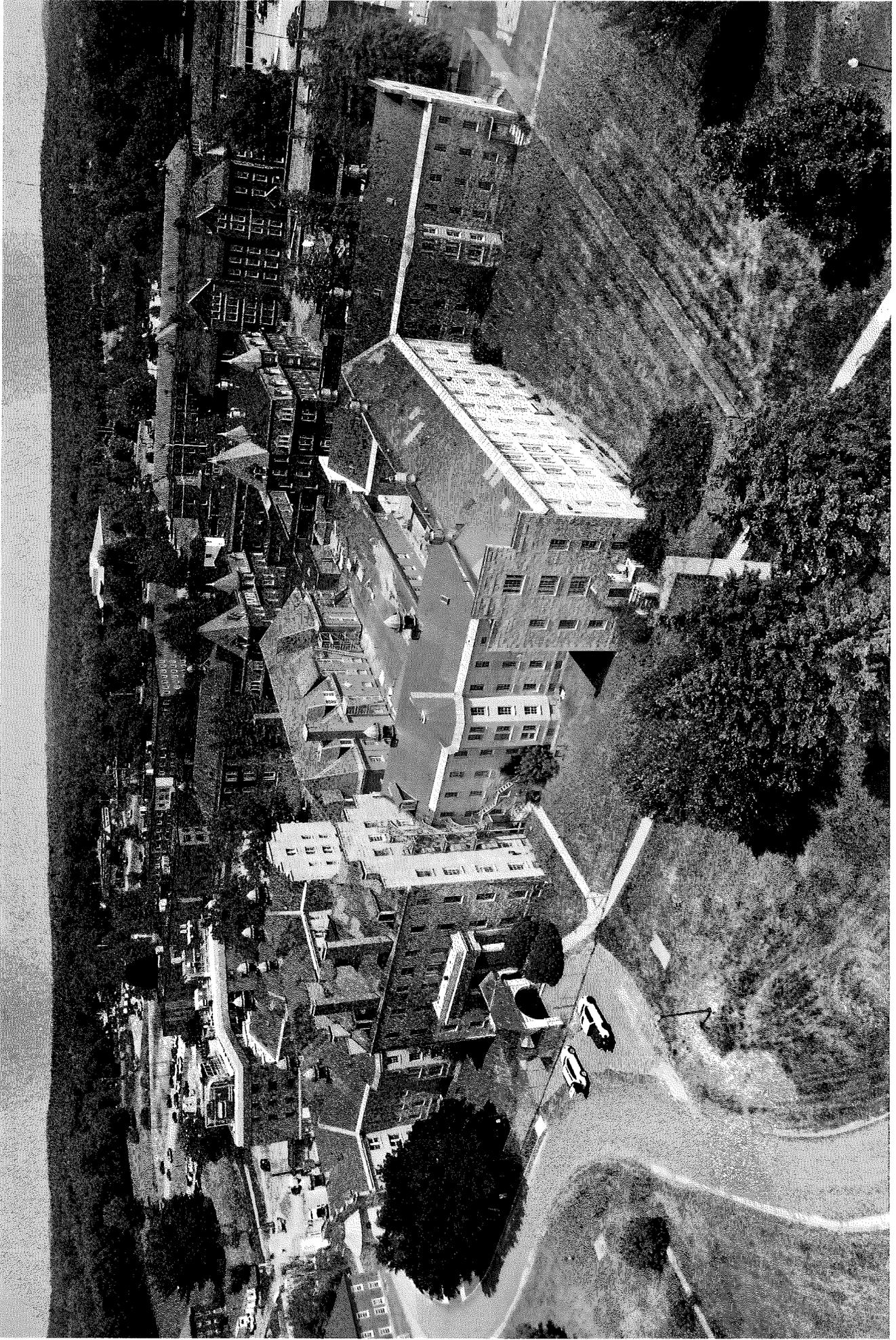
## **Part Q**

**Part Q** begins on **language page 22**. This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2024 and 2025 for improvements to the State's technology infrastructure and data centers; purchase of enterprise software; modernization of databases, storage and other components; and improved security of personally identifiable information and other confidential data. The debt service for this Part is included in the baseline of the Central Fleet Management program on **page A-19**.

## **Part R**

**Part R** may be found on **language page 23**. This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2024 and 2025 for the acquisition of portable radios, upgrades of tower hardware, and the purchase of equipment to support tower maintenance for the Statewide Radio Network within Maine Information Technology. This mechanism ensures the State can continually upgrade and provide maintenance of the State's radio network serving first responders and numerous other State agencies. The radios are on a rolling refresh schedule. The debt service for this Part is included in the baseline of the Statewide Radio Network System program on **page A-53**.

This concludes my testimony. Thank you. I am happy to answer any questions you may have.



East Campus with Stone Building in Foreground



Concept Design for new IF&W Headquarters at East Campus, Augusta



**Department of Administrative & Financial Services**  
Kirsten LC Figueroa, Commissioner

**Department Orientation Prepared for the  
Joint Standing Committee on State & Local Government  
February 2, 2023**

Anya Trundy, Chief of Legislative Affairs and Strategic Operations  
(207) 522-4068 | [anya.trundy@maine.gov](mailto:anya.trundy@maine.gov)



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## **Department of Administrative and Financial Services**

### **Overview**

The Department of Administrative & Financial Services (DAFS) is a broad-reaching innovative service organization serving the executive, legislative, and judicial branches of State government, all State agencies, and the public. Acting as the central nervous system of state government, DAFS is focused on the development, delivery, and maintenance of centralized government systems that sustainably support the financial, technological, human resource, environmental and infrastructure health of state government for the benefit of the public and our fellow state agencies and employees.

DAFS is a large and wide-reaching department: we consist of 10 divisions; 7 of which report to the Joint Standing Committee on State and Local Government; are comprised of approximately 1,200 positions; and our work intersects with every department, agency and branch of state government.

DAFS has five committees of jurisdiction – plus significant interaction with the Joint Standing Committee on Appropriations & Financial Affairs.

DAFS serves as the principal fiscal advisor to the Governor; provides statewide economic forecasting, revenue projections, and demographic analyses; prepares the Governor's budgets, informs the Legislature's appropriation deliberations, and implements the enacted budget. For all Executive Branch departments and agencies, we provide financial management and accounting services, including payroll, processing transactions, grant management and reporting, financial reporting and analysis, review of internal controls and internal audit services, establishing uniform processes and adherence to best practices across state government, thereby eliminating the need for each department and agency to maintain their own internal accounting expertise.

We are responsible for oversight of all aspects of the civil service system; workforce recruitment, development, and retention; adherence to personnel policies and administration of the classification and compensation system; negotiation of collective bargaining agreements and employee relations policy; and employee health and wellness.

We maintain all State-owned buildings and grounds; manage new construction, renovations and repairs, and procurement of leased space; provide centralized purchasing of services, supplies, materials, and equipment for departments and agencies; oversee the State's fleet of passenger and light truck vehicles; attend to the disposition of surplus property; and ensure mail delivery to all of state government.



We furnish over 12,000 State employees and contractors with the computers, software, email and IT support services that enable them to do their jobs; protect the State's networks, services, application systems, and end-user computers from cybersecurity threats; develop custom applications to meet agencies unique needs; and provide local and cloud hosted data storage and management that protects the confidential information citizens have entrusted to their government.

The following seven divisions fall under the jurisdiction of the Joint Standing Committee on State and Local Government and their operations are detailed in this report:

- State Economist, part of the Office of the Commissioner
- Bureau of the Budget
- Office of the State Controller
- Division of Financial and Personnel Services (Financial/Human Resource Service Centers)
- Bureau of Human Resources, excluding the Office of Employee Health and Benefits, and the Office of Workers' Compensation
- Bureau of General Services
- MainIT (former Office of Information Technology)

The remaining three divisions, as well as the Offices of Employee Health and Benefits and Workers' Compensation within the Bureau of Human Resources fall under the jurisdictions of other joint standing committees and are therefore not included in this report.

- Maine Revenue Service (TAX)
- Bureau of Alcoholic Beverages and Lottery Operations (VLA)
- Office of Cannabis Policy (VLA))
- Office of Employee Health and Benefits (HCIFS)
- Office of Workers' Compensation (LBHS)

**DAFS employees are respected as conscientious stewards of the State's assets: financial, technological, human, physical, and natural. We are valued for the professional expertise and cooperative support we bring in assisting State departments and agencies to efficiently, effectively, and economically fulfill their important missions.**



## **DAFS Mission, Vision, Values**

The Department's mission is to serve the public and deliver quality essential services to state government by providing leadership and accountability and performing with the highest level of collaboration and confidence. In alignment with Governor Mills, in our daily interactions people will find an open door, an open mind, and an open heart.

**Our mission:** To serve the public and deliver essential services to state government.

**Our vision:** Provide quality services, leadership, and accountability, and perform in a manner warranting the highest level of public confidence.

**Our values:** Excellence, teamwork, and innovation; open and continuous communications; diversity, integrity, and humor; a helpful, courteous, and positive attitude; personal and professional growth; pride in our work; leading by example toward environmental sustainability; respect for our fellow State employees and the citizens we serve.

**How we get there:**

**Provide quality services by:**

- Partnering with State agencies to meet mutual objectives.
- Delivering products and services on time and in a professional manner.
- Enhancing knowledge of and access to services.

**Provide leadership and accountability by:**

- Promoting state-of-the-art systems.
- Assisting the Legislature and State agencies in meeting their fiscal, human resources, technology, and operational responsibilities.
- Managing revenues, resources, and costs to ensure accountability in the State of Maine's financial performance.

**Perform in a manner warranting the highest level of public confidence by:**

- Promoting excellence, innovation, communication, and teamwork.
- Recognizing the abilities and achievements of State employees.
- Inspiring others to be environmentally friendly by promoting sustainability at work and at home.

**Lead by Example:**

DAFS is uniquely poised, given our core functions, to play a principal role fulfilling Governor Mills' charge to State Government to lead by example.

- Promoting sustainability, renewable energy, and environmentally conscious practices
- Embracing and promoting Diversity, Equity, Inclusion and Belonging practices



# Department of Administrative and Financial Services

**Kirsten LC Figueroa**  
Commissioner

**Jennifer Merrow**  
Executive Assistant

**Key**

Under Jurisdiction of Joint Standing Committee on State and Local Government

Under Jurisdiction of other Joint Standing Committees

**Sharon Huntley**  
Director, Communications

**Jenny Boyden**  
Associate Commissioner

**Michael Allen**  
Associate Commissioner of Tax Policy

**Crystal Vaughn**  
Director, Special Projects  
Maine Jobs & Recovery

**Heather Perreault**  
Deputy Commissioner of Finance

**Anya Trundy**  
Chief of Legislative and Strategic Operations

**Elaine Clark**  
Deputy Commissioner of Operations

**Office of Information Technology (MAINE IT)**  
**Fred Brittain**  
Chief Information Officer

- Client & Infrastructure Services  
**Nicholas Marquis**  
Exec. Dir., C&I Services
- Enterprise Shared Services  
**Sharon Horne**  
Exec. Dir., ES Services
- Information Security  
**Nathan Willigar**  
Chief Info Security Officer
- Project Management Office  
**Douglas Birgfeld**  
Director, Proj Mgmt. Office
- Account Management  
**Derek Mullens**  
Director, Account Mgmt.
- OIT/MAINE IT  
**Ken Boykin**  
Chief Data Officer

**Office of State Economist**  
**Amanda Rector**  
State Economist

- Office of State Economist  
**Vacant**  
Senior Economic Analyst
- Office of State Economist  
**Denise St. Peter**  
Economic Analyst
- Office of State Economist  
**Vacant**  
Data Comm. Specialist

**Office of State Controller**  
**Doug Cotnoir**  
State Controller

- Office of State Controller  
**Shirley Browne**  
Deputy State Controller
- General Accounting  
**Tammy Chase**  
Dir., Gen. Accounting
- ERP Operations  
**Kim Hall**  
Dir., ERP Operations
- Financial Reporting & Analysis  
**Sandra Royce**  
Director, FR&A
- Internal Audit  
**Frank Wiltuck**  
Director, Internal Audit
- State Payroll  
**Soumia Tber**  
Director, State Payroll
- Risk Management  
**Suzanne Murphy**  
Director, Risk Mgmt.

**Bureau of the Budget**  
**Beth Ashcroft**  
State Budget Officer

**Bureau of the Budget**  
**Darryl Stewart**  
Deputy State Budget Officer

- Division of Talent Management  
**Jessica Crosby**  
Director, Talent Mgmt.
- Compliance Division  
**Kelsie Lee**  
Director of Compliance
- Office of Employee Relations Legal  
**Vacant**  
Chief Counsel
- Office of Employee Health & Wellness  
**Sharna Pulin-Gutierrez**  
Exec. Director, EH&W
- Office of Worker's Compensation  
**Beatrice Turner**  
Program Mgr., WC

**Bureau of Human Resources**  
**Breena Bissell**  
State Human Resources Officer

- Field Services  
**Lisa McGrotty**  
Director, Field Services
- General Govt. Service Ctr. (HR)  
**Aimee Norko**  
HR Director, GGSC
- Health & Human Serv. Service Ctr. (HR)  
**Wendy Malinowski**  
HR Director, HHSSC
- Natural Resources Service Ctr. (HR)  
**Amanda Beckwith**  
HR Director, NRSC
- Corrections Service Ctr. (HR)  
**Darlene Sage**  
HR Director, CSC
- Security & Employment Serv. Ctr. (HR)  
**Debra Phillips**  
HR Director, SESC

**Division of Financial and Personnel Services**

- Financial Service Center  
**Jennifer Libby**  
FSC Coordinator
- General Government Service Center (FIN)  
**Vacant**  
FIN Director, GGSC
- Health & Human Serv. Service Ctr. (FIN)  
**Sarah Gove**  
FIN Director, HHSSC
- Natural Resources Service Center (FIN)  
**Gilbert Bilodeau**  
FIN Director, NRSC
- Corrections Service Center (FIN)  
**Mitch Boynton**  
FIN Director, CSC
- Security & Employment Service Center (FIN)  
**Marilyn Leimbach**  
FIN Director, SESC

**Bureau of Alcoholic Beverages and Lottery Operations**  
**Gregg Mineo**  
Director, Bureau of Alcoholic Beverages & Lottery Operations

- Liquor Operations  
**Tracy Willett**  
Acting Deputy Dir., Liquor
- Lottery Operations  
**Michael Boardman**  
Deputy Director, Lottery

**Office of Cannabis Policy**  
**John Hudak**  
Director, Office of Cannabis Policy

- OCP Operations  
**Vernon Malloch**  
Deputy Dir. of Operations
- Licensing Division  
**Elisa Ellis**  
Director of Licensing
- Compliance Division  
**Michael Field**  
Director, Compliance
- Strategic Initiatives  
**Lisa Roberts**  
Deputy Dir., Strategic Init.
- Data Analytics  
**John Gagnon**  
Director, Data Analytics
- Policy  
**Gabi Pierce**  
Director of Policy
- Media & Stakeholder Relations  
**Alexis Soucy**  
Director, M&SR
- Special Projects  
**Tracy Jacques**  
Director, Special Projects

**Bureau of General Services**  
**William Longfellow**  
Director, Bureau of General Services

- Division of Procurement Services  
**David Morris**  
Acting, Chief Procure. Off.
- Division of Property Management  
**Jan Lareau**  
Director, Property Mgmt
- Division of Planning Design & Construction  
**Joe Ostwald**  
Director, PD&C
- Division of Leased Space  
**Mathew Longanecker**  
Director, Leased Space
- Division of Central Services  
**Andy Giroux**  
Director, Central Services
- Div. of Central Fleet Management  
**Mark Bailey**  
Director, Central Fleet Mgmt
- Div. of Safety & Environmental Serv.  
**Nick Ferrala**  
Occupational Health & Safety Compliance Specialist
- Office of State-Owned Landfill Management  
**Wallace Giakis**  
Landfill Manager

**Maine Revenue Services**  
**Jerome Gerard**  
State Tax Assessor

- Property Tax  
**Peter Lacy**  
Director, Property Tax
- Office of General Counsel  
**Alexander Weber**  
General Counsel
- Maine Revenue Services  
**Sara Lewis**  
Deputy Executive Director
- Income/Estate Tax  
**Heather Popadak**  
Director, I&E Tax
- Sales, Fuel & Special Tax  
**Judy Method**  
Director, S,F & S Tax

- Maine Revenue Services  
**Vicki Roy**  
Deputy Executive Director
- Compliance  
**Michael Fortin**  
Director, Compliance
- Operations Processing and Security  
**Susan Smith**  
Revenue Serv. Director
- Quality Assurance  
**Rhonda Ainslie**  
Revenue Serv. Director
- Accounting  
**Derek Higgins**  
Dir., Financial Risk Mgr.

**Other Direct Reports**

- Taxpayer Advocate  
**Leslie Flores**  
Acting Taxpayer Advocate
- Board of Tax Appeals  
**Derek Jones**  
Chief Appeals Officer
- Property Tax Review Bd  
**Phil St. Onge**  
Director, PTRB
- State Claims Comm.  
**Richard Estabrook**  
Director, SCC



## **Office of the Commissioner**

Kirsten LC Figueroa, Commissioner

Generally, the Office of the Commissioner provides strategic direction for the various bureaus and divisions of DAFS including policy direction, legislative relations, gubernatorial relations, federal relations, coalition building, external affairs, media relations, transparency and accountability efforts, Freedom of Access Act requests within various divisions, and other policy and communications efforts. Each bureau within DAFS reports to the Commissioner's Office.

This work is performed by:

- Deputy Commissioner of Finance, Heather Perreault
- Deputy Commissioner of Operations Elaine Clark
- Chief of Legislative and Strategic Operations, Anya Trundy
- Associate Commissioner, Jenny Boyden
- Associate Commissioner of Tax Policy, Michael Allen
- Communications Director, Sharon Huntley
- Jennifer Merrow, Executive Assistant

The team is led by Kirsten LC Figueroa, who was appointed by Governor Janet Mills as the Commissioner of the Department of Administrative & Financial Services. In this role, Figueroa is responsible for the development of the State of Maine's budgets, coordinating the financial planning and programming activities of State agencies, overseeing the administration of tax laws, directing technology services and infrastructure, advising the Maine Legislature on the financial statutes of State government, and the recruitment and retention of one of Maine's largest and most diverse workforces.

Named a "State Female Administrator to Watch" upon her appointment, Figueroa has a long career of public service and fiscal leadership, having previously served as the Chief of the Administrative Services Division at the Office of the Attorney General, as Director of Administrative Services for DAFS' Division of Financial and Personnel Services, and as Finance Director for DAFS' Office of Information Technology.

In addition, Figueroa served as Chief Financial Officer at Dirigo Health Agency and Deputy Commissioner of Finance for the Maine Department of Health and Human Services (DHHS). At DHHS, Figueroa oversaw that department's budget, accounting, and audit functions, and was responsible for developing and managing the department's \$3.3 billion budget.

Figueroa also served as the Chief Financial Officer of Avesta Housing and as the Energy and Housing Services Program Director for the Maine State Housing Authority. She is a graduate of Southern New Hampshire University, where she earned a B.S. in business administration and accounting.



## **Office of the State Economist**

Amanda Rector, State Economist

The Office of the State Economist is responsible for tracking and analyzing economic and demographic trends in support of policy development. The Office maintains various modeling and analytical tools with the capability to do economic impact analysis, demographic projections, long-term and short-term economic forecasting, and statistical analysis.

As designated by statute, the State Economist is a member of the Revenue Forecasting Committee and the office provides staff support for both that committee and the Consensus Economic Forecasting Commission. The Office also serves as a liaison between the state and the U.S. Census Bureau, including designation as the State Data Center lead agency for Maine.

The Office provides technical assistance with and responds to requests for economic and demographic data along with maintaining an interactive web-based tool containing key data from various sources.

The Office also collaborates with economists in other parts of State government, such as the Maine Department of Labor and Maine Revenue Services.

Highlights include:

- State Economist Amanda Rector is a highly respected and sought-after spokesperson for the Maine State economy. Her speaking engagements, both in-person and remote, have increased over the past several years: 19 in 2019, 25 in 2021, and 31 in 2022 for events such as Maine Community College System Board, Mainebiz Five on the Future Economic Outlook Forum, Maine Revenue Services State Tax Symposium, and Maine State Chamber of Commerce Board.
- Amid fluctuating State revenues, influx of Federal Covid-19 pandemic assistance, and changing economic conditions, this Office has been quite busy. Below is an overview of some of the high-level themes this Office has been tracking:
  - Inflation was very high in calendar year 2022, with the all-items consumer price index increasing 8.0% over calendar year 2021. Increases in energy and food costs were particularly significant in 2022, with energy increasing by 25.2% and food increasing by 9.9%. Although there have been some recent declines in gasoline and fuel oil prices, fuel oil remained up 41.5% in December 2022 compared to December 2021.



- Maine gained 3,000 nonfarm jobs in November 2022, with the largest increases in accommodation and food services and healthcare and social assistance. This is an increase of 21,300 jobs since November 2021 and about 5,000 more jobs than before the pandemic. Maine's unemployment rate was 3.7% as of November 2022, equivalent to the U.S. unemployment rate, but slightly higher than the New England average of 3.4%.
- The median sales price of Maine homes increased by 8.3% over the last year, with very significant variation between counties. Overall, prices were increasing more slowly during the end of 2022 than during the prior two years.

#### What's ahead for 2023:

The Office of the State Economist team is expanding allowing the office to focus more on demographic data from the census; devising and publishing charts, tables and other visual representations that will bring value for the public.

- Senior Economic Analyst will dig into available micro data to provide more in-depth analysis from Census Bureau individual level records and customize a multitude of tables including median income by race and head of household.
- Economic Analyst will act as the state data center leader, deal with data requests, and help to liaison between the Census Bureau and the general public. They will also produce monthly economic indicators report and news release summaries.
- Data Communication Specialist will focus on data visualizations, telling the story of the data using visualizations and other communications.



## **Office of the State Controller**

Douglas E. Cotnoir, State Controller

The Office of the State Controller (OSC) maintains accounting policy and records according to Government Accounting Standards Board (GASB) rules. OSC is responsible for financial administration and general accounting control of the State Government, keeping of general accounts, auditing before payment of bills or vouchers and authorizing all claims against the State for which appropriations have been made. OSC provides internal audit support for State government. Additionally, OSC provides insurance advice and services for all forms of insurance for State Government. The powers and duties of the OSC are detailed in MRS Title 5 §1541 and §1728-A.

The Office of the State Controller provides fiscal oversight, control, monitoring and accountability for all funds that flow through Maine state government. This is accomplished through seven divisions, including: Administration, Accounting, ERP System Operations, Financial Reporting & Analysis, Internal Audit, Payroll, and Risk Management.

Below are some updated stats for fiscal year 2022 (July 1, 2021 through June 30, 2022):

- We processed more than 2.1 million disbursements (significant volume increase due to pandemic relief payments)
- We processed more than 4.6 million financial transactions (significant volume increase due to additional federal COVID relief funding)
- We issued more than 316,000 payroll payments to 14,165 unique employees (average 12,164 per pay period)
- The Annual Comprehensive Financial Report for fiscal year 2022 received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting award, marking our fifteenth consecutive year receiving this award.

Highlights include:

- Distributed more than \$119 million of ARPA Local Fiscal Recovery Funds to 477 Non-Entitlement Units (NEUs) of government
- Implemented Oracle analytics Cloud Services OACS data analytics tool, also known as DAFS Analytics, to provide comprehensive data querying, reporting and analytics of the state's financial, human resources, payroll and budget data enabling the state to decommission a non-secure legacy application.



- Implemented or enhanced technologies and provided tools to improve efficiencies, reduce paper and automate routine, repetitive activities providing better opportunities for collaboration, including: MainePays, DocuWare and UiPath.
- Completed closeout of Maine's allotment of \$1.25 billion in federal Coronavirus Relief Funds (CRF) under the CARES Act.
- Performed accounting due diligence, coordinated with the Governor's Office, with DAFS' Bureau of the Budget, and with various agencies throughout State government to provide allowability guidance and manage approval of business cases to administer more than \$1 billion in federal State Fiscal Recovery Funds under ARPA through the Maine Jobs and Recovery Plan.

What's ahead for 2023:

- Continued progress toward implementation of the new Human Resources Management and Payroll system, a software as a service SAAS solution reducing risk through more secure, reliable payroll data and improved internal controls.
- Major upgrade to Advantage, the state's financial system.



## **Bureau of the Budget**

Beth Ashcroft, State Budget Officer

The vision for the Bureau of the Budget is to be an innovative organization that achieves the most effective and efficient program operations that facilitate the administrative and financial policies of the Legislature and the Governor.

The Bureau of the Budget provides central budget and position planning and control in support of gubernatorial objectives and legislative intent. This represents a balanced approach for carrying out the initiatives of the executive branch of State government within the limits of legislative oversight to achieve the most effective outcomes within available budget resources. The powers and duties of the Bureau of the Budget are detailed in Title 5, § 1662 *et seq.*

The Bureau ensures compliance with all requirements reflected in 5 MRSA chapters 145 and 149 as well as numerous other sections of statute that require the State Budget Officer to make recommendations or take other actions. It prepares and submits biennially to the Governor (or the Governor-elect) a State budget document in accordance with 5 MRSA §1664 and §1666.

The Bureau examines and recommends for approval the work program and quarterly allotments of each department and agency of state government before the appropriations or other funds of such departments and agencies become available for expenditure. Additionally, the Bureau examines, and recommends for approval, any changes to allotments during the fiscal year in accordance with 5 MRSA §1662 sub-§2 and 3 and §1667.

In carrying out its budgetary responsibilities, the Bureau constantly reviews administrative activities of the departments and agencies of the State, studies organization and administration and reports periodically to the Governor and on request to the Legislature in accordance with 5 MRSA §1662 sub-§4.

The State Budget Officer serves as a member of the Revenue Forecasting Committee and as a member of the State Procurement Review Committee.

Highlights include:

- Since 2019, DAFS has prepared 8 budgets – 3 biennial budgets and 5 supplemental budgets. Each budget is submitted to the Legislature in two budget documents, one for the Highway Fund and one for the General Fund and All Other Funds. The Department also prepared 6 Change Packages to these budgets which were also each submitted in two budget documents. DAFS also prepared the Maine Jobs Recovery Plan and the Winter Energy Relief Package.



- During the pandemic, the Bureau of the Budget adapted processes to keep State government financial transactions running smoothly while employees work from home including changing Financial Orders and other transactions that were mostly done via paper to electronic workflows. The team also adapted to remote versus in-person meetings. Such processes continued to be refined over the course of the pandemic and have become standard practice as most of the Bureau's staff, and staff in the agencies the Bureau interacts with, continue to work in a hybrid environment.
- The Bureau of the Budget played a key role in the efficient, seamless, and transparent effort to disburse and report on the \$1.25 billion in Federal Coronavirus Relief Funding to entities across Maine.
- The Bureau is also responsible for preparing and submitting the four-year revenue and expenditure forecast for the General Fund and Highway Fund. The most recent forecast report for the 2022-2023 and 2024-2025 biennia was submitted on October 5, 2022. This point-in-time forecast can offer a starting point for work sessions and conversations throughout the State's biennial budget process as State leaders, including the Legislature, carefully identify the appropriate mix of policies and strategies to be utilized in pursuit of a balanced budget.
- The Bureau of the Budget also compiles and issues the Maine State Government Annual Report, an inter-agency, statewide effort. The Bureau will soon be issuing the 2021-2022 Annual Report, which has been somewhat delayed this year due the biennial budget effort.
- This team has led the most recent supplemental budget process and biennial budget process, both large efforts. The budget process requires working across State government with various other departments and agencies. The Bureau of the Budget often facilitates 1:1 budget meetings with each area of State government to understand their needs, and those of the constituencies they serve, to find funding solutions and ensure all across State government are informed and current on the latest projects.
- The Bureau of the Budget has 12 full time and one part-time positions. There has been some turnover in the past two years but all 12 full time positions have now been filled since December 2022 with individuals that bring relevant knowledge, skills and experience to the work of the Bureau.
- Routine work in the Bureau includes reviewing and processing Budget Orders and Financial Orders associated with agencies' adjustments to their annual work programs, including obtaining the Governor's approval on Financial Orders as recommended by the State Budget Officer. The volume of Financial Orders has increased in the years during and following the pandemic to allow for the expending of federal COVID-related



grant funds. In fiscal year 2021-22, approximately 695 Financial Orders were processed through the Bureau and about 24% (168) of those were considered COVID-related.

**What's ahead for 2023:**

- The Bureau and the Office of Information Technology are currently engaged in a project to replace the Budget and Financial Management System. It is expected to provide an updated and streamlined user experience, better reporting capabilities and more efficient integration between the budget and financial systems with favorable pricing and payment terms. The project is in a technical discovery and initial design phase and a date for implementation has not yet been chosen.



## **Bureau of Human Resources**

Breena Bissell, State Human Resources Officer

In 1985, the Legislature enacted Title 5 § 7033 *et. seq* (Civil Service Law), which established a State Civil Service System to ensure that State employees are hired and retained based upon only their merit, skills and qualifications. The Bureau of Human Resources (BHR) was established as the personnel administrative organization necessary to ensure these “merit system” principles in hiring and retention practices. BHR was also charged with recognizing and developing talents, contributions, and potential of State employees and applicants for employment.

In 1991, the State Employee Health Insurance, Workers’ Compensation, and State Employee Health and Wellness Programs were placed under BHR.

In 2007, the Civil Service Law broadened BHR’s role to include the statutory duties formerly assigned to a separate bureau. The Bureau of Employee Relations was abolished, and its functions and employees were consolidated with those of BHR.

Today, BHR is responsible for the administration of the State government’s civil service system, employee relations activities, collective bargaining, recruitment of State employees, statewide human resources programs, classification and compensation, training, the State employee benefits package, deferred compensation plan, the State’s workers’ compensation plan, and equal employment opportunity policies and practices.

The Bureau of Human Resources consists of the following functional divisions and offices:

- DIVISION OF TALENT MANAGEMENT This Division is responsible for developing programs to recognize talents and contributions of state employees, recruitment and retention protocols, management training, and presenting educational briefings for HR professionals.
- COMPLIANCE DIVISION The Division includes the Classification and Compensation Unit, the Civil Service System Unit, the Office of Employee Relations, and the Investigation and Equal Employment Opportunity Group. Major functions and responsibilities include: development of statewide personnel policies; statewide classification system; statewide compensation system; interpretation of Civil Service Law and Rules and issuance of guidelines, bulletins and memoranda to HR professionals; assisting department managers in efforts to reorganize and realign workforces for efficiencies; providing outsourcing services to state employees who are laid-off; and maintenance of personnel records. This Office is also responsible for all matters concerning the collective bargaining process and administration, development and implementation of employee relations policies, and representation of all departments and agencies within the Executive Branch in grievance arbitration and other labor proceedings.



Additionally, this Division is responsible for statewide policy implementation for employment laws (e.g., EEO, ADA, FML), training and counsel, investigating the more serious allegations of misconduct, and conducting management reviews in situations that warrant such reviews.

- **DIVISION OF EMPLOYEE HEALTH AND WELLNESS** This Division provides centralized administration of the State's health, dental, direct reimbursement, voluntary long-term care insurance, vision care, and deferred compensation programs. *(As listed previously, one subset of this division does not report to SLG.)*
- **FIELD SERVICES** The HR portions of the five Service Centers report to BHR and are responsible for delivering direct human resources services to the majority of the executive branch. These Human Resources Service Centers partner with their respective departments on strategic initiatives and human resource-related business decisions; provide guidance to supervisors and managers; assist employees in employment matters; and ensure employees are paid accurately.

Since DAFS last update to SLG, there have been a number of improvements for State workers in terms of compensation, telework opportunities, health and safety, more opportunities for training and development, and efforts to improve retention and embrace Diversity, Equity, Inclusion and Belonging (DEIB).

Highlights include:

#### **Classification & Compensation**

- The classification and compensation study is ongoing, with the BHR team meeting with 90% of state agencies to review the classification recommendations of the consultant, Segal Group. Patterns for career ladders are being noted and considered as the bureau's class and comp team establish and reclassify positions through the FJA process.
- The Compensation and Classification team worked to meet the changing needs of State government and continued to create new classifications, while taking into consideration those recommendations made by the Segal Group. In 2022 alone, the group completed a total of 694 reclassifications, range changes, classification specification updates, new position creations, new classification creations and job title changes.
- In 2022, the team worked with Human Resources and Department heads to review and change minimum qualifications to meet the needs of the Departments and to reflect changes in the current job economy. In many cases, this involved changing minimum qualifications that required many years of experience to competency-based qualifications, allowing us to attract a larger applicant pool.



## Bargaining

- The Bureau of Human Resources will continue to bargain on behalf of the Governor with now five different unions representing eight bargaining units. In 2021, a new Maine State Law Enforcement Supervisors bargaining unit was created and is represented by the Fraternal Order of Police (FOP). The Maine State Service Employees Association (MSEA) represents the Administrative Services; Operations, Maintenance, and Support Services; Professional and Technical; and Supervisory Services bargaining units. The American Federation of State, County, and Municipal Employees (AFSCME) represents the Institutional Services unit. The Maine State Troopers Association (MSTA) represents the State Police unit. And the Maine State Law Enforcement Association (MSLEA) represents the Law Enforcement unit.
- Negotiations for successor agreements typically happen every two years on the odd year.
- Since 2019, the Bureau has negotiated, on behalf of the Administration, several across-the-board salary increases and additional pay benefits to substantially elevate the pay of State employees, including:
  - Longevity pay of 20 cents per hour for employees with 10+ years of service (15+ years remains 30 cents/hr; 20+ years remains 40 cents/hr)
  - Increased longevity pay to 60 cents per hour for employees with 25+ years of service
  - 3% raise October 2019
  - 4% (average) raise December 31, 2020
  - 2% raise December 1, 2021 (March 2022 for law enforcement units that finalized negotiations in 2022)
  - \$2,000 lump sum payment December 1, 2021 (March 2022 for law enforcement units)
  - \$15 minimum hourly rate effective December 15, 2021
  - 4% raise July 1, 2022
- The Bureau has implemented the State's first paid parental leave for employees, initially negotiated in 2019 as 14 paid days to be paid immediately after the birth or adoption of a child; and then increased through negotiations in 2021 to 28 paid days with the flexibility to be taken continuously anytime during the eight weeks directly following the birth or adoption of a child.



## **Pandemic Response**

- Though the Bureau has moved beyond the heaviest lift of pandemic-related activities (contact tracing; COVID work rules; administration of Federal acts related to leave, health insurance, open enrollments, and flexible spending benefits; other leave options; pulse of the workforce surveys; telework considerations; transition back to the workplace; and more), there are still ongoing reporting, case management, and posting requirements, increased workers' comp activity, and efforts to ensure the safety of all employees. The two plus years spent working under such stressful circumstances have had a significant and ongoing impact. Longtime HR professionals who could retire, did; those becoming eligible, have indicated they will. The HR professionals remaining feel the extra burden of filling in the gaps and training new employees as they strive to best guide, advise, and serve the departments, agencies, and employees and meet our mission of elevating Maine State Government as an employer of choice.
- In response to safety concerns raised during the pandemic, the State and the unions revived the Labor Management Committee on Building Safety, co-chaired by the State Human Resources Officer and the President of MSEA, and made up of employees from each of the bargaining units, managers from several departments, and a member of the Governor's Office. Initially, meetings were held biweekly and in 2023 have transitioned to every other month.
- The Bureau conducted two surveys during the pandemic in November 2020 and June 2021, with approximately 7,000 workers responding to each survey. Results provided insight into employee needs and concerns to be addressed (for example: feeling isolated) and helped guide management decisions for work rules and potential transition out of emergency telework.
- In order for the State of Maine as an employer to be prepared to meet anticipated OSHA/BOSH requirements, BHR developed and deployed a vaccination portal in which over 8,700 State workers uploaded their proof of vaccination cards. Each upload was validated by the bureau.
- In 2022, BHR's Office of Employee Health and Wellness collaborated with Shaw's/OSCO and WellStar to provide 79 employee/family member vaccination clinics. At these clinics, 1,227 individuals received a COVID-19 Bivalent vaccine, and 2,055 received a flu vaccine, for a total of 3,392 vaccines administered. In 2021, there were 64 vaccine clinics provided through this collaboration.



### Transition to Non-Emergency Hybrid Telework

- While some employees and agencies reported onsite throughout the pandemic or prior to the announced period of transition due to operational needs—for which we thank them very much! – for the most part, those who were teleworking during the pandemic began transitioning to non-emergency telework during the announced transition period of June 6 through October 3, 2022.
- The Bureau was key in the development and deployment of *Works For ME* for the transition to non-emergency telework. This program provides guidance and training for managers through three online modules on considerations for telework, how to establish appropriate telework arrangements, and the telework authorization form and approval process; as well as a help guide, sample telework authorization form; safety, security and compliance checklist, and online training for employees. Also available on the *Works for ME* site is a hotel space booking application.
- Over 4,800 of our employees, about 43%, either are or have submitted plans to engage in telework. On an annual basis, this will save more than 22 million driving miles.

### Workforce Engagement Survey

- The Bureau’s Talent Management Division developed and deployed the first annual workforce engagement survey on October 27, 2022, with responses due November 7, 2022. We were pleased to receive 6,089 responses, which are currently being analyzed by an experienced vendor. This data will become the baseline, as we work toward identified areas for improvement and assess progress on a regular, annual basis.
- Initial learning from the survey includes:
  - Top 5 reasons came to work for Maine State Government
    - Benefit options
    - Job Security
    - Make a difference for the people of Maine
    - The work seemed interesting
    - Public service is important to me
  - 87% Feel their supervisor treats them with dignity and respect
  - 87% see their work as adding value for the people of Maine
  - 74% see a clear link between their work and the mission, vision, and values of the agency



## Recruitment and Retention

- The Bureau continues to take a holistic approach to recruitment and retention. Representatives from BHR's Talent Management, Employee Health and Wellness, HR Service Centers, Classification & Compensation, and the Office of Employee Relations meet with agencies to discuss job duties and postings, minimum qualifications, application process improvements, functional job analysis (FJA), hiring pay strategies, wellness programs, exit surveys/stay surveys, culture, considerations for negotiations, and the potential for stipends through the statutory process. Most recently, the Bureau has put strategies in place to address recruitment and retention concerns at the Department of Corrections, the Maine State Ferry Service, and the Department of Public Safety's Emergency Communications Services. Conversations are currently underway with the Department of Professional and Financial Regulation, DAFS' Division of Procurement, and Public Safety's Capitol Police.
- A Recruitment and Retention Community of Practice for recruiters throughout state government is meeting regularly to share tips and tools, receive guidance, suggest improvements to applications and processes, evaluate data, and learn from their combined knowledge and expertise. For example: BHR's DEIB Specialist met with the group in December, providing methods to ensure recruitment and retention practices are inclusive, including setting ourselves apart in job postings, using competency-based qualifications, communicating clearly and timely, and creating a welcoming environment.
- Through the efforts of BHR's Talent Management Division, the State of Maine has been recognized as a Certified Age Friendly Employer through the (CAFÉ) Program which recognizes Maine state government as an employer valuing diverse employees based on proficiency, qualifications and contributions—free of ageism. The program began with an evaluation providing recommendations for improvement to become and remain an age friendly employer. Along with certification, the State will receive increased publicity and marketing.

## Training and Development

- The Bureau of Human Resources continues to provide statutorily required *Managing in State Government* training to new managers and supervisors. As a result of the pandemic, the program was revamped to be completely virtual. Feedback has been incorporated to enhance the program, which has increased from 3 full days to 4 days in 2023. Attendee feedback is excellent! As word got out about the quality of this program, large



departments who once provided their own version are now sending their new managers/supervisors to BHR's program. In January 2023 alone, 150 participants were registered to attend.

- In December 2022, the Bureau's Talent Management Division piloted a new workshop *Employee Counseling: The Fork in the Road* with great success and excellent feedback. The workshop will be available to larger audiences in February 2023.

### **Diversity, Equity, Inclusion, and Belonging (DEIB)**

- Recognizing the opportunity for Maine state government to lead by example in diversity, equity, and inclusion, the Bureau created a limited period position and hired a Diversity, Equity, Inclusion, and Belonging (DEIB) Specialist in May 2022. A Diversity, Equity, and Inclusion Community of Practice (COP) has been established with DEI practitioners in state government identifying goals to develop a strategic plan and strengthen connections both across Maine state government and throughout the east coast. The Bureau's DEIB specialist has participated in networking opportunities through DEI focused workshops and entities such as *The Better Maine Conference: Building Inclusive Workplaces*, the first annual DEI conference for the National Association of State Chief Administrators, and the Government Alliance on Race and Equity (GARE).
- The Talent Management Division launched a SharePoint resource page, which has information, articles, videos, and other resources to support recruitment, retention, development, and diversity, equity, inclusion and belonging efforts in state government. The site has helpful information for state government hiring managers, leadership, and employees. [The SharePoint Site](#) will be regularly updated with new content and training opportunities.
- Leaders within the Bureau of Human Resources have been participating in DEIB education throughout 2022 and into 2023, to enhance their knowledge through readings, conversations, special guests, and online tools. DEIB reading groups have also been extended to other departments within Maine state government, and a DEIB strategic plan is being developed.

### **What's ahead for 2023:**

- Human Resources Management System Implementation
  - We are very excited to be moving forward with the critical implementation of a modern Human Resources Management System to replace our disparate, outdated legacy electronic and paper-based systems.



- Last fall we began working with our new implementation partner, Accenture. Accenture was carefully selected through a rigorous RFP process that started the previous year.
  - Accenture has spent several weeks reviewing our previous implementation efforts and documentation, and they have been meeting with State employees to gain additional insight into our processes, needs and goals for a new HR system.
  - Between now and the end of February, Accenture will be reviewing their recommendations with State project staff and executive leadership. This may require us to make some decisions that will change the way we perform HR functions and support our employees, in order to take full advantage of the improved functionality and efficiencies offered by a modern system.
  - Once we have completed the current review and recommendations phase of the project, we will go into the planning phase, and we hope to have a much clearer view of the project timeline and development needs by the end of March.
  - We have taken some additional steps to keep the project on track and ensure that we go-live with the best product possible. We have contracted with a vendor that specializes in the Workday system to provide critical testing services throughout the project, and we have engaged an experienced provider of Independent Validation and Verification services, who will be continuously reviewing the work of the project teams from both Accenture and the State.
- 
- Ongoing progress of Classification and Compensation
    - This will include engaging external resources to help connect the market salary information to the information gathered through classification discussions with department leaders, other states, and our consultant, Segal Group.
  - Ongoing efforts in DEIB initiatives



## **MaineIT**

Fred Brittain, Chief Information Officer

MaineIT, formerly known as the Office of Information Technology (OIT), provides reliable, cost effective, and secure information technology (IT) services.

MaineIT roles and responsibilities are legislatively authorized by statute: 5 MRS Chapter 163: Office of Information Technology. The roles and responsibilities of MaineIT and the Chief Information Officer include the complete spectrum of IT oversight and management for Executive Branch agencies and selected parts of the spectrum throughout State government.

MaineIT provides:

- Best business practices and project management (§1973);
- IT communications and coordination across State government (§1973);
- IT leadership and vision (§1973);
- Policies and standards (§1973);
- Strategic planning (§1974);
- Training and development programs for State employees (§1974);
- Approval of acquisition and use of equipment (§1974); and
- High-quality, responsive, cost-effective information technology services (§1981).

From a strategy perspective, MaineIT directs, coordinates, and oversees all information technology operations, cyber security, policymaking, planning, architecture, and standardization. The Chief Information Officer, as head of MaineIT, provides central leadership and vision in the use of information and telecommunications technology on a statewide basis – and sets policies and standards for the implementation and secure use of information and telecommunications technologies.

Specifically, to cybersecurity efforts, MaineIT leads efforts to safeguard the State's valuable information assets, strengthen our incident response capabilities and adopt comprehensive information security measures for protecting the enterprise. Cyber-attacks against public sector entities continue to proliferate, and under-resourced state and local governments are attractive targets for malicious actors. Funds were included in the last budget and Jobs Plan. The Jobs Plan funds are one-time; however, and we must sustain and increase the effort, as there is more work to be done. This is a biennial budget request.

Internally, on a day-to-day basis, this means that MaineIT supports the more than 11,500 executive branch employees, 15 Cabinet-level departments, and all the smaller agencies in the executive branch of State government. MaineIT also provides certain services to the Judicial branch, Office of the Attorney General, and Secretary of State.



Externally, MainelT supports Maine citizens directly through its administration of the contract for the Maine.gov web portal on behalf of the independent InforME board. It is also responsible for:

- Operation and maintenance of the State's radio network serving first responders and numerous other State agencies;
- Application development and support for all executive branch agencies;
- Project management for successful coordination and implementation for technology projects as well as other important agency efforts;
- Management and support of the State's network and communication services;
- Management of two State data centers and cloud-based server infrastructure; and
- Provision and support of all desktop computing.

Highlights include:

- Maine received an overall grade of an A- for the 2022 Digital States Survey. This survey is the most comprehensive and respected benchmarking for state government IT organizations, and this is the highest grade ever achieved for the State of Maine since beginning the survey in 2010! An A- indicates that we have demonstrated "very strong innovation, high performing solutions, and have applied excellent practices in all aspects of operations, governance, and administration."
- Maine Revenue Services and MainelT collaborated to support the programming and operations needed to send out the \$850 COVID relief checks to nearly 876,000 Maine tax filers. This process will be modified and repeated to produce the Winter Emergency Energy Relief checks in early January 2023.
- Maine Revenue Services and MainelT collaborated on the State Tax and Revenue System (STARS) project, a four-year phased operation to replace the legacy tax systems. The second successful rollout has been completed which included Sales Tax and Withholding Taxes. Efforts are now focused on the 1040 Individual Income tax implementation, which is scheduled for rollout in 2023.
- The on-premises mainframe was formally decommissioned and transferred to the cloud bringing the nearly 50-year mainframe era at the State of Maine to an end. This was a coordinated effort between many different teams to carefully plan out the cloud transition of the MFASIS system that processes all state employees' payroll. MFASIS is continuing to run smoothly on the new Mainframe as a Service platform and will remain operational until the new HRMS system is implemented.
- MainelT, in partnership with the Department of Health and Human Services, replaced the Federally Facilitated Marketplace for federally mandated consumer insurance



coverage and MaineCare eligibility with the State-Based Marketplace. The first release to replace the interface between critical business applications and the Centers for Medicare & Medicaid Services went live on schedule. The second release also went live to provide further enhancements to functionality and usability for the citizens of Maine.

- MaineIT is using Jobs Plan funds to upgrade the State Cybersecurity Program and advance business continuity and disaster recovery planning for state government by developing an actionable contingency plan for disaster recovery which “recovers” an organization’s hardware, applications, and data after a technology disruption. These plans are vital to the State’s ability to prepare for and respond to a broad range of threats, from mild outages to serious disasters and cyber-attacks.
- The Information Security Office was able to grow its workforce. This increased capacity will continue to strengthen and support enterprise security, statewide information security, and modernization efforts that are essential building blocks for advancing the State’s information security program.
- Through the Infrastructure Investment and Jobs Act (IIJA) of 2021, Congress established the State and Local Cybersecurity Improvement Act, which established the State and Local Cybersecurity Grant Program (SLCGP), appropriating funding to be awarded to states over four years. A planning committee was formed, submitted the application, and was awarded \$2,666,577 for the first year of this program pending a complete State Cybersecurity Plan due in September 2023. The intent of this grant is to establish the “State role as leader and service provider.” Working with municipalities, state departments and school districts, the funds will be used statewide to elevate our collective understanding of cybersecurity threats and our posture. Maine continues to encourage the federal government to expand its funding for cybersecurity issues as fraud, scams, and breaches are a state, national, and global threat.
- MaineIT has various MJRP efforts in progress including Modernizing Digital Physical Technology, Improving Delivery of Digital Service to Citizens, State Cybersecurity Program, Effective Remote Work Capabilities, and Business Continuity Plan for IT. With these federal funds, along with the continued support of the Legislature, MaineIT will continue to align our fiscal model to support IT services in partnership with the agencies serving citizens of the State of Maine.
- The Laptop Refresh is a proactive laptop refresh life cycle. Client Technologies uses cloud-based services, windows Autopilot, to setup and pre-configure laptops direct from the manufacturer to the end users’ desk. This modern approach to laptop provisioning



will enable Client Technologies to refresh end user computers every four years.

- MainelT adopted a Digital Accessibility Awareness and Education Plan to develop and sustain awareness of the importance of ensuring digital accessibility for all.
- Implemented the Human Resources Supervisor Audit process to provide supervisors the ability to validate the individuals assigned to them monthly, via an automatic email notification. Supervisors can add or remove staff as needed to correct their employee assignments. This information is then used to update assignment data in MFASIS.
- MainelT launched a new call center for the Maine Department of Labor to support hurricane relief for the Florida Department of Labor unemployment call flow. Support was routed to Maine to assist Florida. This effort was completed immediately to support hurricane relief efforts.
- MainelT in collaboration with the Department of Health and Human Services Office of Child and Family Services completed a modernization effort to streamline business processes and improve automation and integration of various workflows. The Katahdin application is a Salesforce based application and its implementation was aided by the “Maine Service Bus,” which is a network that moves data easily among different systems, to support rapid development and reusable components.
- Following the Federal government ban on the use of TikTok and the TikTok application, services, and equipment from all Federal communication devices, MainelT launched and completed a thorough assessment of the product. As a result of this assessment, MainelT is now prohibiting the use of TikTok accounts and the TikTok application from all Executive Branch State-owned devices or BYOD (Bring Your Own Device) mobile devices that connect to the State’s network.
- MainelT completed several network upgrades including refreshing our load balancers, completing firewall upgrades, upgrading the uninterruptible power supply in datacenters, completing infrastructure improvements, and upgrading firmware to ensure consistent, stable, and reliable State of Maine network performance for all State of Maine users.
- The Central Applications account is where we manage the technology that supports administrative functions throughout State government. This includes financial processing and reporting, budgeting, human resources, payroll, and data warehouse and analytics tools. Some recent accomplishments include:



- Transitioning to a modern data analytics platform, which provides dramatically increased functionality.
- With the abrupt move to remote work, we expanded the number of agencies utilizing MainePays, our electronic workflow tool for financial transactions, increasing usage 435% and going from 64,000 to 340,000 documents processed annually. We also expanded the functionality of this tool to include additional types of financial transactions, and we continue looking for new ways to improve efficiency and effectiveness with it.
- In order to support our new hybrid workforce, we developed several tools, including an electronic Telework Authorization Application portal, and implemented hoteling software, which allows staff without permanently assigned space to reserve a desk on the days they plan to be on-site.

#### What's ahead for 2023:

- **Business Continuity** focuses on sustaining mission/business processes during and after a disruption to restore operability of the target systems, applications, or infrastructure after an event. The State of Maine must develop, train and be prepared to execute plans to ensure essential government services are available for citizens.
- **Ongoing modernization of the State's digital and physical technology will ensure:**
  - State Government continues to respond to demands from the pandemic.
  - Maine citizens have access to reliable digital government services.
  - Aging assets with accumulating technical debt and risk are replaced timely.
  - Public health systems are adequately improved and supported.
  - Infrastructure systems are appropriately sized to support demand growth.
  - Citizen applications are stable, available, secure, and well-performing.
  - All State facilities have the bandwidth necessary to support hybrid work.
  - Infrastructure is highly available, redundant, and low risk.
- **Creating a Remote Technology Portfolio** will improve the opportunities for a highly available hybrid remote workforce by adding systems, support, processes, and enhancements to existing tools to increase the effectiveness of remote work capabilities. The program will focus on ensuring State employees and the public can access what they need no matter where they are.



- The state’s financial system, Advantage, is scheduled for a major upgrade; the Budget Financial Management System (BFMS) is past due for replacement; and our HR and payroll systems are in the process of being implemented. These are transitioning from on-site, mainframe systems to cloud-based Software as a Service (SaaS) technologies. While this does increase annual maintenance costs, it has significant long-term benefits: SaaS systems receive regular updates, more robust disaster recovery abilities and avoid the perils of outdated and difficult to maintain systems along with the significant one-time costs to replace them.

### **Project Management Office**

The Project Management Office provides oversight and accountability for successful project implementation by applying nationally recognized best practices to ensure projects are completed on time, within budget, and meet original goals while avoiding scope creep.

There are currently 25 projects in-flight with another 12 in initiation phase. The Maine Project Management office applies a standard and repeatable practice that has led to 95% “green” performance rating for in-flight projects.

The PMO achieves these results by providing a full array of project management services through the entire lifecycle of Projects and Initiatives critical to ensure the State’s interests are met and intended outcomes are achieved. These include:

- Project Initiation
- Strategic Planning
- Business Case Development
- Project Needs Analysis
- Project Delivery
- Organizational Change Management
- Independent Validation and Verification

Highlights include:

- Created, organized and managed the process to distribute \$997 million of Jobs Plan funds through 140 business cases, ensuring federal eligibility and fiscal and metric tracking.
- Continue to balance state and contractor workforce to gain more efficient management of projects. The average number of mid-sized projects a contractor can effectively manage is one, while the average number of projects a State of Maine Project Manager



can effectively manage is three. In the last year, the PMO filled 4 positions approved in a previous budget and reduced our dependence on contractors by 9. More on this in the biennial budget.

- **What's Ahead: Portfolio Management**, which will provide agencies with new tools to coordinate and track their array of projects toward more unified goals and measurable outcomes and allow for a state-wide dashboard of project performance and impacts.

### **Chief Data Officer**

The state now has a Chief Data Officer. The Chief Data Officer provides data stewardship and communication to ensure valid and reliable data are protected and available for legal and ethical use/reuse for data driven decision making throughout state government.

- Responsible for both: data management – how to organize, consistently collect, and merge data; and data governance – facilitating data privacy compliance and establishing appropriate data sharing.
- All data governance efforts are built upon a common foundation, philosophy, and values, and are achieved through rigorous data stewardship and communication.
- Promote and enable the intersection of policies, standards, processes, technology, and people responsible for using/re-using and managing data as a secure and strategic asset.
- Various responsibilities as outlined in PL 2021, Chapter 717, An Act To Promote Equity in Policy Making by Enhancing the State's Ability To Collect, Analyze and Apply Data.



## **Bureau of General Services**

Elaine Clark, Deputy Commissioner of Operations  
Bill Longfellow, Director of the Bureau of General Services  
David Morris, Acting Director of Procurement Services

The Bureau of General Services (BGS) provides consolidated management and coordinated oversight for a range of property, procurement, and central services to meet the operational needs of State programs and services. BGS pursues cost-effective operations in its own activities and in the operations of other departments and agencies. BGS's enabling or authorizing laws can be found in 5 MRSA, Chapters 152 through 156, and Title 41, Code of Federal Regulations.

BGS is comprised of eight functional divisions. The Director's office coordinates research, policy and reporting, inter-divisional and inter-agency initiatives, various statutory stakeholder groups, public improvement projects, and expenditures as authorized by the Legislature, energy procurement and market monitoring, Legislative and constituent matters, and a variety of other special projects

The Bureau of General Services consists of:

- DIVISION OF PLANNING, DESIGN & CONSTRUCTION DIVISION (DPDC) The Division of Planning, Design & Construction is responsible for capital improvement planning for facilities, architectural and engineering design procurement, and approval of design agreements, bidding of public improvement projects, and construction administration of all the State's public improvements and public-school projects. DPDC manages the procurement process for architect and engineer agreements, conducts the bidding for construction services, and monitors construction projects. The division also develops overall long-range public improvement programs for all agencies of State government. As of 2023, DPDC is engaged in approximately 300 active projects.
- DIVISION OF SAFETY AND ENVIRONMENTAL SERVICES (DSES) The Division of Safety and Environmental Services provides hazardous material (asbestos, lead, mold, mercury, PCBs) and indoor air quality assessment and mitigation oversight services for public schools and state facilities and serves as the lead agency of the State for these matters.
- PROPERTY MANAGEMENT DIVISION (PMD) This division provides operation, maintenance, and building control services to five (5) memorials, forty-five (45) occupied buildings, and twelve (12) unoccupied/ storage structures located on three campuses totaling nearly 2 million square feet of employee-occupied space for all



State agencies. PMD also maintains approximately 150 acres of grounds and several monuments in the Capitol area. On average, PMD responds to 20 work orders every workday providing responsive and professional maintenance and diagnostic services to state employees.

- **DIVISION OF LEASED SPACE (LS)** The Division of Leased Space administers over 250 active leases for office, warehouse, garage, storage, tower, classroom, mixed use, and training purposes in the service of 37 State agencies, across 68 different municipalities and 5 unorganized territories. The Division's leasing portfolio includes 1,882,244 square feet of space with an approximate value of \$27 million. This total cost includes rent, utilities, custodial services, and all associated costs of the leased space.
- **OFFICE OF STATE-OWNED LANDFILL MANAGEMENT (OLM)** The Bureau of General Services, Office of State-owned Landfill Management, has authority under 5 M.R.S., §1742, to own, design, develop or operate, or contract with private parties to operate, solid waste disposal facilities as provided in 38 M.R.S, §4. Currently, the State of Maine owns three landfills, Carpenter Ridge, Juniper Ridge, and Dolby.
- **DIVISION OF PROCUREMENT SERVICES (DPS)** The Division of Procurement Services directs the procurement process by purchasing or reviewing and approving agency purchases of goods and services supporting the needs of State government. The Division of Procurement Services ensures that these procurements are made on a best value basis, ensuring both quality and cost effectiveness, and that the transactions are made in a fair, open, and competitive manner. The Division processed 37,123 procurement transactions in fiscal year 2022, an increase of 52% over the previous report.
- **DIVISION OF CENTRAL FLEET MANAGEMENT (CFM)** Central Fleet Management was established to procure, distribute, and dispose of passenger and light truck vehicles cost-effectively by consolidating State government vehicle management through a single agency. Today, CFM manages more than 2,300 vehicles for employees on official State business.
- **DIVISION OF CENTRAL SERVICES (CS)** Central Services is comprised of Postal Operations and Surplus State and Federal Property Operations.
  - **Postal Services:** The State Postal Center provides a wide range of mail services for 147 separate State locations, including interoffice mail. The



Postal Center handles more than 9 million pieces of outgoing mail, 4.5 million pieces of incoming mail, and some 60,000 parcels/signature-required items annually. In 2022, outgoing mail included nearly 876,000 in Relief Checks distributed to tax filers throughout the state.

- Surplus Property: The Surplus Property Division disposes of state surplus property that is no longer needed by the department that purchased it. The Division conducts daily sales, property offered for bid, periodic public sales, and public auctions. Additionally, federal surplus property is obtained for donation to qualifying state, public or non-profit organizations throughout Maine. In 2022, Surplus Property sold 282 vehicles/large equipment through electronic auction. Total sales exceeded \$1.3 million.

The entire Bureau of General Services team has been particularly active on behalf of all of State government as engaged stewards of all Maine State facilities, land, and property. Their commitment to “catch up,” “keep up,” and “build up” has resulted in comprehensive strategic planning, critical assessment, and ongoing timely maintenance to avoid more costly fixes in the future.

Highlights include:

#### **Division of Planning, Design and Construction**

- **Pandemic**
  - Much of the general fund work in 2022 was related to air quality improvements in response to the Covid-19 pandemic. Air handling equipment was replaced and air filtration improved in 1,200,000 of the 1,800,000 square feet of state-owned space in Augusta. Sixty-one air purifiers were provided to various departments, in response to requests.
- **Relocations Necessitated by Major Renovation Work**
  - Building renovations at the Cultural and Ray Buildings triggered a second major wave of work in 2021 and 2022.
    - Relocating the Cultural Building’s staff, books (26,000 square feet of collections), archives (8,330 boxes), and museum objects required multiple leased spaces (some with specialty temperature and humidity controls) and improvements to the state-owned buildings to which the agencies were relocated (10 Water Street, 242 State Street, the Center Building, 6 Elkins Lane, Cross Building, Smith-Merrill House, and the Williams Pavilion).



- For the Ray renovation, Maine DEP was relocated to the Marquardt Building, one floor of which had recently been vacated, with the file room transferred to the only building that could support the weight, the DEP training room at Chimney Loop.
- **Greenlaw Building Renovation**
  - Renovation work began in 2019 and continued through 2022 to convert the vacant Greenlaw Building into a sophisticated and complex lab building for the Health and Environmental Testing Lab.
- **Planning**
  - Completed Augusta Area Facilities Master Plan
  - Completed Master Plan for MECDHH/GBSD and Mackworth Island
  - Completed Facility assessment for BGS-managed buildings at Dorothea Dix Psychiatric Center
  - Strategic Planning for \$50 million in state general funds for keep-up and catch-up projects, all funds committed to projects
- **“Keep up” Stewardship**
  - BGS directed resources to building envelope upgrades (masonry, windows, roofs) to protect against water infiltration
  - Long-neglected civil projects were addressed, leading to designs for the Chamberlain Street wall replacement, and a project to realign the front steps of the Blaine House to correct settlement that had happened over the years
- **“Catch up” Renovations in Progress/Historic Preservation/Adaptive Reuse**
  - Phase I of the Stone Building renovation took place, which consisted of pest removal and a thorough building envelope upgrade/repair study
  - Studies of Dorothea Dix Psychiatric Center buildings managed by BGS and a Master Plan for MECDHH/GBSD/Mackworth Island created a blueprint for future renovation and demolition work
  - When friable asbestos was removed, many unforeseen conditions were found at the Cultural Building, leading to a supplemental budget funding request in the amount of \$5 million
- **Internal Reviews, Strategic Planning for Modernization and Efficiency**
  - RFP for an automated maintenance recording and scheduling database for all Maine State properties was advertised and proposals submitted



- **Energy and Environment**
  - Ray Building renovation, new OCME Building and Cultural Building renovation all were designed with electrified mechanical systems to minimize or eliminate use of fossil fuel and carbon emissions
  
- **Security**
  - Selection process was conducted for design of a secure screening entrance at the Cross Building
  - Concept designs developed for a secure fence at the Blaine House
  
- **Real Property**
  - Acquired former “fire station” property at 40 Hospital Street, Augusta, for replacement OCME building
  - Design for new OCME building completed

#### **Division of Safety and Environmental Services (SES)**

- Staffing was restored in the FY 23 budget, and the first of two positions were hired
- SES responded to 37 separate incidents involving air quality, mold, mercury, asbestos, or other hazardous materials issues, as detailed below:
  - *Inspections* - 39 on-site inspections were conducted
  - *Technical reports* - 21 technical reports were produced
  
  - *Materials involved*
    - 21 projects involved mold
    - 13 projects involved asbestos
    - 4 projects involved lead-based paint
    - 5 projects involved odor complaints/issues
    - 1 project involved mercury contamination
  
  - *Abatements overseen*
    - oversaw 15 mold abatements
    - oversaw 4 asbestos abatements
    - oversaw 1 lead-based paint abatement
    - oversaw 1 mercury-contamination abatement
  
- SES maintains a detailed database of incidents and responses



## Property Management Division

- **Energy projects:**
  - Completed LED upgrades with motion sensors in ten (10) PMD maintained facilities, to include hallways, stairwells, exit signs, emergency lighting and exterior building lighting
  - Completed several HVAC integrations allowing for more energy efficient operation
  - Replaced window AC units and old mini-split cooling units with energy efficient heat pumps at 19 Elkins Lane
- **Security projects:**
  - Enhanced security at twenty-two (22) facilities, state-wide, to include security panels, card readers, and cameras
- **Renovations:**
  - Installed doors (overhead doors and building access doors) in several locations with associated electrical work
  - Completed renovations/upgrades in seven (7) locations, to include walls, painting, plumbing fixtures, and flooring

## Division of Leased Space

- Eighty-three (83) leases were processed in 2022, escalator clauses to be removed from leases as they are renewed or entered into
- Process to request leased space and to report environmental issues was formalized, greatly streamlining and standardizing workflow
- The standard lease form was updated and is being used on all new or renewed leases
- A fee increase was approved which will allow the Division to be fully staffed

## Office of State-Owned Landfill Management

- Successfully completed second phase of capping at Dolby
- Negotiated preliminary agreement with East Millinocket to reduce charges for wastewater treatment
- Worked with consultants to respond to P.L. 2022, Ch. 172, addressing methods to treat PFAS in landfill leachate
- Responded to 38 MRSA §1303-C, sub-§40-A, concerning possible amendments to the Operating Services Agreement for out of state waste at Juniper Ridge Landfill



## **Division of Procurement Services**

- **Pandemic**
  - The Central Warehouse was closed having completed its mission providing PPE for schools throughout the State and State agencies
  - A total of 15,845,026 PPE items were processed through the Central Warehouse in response to the pandemic
- **Internal and Administrative Improvements**
  - Technology changes streamlined contract submission and review processes
  - The Divisions of Procurement, IT Procurement, Central Fleet, Surplus, and Postal were assessed for process, efficiency, and functionality to develop individualized action plans for process improvement, modernization and automation
  - An RFP for the State Purchase Program (P-card) was issued and awarded to JP Morgan. Transition is expected in early FY2024

## **Central Fleet Management (CFM)**

- The vehicle fleet consists of 2300 vehicles, 20% of which have 125,000 or more miles, leading to increased maintenance requirements. CFM has met the challenge and kept the fleet in operation, despite higher than usual mileage due to the unavailability of replacement vehicles
- In 2022, State of Maine fleet vehicles traveled 26,387,351 miles
- Eleven electric vehicles (EVs) were added during calendar year 2022. Electric vehicle purchases included 1-Kia Niro PHEV SUV, 2-Ford E-Transit BEV cargo vans, 3-Ford F150 Lightning Pro BEV pickup trucks, and 5-Chevy Bolt BEV compact cars. The Chevy Bolts will soon be placed in service at the agency level. CFM continues to work with agencies to provide PHEV and BEV vehicles based on vehicle availability and agency needs

## **Division of Central Services – Postal**

- The State Postal Center provides a wide range of mail services for more than 147 separate State locations, including interoffice mail
- Handled more than 9 million pieces of outgoing mail, including nearly 876,000 \$850 Pandemic Relief Checks distributed to tax filers throughout the State
- Handled more than 4.5 million pieces of incoming mail
- Processed more than 60,000 parcels/signature-required items



### **Division of Central Services – Surplus Property**

- Surplus Property located a buyer for the MDOT ferry “Governor Curtis.” Details are still in process, but the vessel is expected to go to a buyer in the south in early 2023
- Sold 282 vehicles and pieces of large equipment via auction
- Conducted 12 public sales
- Conducted 4 sales specifically for state employees to purchase equipment and other materials supporting telework from home

What’s ahead for 2023 (and beyond):

### **Division of Planning, Design and Construction**

- **“Keep up” Stewardship**
  - Continue to work with Gordian/Sightlines to update biennially the level of annual stewardship needed to properly support the state’s 1,800,000 square feet of building space in Greater Augusta
  - Full facility assessment studies will be done on state-owned buildings to allow for accurate calculation of “keep up” costs
  - Buildings constructed or renovated within the past 20 years will be maintained in like-new condition (Harlow, Williams, Deering, Greenlaw, Marquardt) through consistent, scheduled preventative maintenance
  - BGS will continue to direct resources to building envelope upgrades (masonry, windows, roofs) to protect against water infiltration and replace obsolete heating/ventilation/air conditioning equipment such as at the State Crime Lab
  - Continue annual repairs on the parking garage, pending results of structural study to be done in 2023
- **“Catch up” Renovations in Progress/Historic Preservation/Adaptive Reuse**
  - With available funding, the state has an opportunity to continue to “catch up” on long-neglected facilities and will prioritize those where full facility assessments and the complete scope of work have been developed
  - In accordance with the Master Plan, and to minimize environmental impacts, BGS will continue to prioritize renovation of existing facilities, particularly buildings that contribute to historic districts such as at the Stone and Center Buildings
  - BGS will continue to pursue “adaptive reuse” of existing, but obsolete facilities to minimize the environmental impacts of new construction
  - Facilities to be renovated include BGS-managed sections of the DDPC Campus (as funds are available), the Blaine House, Maine Criminal Justice Academy, the East



Campus (Chimney Loop buildings, Stone Building, Center Building), and the Nash School, Daschlager and McLean buildings.

- Continue efforts to seek funding for, abate, and demolish obsolete structures that are too degraded to save (for example, several buildings at MECDHH/GBSD at Mackworth Island, the Pooler Pavilion at DDPC, East Campus tunnels, 242 State Street)
- **Planning**
  - Master Plan for DDPC
  - Master Plan for Public Safety Campus
  - Master Plan for EV Chargers in Augusta
  - Solar installation guidance
- **Internal Administrative Tools**
  - Develop a database via a competitive process that creates a central repository of information for facility condition, repairs and improvements, energy consumption, and that alerts to upcoming maintenance (“keep up”) issues
  - Standardize reporting for general fund expenditures on capital projects
  - Revise Rules for Capitol Planning Commission and address leases of excess state property
- **Energy and Environment**
  - BGS Energy Manager to develop a database/baseline of energy use and carbon emissions in state-owned buildings and leased spaces
  - Complete EV Charger Master Plan for Augusta
  - Develop design standards for solar installations
  - Develop sustainable design standards for clean energy sources such as VRF/heat pump technology for new construction or major renovations
  - Incorporate mass timber into new construction
  - Continue electrification of buildings formerly served by central steam plants (originally fueled by coal, then oil, now natural gas)
  - Continue capping at Dolby Landfill in East Millinocket
  - Assimilate results of PFAS study for landfills and develop next steps
- **Security**
  - Design a secure screening facility for the Cross Office Building and have ready to issue for bid in January 2024
  - Design a more secure fence for the Blaine House and have ready to issue for bid in January 2024
  - Finalize details of a mass notification system for emergencies



- **Real Property**

- Property acquisition and development to be in accordance with the relevant campus master plan (Augusta, MCJA, DDPC, Mackworth)
- Address state acreage adjacent to the Dolby landfill in East Millinocket, transfer major acreage to DACF/Parks and Lands and sell some land to the Town of East Millinocket
- Sell excess state land at Downeast Correctional Facility
- Continue to inventory state-owned land databases to develop an accurate list
- Award contracts for infrastructure projects (Chamberlain Street retaining wall rebuild, shifting granite steps at Blaine House)

**Division of Safety and Environmental Services (SES)**

- Continue to respond to air quality or hazardous materials issues within 24 hours or sooner for emergencies
- Continue to provide weekly reports of active situations when BGS SES is involved in a response
- Maintain database of incidents and responses

**Division of Property Management**

- Work with Energy Manager to develop accurate fuel consumption data by building as part of the state's ongoing efforts to track and reduce carbon emissions.
- Expand recycling opportunities beyond paper and cardboard
- Develop expertise with VRF/electrified technologies and changing building usages and occupancies
- Develop a capital replacement plan for grounds equipment
- Continue to refine PMD project specifications such as standard types of hardware, windows, energy specifications, etc.
- Complete equipment entry with PM schedules in Shift Connector
- Procurement of services for annual evaluations of roofs in all state-owned buildings.
- Review and update PMD job descriptions to address technology updates and other changes
- Update PMD work rules and policies
- Continue to work with Planning, Design and Construction Division to migrate buildings off the Central Steam Plant on the East Campus as they are electrified
- Begin to analyze how the Steam Plant and Chillers in the Cross Building that supply heat and cooling to the CSOB, State House, and Cultural Building, and fueled by natural gas, can within the next 5 years be fueled via clean energy
- Formalize division of responsibilities for the State House between the State House and PMD, codify in an MOU



### **Division of Leased Space**

- Reduce the number of leases with escalator clauses by 25%.
- Fill two vacant positions, an Office Specialist II and a Public Service Manager II
- Reduce the number of Tenant at Will leases by 25% in 2023 and 25% in 2024
- Monitor Lessor improvements to 286 Water Street in Augusta to eliminate water infiltration
- Begin collecting energy usage information on leased space buildings

### **Office of State-Owned Landfill Management**

- Complete capping at Dolby Landfill
- Complete easements and license agreements to formalize transfer of leachate from Dolby Landfill to the East Millinocket treatment plant
- Complete agreement establishing charges for wastewater treatment at the Dolby Landfill
- Continue to address PFAS issues in leachate at both Dolby and Juniper Ridge
- Address Juniper Ridge capacity issues

### **Division of Procurement Services**

- Revise statutory and rule requirements to administer grant awards, be more precise with procedural requirements and update to meet automation strategies
- Continue modernization and automation of procurement processes through staged augmentations of our Dynamics-based applications
- Progressively integrate assessment plans into individual units
- Formalize and integrate Green Purchasing Program
- Gather data and implement the Procurement DEI Program

### **Division of Central Fleet Management**

- Upgrade fleet management database system
- Implement telematics solution for all or portion of fleet to gain insight on fuel efficiency, cost savings, and reduced emissions
- Continue to source and integrate electric vehicles into the fleet
- Adopt newer technologies
- Cycle out older, high-mileage vehicles

### **Division of Central Services – Postal**

- Implement assessment recommendation to modify staff organization
- Replace outdated and maintenance-heavy equipment with modern technology
- Transition aged vehicles to EV as business use allows
- Enhance security protocols by establishing a safe and separate area within the postal facility to screen for toxins and other possible contaminants



### **Division of Central Services – Surplus Property**

- Replace the existing paper process with a digitized system
- Implement a green surplus program
- Establish a stronger and deliberate Federal Surplus program
- Seek alternative methods of sales to ensure maximum ROI



## **Division of Financial and Personnel Services**

Heather L'Hommedieu Perreault, Deputy Commissioner of Finance

The Division of Financial and Personnel Services provides finance and human resources expertise to departments and agencies across State government. There are five centers focused on common customers, and each has a finance division and a human resources division that provide highly experienced and technically trained professionals with specialized knowledge in their fields. These service centers are:

- General Government
- Natural Resources
- Security and Employment
- Corrections
- Health and Human Services

These teams work with 13 State departments, including some of the largest, and dozens of boards, commissions and agencies. They provide professional expertise across all levels of HR and financial management, including processing, analysis, and reporting. Staff is well-versed in state and federal laws and regulations within which the State must operate. This expertise is used to assist agencies toward achieving their desired outcomes. Accountability, efficiency and effective use of State resources are the Division's goals.

The centralized nature of these operations provides a critical system of checks and balances, allowing for independent review of transactions and consistent application and interpretation across departments and agencies of statutory requirements, budgetary policy, generally accepted accounting practices, human resources policy, and collective bargaining agreements.

All staff within the Division contribute towards this objective, whether they are advising senior leadership on strategic objectives, or processing day-to-day transactions. Responsibilities include paying the State's bills, managing cash flow, on-boarding new employees, and training managers in human resource management. In addition, finance office staff assists with the agency budget analysis, development and management; financial reporting, forecasts and analysis; and advises on a variety of financial matters throughout the year. Human Resources staff assists both employees and managers with resolution of workplace issues; guides managers in performance evaluation and discipline; and provides workforce training and development.

Title 5, Section 284 established the Division of Financial and Personnel Services on June 30, 1992.

These statewide services were brought together within the Division as a result of Public Law 2005 c. 12 Pts. K-4, G-2 and G-3. These laws expanded the agencies served within the Division, and also directed the Department to review the structure of payroll,



personnel and accounting statewide in an effort to improve organizational efficiency and cost-effectiveness.

**Highlights include:**

- During the pandemic, the Service Centers were pivotal drivers of change, rapidly adapting and designing new business processes for the suddenly remote work environment. The Service Centers successfully continued to process transactions, prepare and manage budgets, pay employees and manage personnel changes without interruption so that partner agencies could provide critical services to the citizens of Maine throughout this challenging time.
- Human resources professionals within the service centers ensured employees across the state were familiar with the most up-to-date COVID-19 work rules and policies (including leave options); and served as the point of contact for employees testing positive for COVID-19, advising them on current isolation and quarantine requirements and conducting contact tracing for State employee cases until the shift to case management in early 2022.
- Massive increases in Federal funding over the past few years significantly increased the workload for finance service centers, with thousands of additional transactions, complex new compliance requirements, and hundreds of new grants and reporting requirements. In FY 2019, they managed approximately 800 accounts with \$7.6 billion in spending; in FY 2022 they managed over 900 accounts with \$10.6 billion in spending, an increase of 40%. Positions created through ARPA funds generated additional work for the human resources side of the service centers, as they assisted agencies with completing and reviewing functional job analysis (FJAs) and then submitting them for processing.



## **Conclusion**

DAFS has broad responsibility for the structures, systems and functions that play such a pivotal role in the State's ability to provide the programs and services so crucial to a functioning society and so very important to Maine families, schools, and communities.

The last few years have been a time of significant accomplishment within DAFS but there is still much to do to build on those successes and ensure continued momentum.

At DAFS we are committed stewards of state government's critical infrastructure: fiscal, human, physical, and technical.

### **DAFS Stewardship: FISCAL**

- Upgrading Budget Management System
  - Updated and streamlined user experience, better reporting capabilities and more efficient integration between the budget and financial systems
- New Human Resources Management System Implementation
  - More secure, reliable payroll data, improved internal controls and comprehensive human resources functions
- Upgrade Advantage System
- Expanding State Economist Staff
  - More demographic data from the census; devising and publishing charts, tables and other visual representations that will bring value for the public.
- The Annual Comprehensive Financial Report for fiscal year 2022 received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting award, marking our fifteenth consecutive year receiving this award.
- Since 2019: 3 biennial budgets, 5 supplemental budgets, Jobs Plan, Winter Energy Relief
- Discretionary Pandemic Relief Funds tracking and management: \$1.25B CRF; \$1B Jobs Plan
- Increased Project Management oversight and accountability for successful project implementation
- Fair, open and competitive procurement

### **DAFS Stewardship: HUMAN**

- Become an "Employer of Choice"
- Continuation of Classification and Compensation work
- Focused recruitment and retention efforts
- Diversity, Equity, Inclusion, and Belonging Strategic Plan and Center of Excellence
- Age Friendly Employer Certification
- Data management and data governance



- Talent Development and Coaching, both supervisor and employee focused
- "Works for Me" portal for coordinating hybrid work
- "Hoteling" application – easy booking space for on-site work
- In 2022, completed 694 reclassifications, range changes, classification specification updates, new positions, new classifications, and job title changes
- Workforce engagement surveys
- Digital accessibility awareness and education
- Over 4,800 of our employees, about 43%, either are or have submitted plans to engage in telework. On an annual basis, this will save more than 22 million driving miles.

### **DAFS Stewardship: PHYSICAL**

- New BGS maintenance and tracking Database
- Ongoing "Catch Up" "Keep Up" of State-owned buildings and properties
  - Consistent, scheduled maintenance across all state-owned properties – more than 2 million square feet
  - Focus on energy efficient upgrades and solar projects
  - Transition from oil and gas to electric heating
- "Lead by Example" - Caring for our natural resources and the environment
  - Sustainable, green procurement practices
  - 11 Electric vehicles added to fleet in 2022
  - Master Plan for EV Chargers in Augusta
  - Ongoing PFAs Mitigation Efforts in Landfills
- Safety and Security Upgrades
  - Hazardous material and indoor air quality assessment and mitigation
  - Screening entrance at Burton Cross
  - Blaine House fencing
  - Safe and separate postal inspection area
  - Emergency Notification System

### **DAFS Stewardship: TECHNICAL**

- Cybersecurity
  - Cybersecurity Plan due in September 2023
  - Actionable contingency plan for disaster recovery to hardware, applications, and data after a technology disruption
  - Plans are vital to the State's ability to prepare for and respond to a broad range of threats, from mild outages to serious disasters and cyber-attacks
  - Firewall, Firmware and Power Supply Continuity



- Human Resources Management System implementation
- Modernization and automation of procurement processes
- Upgrade Fleet Management System
- State Tax and Revenue System project – to replace legacy tax systems
- Upgrade and modernize Postal Division
- New Budget and Financial Management System
- Ongoing Remote/Hybrid work upgrades
- The last on-premises mainframe was decommissioned after nearly 50 years
- Modernizing digital physical technology
- Improving delivery of digital services to citizens
- Laptop refresh on four-year cycle
- Our electronic financial transactions workflow tool now processes more than 340,000 documents annually, with more coming online

As we continue to push these critical efforts forward, we will ensure that our state processes, facilities, and infrastructure are maintained, continue to function safely and smoothly, and keep critical pace with the changing technology around us. We will also continue to be engaged and supportive champions of our greatest resource – our employees, who continue to deliver essential programs and services to the people of Maine.

# Department of Administrative & Financial Services

**Presentation for the Joint Standing Committee on**

**State & Local Government**

**February 2, 2023**

**Kirsten LC Figueroa, Commissioner**

- What is DAFS?
- What does DAFS do?
- Who is DAFS?
- Org Chart
- Bureau-by-Bureau
- Stewardship
- Q+A

# What is DAFS?

DAFS is the central nervous system of State government.

Committed stewards of state government's critical infrastructure: fiscal, human, physical, and technical.

We are the provider of essential services that makes the other efforts of State government possible.

We are more than a department of rules, procedures, and budgets; we are a resource of knowledgeable, helpful, and innovative professionals.

We lead and collaborate with open doors, open minds, and open hearts.

# What Does DAFS Do?

- **Principal Fiscal Advisor to the Governor**  
Office of the Economist    Office of State Controller    Bureau of the Budget
- **Responsible for the State Civil Service System**  
Bureau of Human Resources
- **Maintain All State Buildings and Grounds**
- **Centralized Purchasing of Services and Supplies**
- **Oversight of Fleet, Surplus and State Postal Services**  
Bureau of General Services
- **Computer Services and IT, project and data management**  
Maine IT    Project Management Office    Chief Data Officer
- **Processing Services and HR Support**  
Department of Personnel & Financial Services    Bureau of Human Resources

# Who is DAFFS?

- Nearly 1200 positions
- 10 divisions
- 5 Committees of Jurisdiction, plus significant interaction with AFA
- 7 Divisions – Joint Standing Committee on State and Local Government
  - Office of State Economist
  - Office of State Controller
  - Bureau of the Budget
  - Bureau of Human Resources
  - MaineIT
  - Bureau of General Services
  - Division of Financial & Personnel Services
- Remaining 3 fall under the jurisdictions of other joint standing committees and are therefore not included in this report
  - Bureau of Alcoholic Beverages and Lottery Operations – VLA
  - Maine Revenue Services – TAX
  - Office of Cannabis Policy – VLA
- as well as:
  - Office of Employee Health and Benefits within BHR - HCIFS
  - Workers' Compensation within BHR - LBHS

# Department of Administrative and Financial Services

**Kirsten LC Figueroa**  
Commissioner

**Jennifer Morrow**  
Executive Assistant

**Sharon Huntley**  
Director, Communications

**Jenny Boyden**  
Associate Commissioner

**Michael Allen**  
Associate Commissioner of Tax Policy

**Crystal Vaughn**  
Director, Special Projects  
Maine Jobs & Recovery

**Heather Percival**  
Deputy Commissioner of Finance

**Amy Trundy**  
Chief of Legislative and Strategic Operations

**Rhaine Clark**  
Deputy Commissioner of Operations

**Office of Information Technology (MAINET)**  
Fred Brittain  
Chief Information Officer

**Office of State Economist**  
Amanda Rector  
State Economist

**Office of State Controller**  
Doug Connor  
State Controller

**Bureau of the Budget**  
Beth Ashcroft  
State Budget Officer

**Bureau of Human Resources**  
Brenda Bissell  
State Human Resources Officer

**Division of Financial and Personal Services**

**Bureau of Alcoholic Beverages and Lottery Operations**  
Gregg Winco  
Director, Bureau of Alcoholic Beverages & Lottery Operations

**Office of Cannabis Policy**  
John Hudak  
Director, Office of Cannabis Policy

**Bureau of General Services**  
William Longfellow  
Director

**Maine Revenue Services**  
Jerome Gerard  
State Tax Assessor

**Client & Manufacturing Services**  
Nicholas Marquis  
Exec. Dir., C&M Services

**Office of State Investment**  
Vacant  
Senior Economic Analyst

**Office of State Counselor**  
Shirley Browne  
Deputy State Counselor

**Bureau of the Budget**  
Darryl Stewart  
Deputy State Budget Officer

**Field Services**  
Lisa McGarity  
Director, Field Services

**Financial Services Center**  
Jennifer Libby  
SAC, General Inquirer

**Liquor Operations**  
Tracy Willett  
Manager, State Liquor Store

**OCR Operations**  
Vernon Mallick  
Deputy Dir. of Operations

**Division of Procurement Services**  
David Morris  
Manager, Procurement

**Property Tax**  
Peter Lary  
Director, Property Tax

**Enterprise Shared Services**  
Sharon Horne  
Exec. Dir., ES Services

**Office of State Economic Development**  
Denise St. Peter  
Economic Analyst

**General Accounting**  
Tammy Chase  
Deputy Accounting Director

**Division of the Budget**  
Darryl Stewart  
Deputy State Budget Officer

**General Services**  
Almer Norfolk  
HR Director, GS&C

**General Government Services Center (FGN)**  
Vacant  
FGN Director, GS&C

**Lottery Operations**  
Michael Boardman  
Deputy Director, Lottery

**OCR Operations**  
Elise Hill  
Director of Licensing

**Division of Property Management**  
Jan Larson  
Deputy Property Manager

**Office of General Services**  
Alexander Weber  
General Counsel

**Information Security**  
Nathan Williger  
Chief Information Security Officer

**Office of State Economic Development**  
Vacant  
Data Center Specialist

**ERP Operations**  
Karin Hall  
Deputy ERP Operations Director, F&A

**Division of Talent Management**  
Jessica Crosby  
Director, Talent Management

**Health & Human Services Center (HHSC)**  
Wendy McDonnell  
HR Director, HHSC

**Health & Human Services Center (HHN)**  
Sarah Gove  
HHN Director, HHSC

**Lottery Operations**  
Michael Boardman  
Deputy Director, Lottery

**OCR Operations**  
Elise Hill  
Director of Licensing

**Division of Property Management**  
Jan Larson  
Deputy Property Manager

**Office of General Services**  
Alexander Weber  
General Counsel

**Project Management Office**  
Douglas Birdfield  
Director, Project Management Office

**Office of State Economic Development**  
Vacant  
Data Center Specialist

**Financial Reporting & Analysis**  
Sander Royce  
Director, F&A

**Division of Compliance**  
Kelsie Lee  
Director of Compliance

**Natural Resources Service Center (NRSC)**  
Amanda Rodolph  
HR Director, NRSC

**Health & Human Services Center (HHN)**  
Dartene Sage  
HR Director, CSC

**Lottery Operations**  
Michael Boardman  
Deputy Director, Lottery

**OCR Operations**  
Elise Hill  
Director of Licensing

**Division of Property Management**  
Jan Larson  
Deputy Property Manager

**Office of General Services**  
Alexander Weber  
General Counsel

**Account Management**  
Derek Matusik  
Director, Account Mgmt.

**Office of State Economic Development**  
Vacant  
Data Center Specialist

**Internal Audit**  
Frank Whitehead  
Director, Internal Audit

**Office of Employee Relations/ Legal**  
Vacant  
Chief Counsel

**Natural Resources Service Center (NRSC)**  
Amanda Rodolph  
HR Director, NRSC

**Health & Human Services Center (HHN)**  
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Elise Hill  
Director of Licensing

**Division of Property Management**  
Jan Larson  
Deputy Property Manager

**Office of General Services**  
Alexander Weber  
General Counsel

**Office of Employee Relations/ Legal**  
Vacant  
Chief Counsel

**Office of Employee Health & Wellness**  
Suzanne Murphy  
Director, Employee Health & Wellness

**Office of Workforce Compensation**  
Beatrice Turner  
Program Mgr., WC

**Other Direct Reports**

- Transporter Advocate**  
Leticia Flores  
Manager, Transporter Advocate
- Board of Tax Appeals**  
Derek Jones  
Chief Appeal Officer
- Project/Initiatives/Field**  
MHL St. Onge  
Director, ITPL
- State Claims Comm.**  
Richard Peabrook  
Director, SCC

**Key**

- Under Jurisdiction of Joint Standing Committee on State and Local Government
- Under Jurisdiction of other Joint Standing Committees

# Office of the State Economist

- Responsible for tracking and analyzing economic and demographic data
  - Economic Impact Analysis
  - Demographic Projection
  - Economic Forecasting
- Member of the Revenue Forecasting Committee
  - Staffing to the Consensus Economic Forecasting Commission
- Maine's liaison to the U.S. Census Bureau

# Office of the State Controller

- Provides fiscal oversight, control, monitoring and accountability for all funds that flow through Maine State Government
  - Maintains and reports all State financial transactions
  - Analyzes fiscal transactions and payrolls to ensure legality and correctness
  - Provides internal audit support
  - Risk Management provides insurance and loss control services to state departments and agencies
  - Central service costs are recovered to General Fund through STACAP

## Highlights:

- Distributed more than \$119 million of ARPA Local Fiscal Recovery Funds to 477 Non-entitlement Units (NEUs) of government.
- Implemented Oracle analytics Cloud Services (OACS) “DAFS Analytics”
- Processed more than 2.1 million disbursements
- The Annual Comprehensive Financial Report for FY22 received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting award, for 15th consecutive year

# Bureau of the Budget

- Prepares all budgets that the Governor submits to the Legislature
- Provides central budget and position controls in keeping with legislatively approved spending
- Oversees departments and agencies' quarterly allotments and work programs
- Processes financial orders for the Governor's approval

## Highlights:

- Since 2019, BOB has submitted 8 budgets and 6 change packages, plus the Maine Jobs Plan and the Winter Energy Relief Package
- Adapted processes that allowed for remote work during pandemic that have continued as standard practice including converting financial orders processing from paper to electronic
- Efficient and seamless distribution and tracking of \$1.25 billion in Federal Covid Relief Funding

# Bureau of Human Resources

- Division of Talent Management
- Compliance Division
- Office of Employee Relations
- Field Services
- Office of Employee Health and Wellness
  - Office of Workers' Compensation

# Bureau of Human Resources

- Administration of State Government's Civil Service System
    - Collective Bargaining
    - Functional Job Analysis (FJA)
    - State employee benefits package
    - Employee Recruitment
  - Management and Support of Employee Engagement
    - Employee relations activities and support
    - Retention of State Employees
    - Training and Development Support for Supervisors and Employees
    - Diversity, Equity, Inclusion and Belonging (DEIB)
    - Certified as Age Friendly Employer by CAFE
- Highlights:**
- Continued progress of Classification and Compensation Study
  - Transition to Non-emergency Telework
  - Bargaining with unions resulting in substantial increases and benefits

# MaineIT

- Daily supports the technology needs of more than 11,500 executive branch workers: network connectivity, equipment, tech support, etc. for onsite and remote work
- Operation of state's radio network serving first responders
- Designs and implements technology solutions to help departments and agencies meet their goals and objectives
- Management of two state data centers and cloud-based infrastructure

# MaineIT – Cyber Security

- MaineIT leads efforts to safeguard the State’s valuable information assets, strengthen our incident response capabilities and adopt comprehensive information security measures for protecting the enterprise.
- Cyber-attacks against public sector entities continue to proliferate, and under-resourced state and local governments are attractive targets for malicious actors.
- Funds were included in the last budget and Jobs Plan. The Jobs Plan funds are one-time; however, and we must sustain and increase the effort, as there is more work to be done. This is a biennial budget request.
- MaineIT was awarded \$2.6 million of federal State and Local Cybersecurity funds to lead and complete a statewide cybersecurity plan, coordinating with state agencies, municipalities and school districts.

# Project Management Office

- Provides oversight and accountability for successful project implementation by applying nationally recognized best practices to ensure projects are completed on time, within budget, and meet original goals while avoiding scope creep.

## Highlights:

- Created, organized and managed the process to distribute \$997 million of Jobs Plan funds through 140 business cases, ensuring federal eligibility and fiscal and metric tracking
- Continue to balance state and contractor workforce in the efficient management of projects. The average number of mid-sized projects a contractor can effectively manage is one, while the average number of projects a State of Maine Project Manager can effectively manage is three. More on this in the biennial budget.

## Chief Data Officer

- Provides data stewardship and communication to ensure valid and reliable data are protected and available for legal and ethical use/reuse for data driven decision making throughout state government.
- Responsible for both: data management – how to organize, consistently collect, and merge data; and data governance – facilitating data privacy compliance and establishing appropriate data sharing.

# Bureau of General Services

- Division of Planning, Design & Construction
- Division of Safety and Environmental Services
- Division of Property Management
- Division of Leased Space
- Office of State-Owned Landfill Management
- Division of Procurement Services
- Division of Central Fleet Management
- Division of Central Services
  - Postal Services
  - Surplus Property

# BGS—

## Division of Planning Design & Construction

- Stewardship of state-owned facilities to “Catch Up” and “Keep Up”
- Completes Master Plans for state-owned facilities and properties
- Energy efficient and environmentally friendly improvements
- Oversees major renovation work including hazardous material removal
- Planned security upgrades for state-owned buildings
  - Burton Cross Building
  - Blaine House

# BGS—

## Division of Safety and Environmental Services

- Provides hazardous material and air quality assessment and mitigation for public schools and state facilities
- Responsible for removal of hazardous materials including: mold, asbestos, lead paint, mercury, etc.

# BGS— Division of Property Management

- Operation and maintenance of 45 occupied buildings and 12 unoccupied storage structures – 2 million square feet
- Maintains grounds and 5 monuments in Capital Area

## BGS— Division of Leased Space

- Administers over 250 active leases for office, warehouse, garage, storage, tower, classroom, etc. across 68 municipalities and 5 unorganized territories

## BGS— Office of State-Owned Landfill Management

- Management and operation of Maine's 3 state-owned landfills
  - Juniper Ridge
  - Carpenter Ridge
  - Dolby

## BGS— Division of Procurement Services

- Ensures best value in quality and cost effectiveness of purchased goods and services in support of state government activities
- Processed 37,123 procurement transactions in FY22, a 52% increase from previous year

## BGS— Division of Central Fleet Management

- Cost-effectively procures, distributes and disposes of more than 2300 passenger and light truck vehicles for Maine State government
- In 2022, SOM fleet vehicles traveled 26,387,351 miles

## BGS— Division of Central Services - Postal

- Provides a wide range of mail services for 147 separate state locations including interoffice mail
- Handles more than 9 million pieces of outgoing mail, 4.5 million incoming pieces and 60,000 parcels

## BGS— Division of Central Services - Surplus

- Disposes of state surplus property that is no longer needed by state agencies through sales, electronic and public auctions, and property offered for bid
- In 2022, total sales exceeded \$1.3 million and included the sale of 282 vehicles/large equipment through electronic auction

# Division of Financial and Personnel Services

**Five Service Centers:** *General Government, Natural Resources,*

*Security and Employment, Corrections, Health and Human Services*

- Centralized finance and HR services providing professional expertise
- Assist agencies to achieve desired outcomes

## **Highlights:**

- Modified business process to be paperless and allow remote work
- Increased transaction volume and reporting requirements as result of federal coronavirus relief funds

# DAFS Stewardship

Stewardship of all state government resources – fiscal, human, physical and technical

Ensure state processes, facilities and infrastructure are maintained, continue to function safely and smoothly, and keep pace with changing technology

Continue to engage and support our greatest resource – our employees

Duty to study issues and generate creative solutions for improvement

# DAFS Stewardship Fiscal

- Upgrading Budget Management System
  - Will result in updated and streamlined user experience, better reporting capabilities and more efficient integration between the budget and financial systems
- New Human Resources Management System Implementation
  - More secure, reliable payroll data, improved internal controls and comprehensive human resources functions
- Upgrade Advantage System
- Expanding State Economist staff
  - More demographic data from the census; devising and publishing charts, tables and other visual representations that will bring value for the public.

# DAFS Stewardship Fiscal (cont.)

- The Annual Comprehensive Financial Report for fiscal year 2022 received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting award, marking our fifteenth consecutive year receiving this award.
- Since 2019: 3 biennial budgets, 5 supplemental budgets, Jobs Plan, Winter Energy Relief
- Discretionary Pandemic Relief Funds tracking and management: \$1.25B CRF; \$1B Jobs Plan
- Increased Project Management oversight and accountability for successful project implementation
- Fair, open and competitive procurement

# DAFS Stewardship      Human

- Establish state government as an "Employer of Choice"
- Continuation of Classification and Compensation work
- Focused recruitment and retention efforts
- Diversity, Equity, Inclusion, and Belonging Strategic Plan and engaged Community of Practice
- Age Friendly Employer Certification
- Data management and data governance
- Talent Development and Coaching, both supervisor and employee focused

# DAFS Stewardship      Human (cont.)

- "Works for Me" portal for coordinating hybrid work
- "Hoteling" application – easy booking space for on-site work
- In 2022, completed 694 reclassifications, range changes, classification specification updates, new positions, new classifications, and job title changes
- Workforce engagement surveys
- Digital accessibility awareness and education
- Over 4,800 of our employees, about 43%, either are or have submitted plans to engage in telework. On an annual basis, this will save more than 22 million driving miles.

# DAFS Stewardship      Physical

- New BGS maintenance and tracking Database
- Ongoing "Catch Up" and "Keep Up" of state-owned buildings and properties
  - Consistent, scheduled maintenance across all state-owned properties
    - more than 2 million square feet
  - Focus on energy efficient upgrades and solar projects
  - Transition from oil and gas to electric heating
- "Lead by Example" - Caring for our natural resources and the environment
  - Sustainable, green procurement practices
  - 11 Electric vehicles added to fleet in 2022
  - Master Plan for EV chargers in Augusta
  - Ongoing PFAS mitigation efforts in landfills

# DAFS Stewardship

# Physical (cont.)

- Safety and Security Upgrades
  - Hazardous material and indoor air quality assessment and mitigation
  - Screening entrance at Burton Cross
  - Blaine House fencing
  - Safe and separate postal inspection area
  - Emergency Notification System

# DAFS Stewardship Technical

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  - Actionable contingency plan for disaster recovery to hardware, applications, and data after a technology disruption
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# DAFS Stewardship      Technical (cont.)

- Upgrade and modernize Postal Division
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- The last on-premises mainframe was decommissioned after nearly 50 years
- Modernizing digital physical technology
- Improving delivery of digital services to citizens
- Laptop refresh on four-year cycle
- Our electronic financial transactions workflow tool now processes more than 340,000 documents annually, with more coming online

Q+A

Anya Trundy, Chief of Legislative and Strategic Operations

(207) 522-4068

[anya.trundy@maine.gov](mailto:anya.trundy@maine.gov)