

**TESTIMONY
OF HEATHER JOHNSON, COMMISSIONER
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

Before the Joint Standing Committee on Appropriations and Financial Affairs,
and the Joint Select Committee on Energy, Utilities and Technology

Hearing Date: March 1, 2023

Hearing Time: 1:00 p.m.

**“An Act Making Unified Appropriations and Allocations from the General Fund
and Other Funds for the Expenditures of State Government and Changing
Certain Provisions of the Law Necessary to the Proper Operations of State
Government for the Fiscal Years Ending June 30, 2023, June 30, 2024
and June 30, 2025.”**

Good afternoon, Senator Rotundo, Representative Sachs and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Lawrence and Representative Ziegler and members of the Joint Select Committee on Energy, Utilities and Technology. My name is Heather Johnson, and I am the Commissioner of the Department of Economic and Community Development. I am here today to testify in support of LD258, the Biennial Budget.

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

For the Department of Economic and Community Development (DECD), the biennial budget presented to you today, does not request any additional funding.

ENERGY RATE RELIEF FUND Z344**What the Budget purchases:**

Public Law 2021, Resolves 168 authorized funding from the State Fiscal Recovery Funds to provide relief payments to covered utilities.

	<u>Actual</u> 2021-22	<u>Current</u> 2022-23	<u>Budgeted</u> 2023-24	<u>Budgeted</u> 2024-25
Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other		500	500	500
Total	0	500	500	500

Initiative: NONE

			2023-24	2024-25
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	<u>Actual</u> 2021-22	<u>Current</u> 2022-23	<u>Budgeted</u> 2023-24	<u>Budgeted</u> 2024-25
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other		500	500	500
Total	0	500	500	500

ENERGY RATE RELIEF FUND

The Energy Rate Relief Fund was established by Public Law 2021, Resolves 168, to provide relief payments to covered utilities to credit to an eligible customer based on the number of kilowatt-hours billed in February 2022. The procedure for relief payments was detailed in the Resolve and required each covered utility to identify, by September 1, 2022, which of its customers met the criteria to receive a payment. To date, we have provided \$5,803,031.99 to CMP who identified 2,428 eligible customers and \$1,196,860.66 to Versant who identified 491 eligible customers. Any funds that a covered utility does not credit to an eligible customer must be returned to the Treasurer of State by June 1, 2023. Funding for this program was made available from a transfer from the State Maine Jobs and Recovery Program and totaled \$7 million. DECD, in partnership with the Public Utilities Commission, worked closely with both CMP and Versant officials throughout this process to ensure payments are being fully disbursed.

The baseline budget request for the Energy Rate Relief Fund may be found on **page A-201**. This Other Special Revenue account includes a baseline allocation of \$500 in each fiscal year in anticipation of funds received to provide relief payments to covered utilities. **There are no initiatives for this program.**

OFFICE OF BROADBAND DEVELOPMENT Z245

What the Budget purchases:

The Office of Broadband Development serves as the central broadband office for the State of Maine and is responsible for accessing federal and other grant funds necessary to expand Maine's broadband infrastructure. The office provides assistance to the ConnectMaine Authority Board in the administration of financial assistance to communities for expanding broadband and services.

	<u>Actual</u>	<u>Current</u>	<u>Budgeted</u>	<u>Budgeted</u>
	2021-22	2022-23	2023-24	2024-25
Program Summary - OTHER SPECIAL REVENUE FUNDS				
Positions - LEGISLATIVE COUNT	2,000	2,000	2,000	2,000
Personal Services	263,563	269,624	278,113	285,561
All Other	1,068,000	1,068,000	1,068,000	1,068,000
Total	1,331,563	1,337,624	1,346,113	1,353,561
			2023-24	2024-25

Initiative: NONE

	<u>Actual</u>	<u>Current</u>	<u>Budgeted</u>	<u>Budgeted</u>
	2021-22	2022-23	2023-24	2024-25
Revised Program Summary - OTHER SPECIAL REVENUE FUNDS				
Positions - LEGISLATIVE COUNT	2,000	2,000	2,000	2,000
Personal Services	263,563	269,624	278,113	285,561
All Other	1,068,000	1,068,000	1,068,000	1,068,000
Total	1,331,563	1,337,624	1,346,113	1,353,561

OFFICE OF BROADBAND DEVELOPMENT

By statute, the Office of Broadband Development provides assistance to the ConnectMaine Authority Board in the administration and financial assistance to communities for expanding broadband and services. As you have just heard from Nick Battista, ConnectMaine entered into a Memorandum of Understanding that designates that the Maine Connectivity Authority will execute on behalf of ConnectMaine at this time. This collaboration, which includes the work previously done by the Office of Broadband, ensures operations are streamlined and resources are maximized in the deployment of broadband infrastructure.

The baseline budget request for the Office of Broadband Development may be found on **page A-207**. The allocation of funds in this account supports two staff positions which are currently vacant. Being fiscally responsible we have chosen to keep these positions vacant. We do see a role for the Office of Broadband Development in the future and would like to keep the program active but unfunded. **There are no initiatives for this program.**

This concludes my testimony for the Department of Economic and Community Development.