

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

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

**“An Act to Make Supplemental Appropriations and Allocations for the  
Expenditures of State Government, General Fund and Other Funds, and to  
Change Certain Provisions of the Law Necessary to the Proper Operations of  
State Government for the Fiscal Years Ending  
June 30, 2024 and June 30, 2025”**

**March 1, 2024**

Good afternoon, 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 present the fiscal year 2024-2025 supplemental budget bill.

The supplemental budget is a balanced, prudent, and responsible proposal that advances the Governor’s long-held belief that we must continue to invest in the people of Maine, our greatest asset.

That is why the Governor’s proposal strikes the balance between making timely investments to address urgent needs – like public safety, mental health, housing, education, and health care – and saving money to ensure that our state continues to stand on strong fiscal footing in the future.

We look forward to working with the Legislature in the coming weeks to arrive at a budget that protects our fiscal health and that makes prudent and timely investments to support the health, safety, and welfare of Maine people.

## **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 programming 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.

DAFS has six committees of jurisdiction – plus significant interaction with the Joint Standing Committee on Appropriations and Financial Affairs. This afternoon the focus is on SLG.

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

The **Buildings and Grounds Operations** program is on **page A-2**. This program ensures that facilities are safe, sanitary and healthy for those who work in 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 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 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 – another more than 1.8 million square feet of space. This activity includes rent, utilities, custodial services, and all associated costs of the leased space.

There are two initiatives in this program.

The first initiative adjusts the allocation in the Real Property Lease Internal Service Fund to fund the approved reorganization of one Public Service Manager I position to a Public Service Manager II position. The impact is an increase to Personal Services of \$9,166 and a corresponding decrease to All Other.

The second initiative increases the General Fund appropriation by \$300,000 in fiscal year 2024 and \$400,000 in fiscal year 2025 to fund an increase in natural gas transportation rates for five Augusta accounts where Maine Natural Gas (MNG) provides natural gas: the East Campus Central Heating Plant, the Cross State Office Building, the Riverview Psychiatric Hospital, 221 State Street, and the State Police complex on Hospital Street.

Under the new agreement between BGS and MNG, rates for transportation costs will be \$1.39 per decatherm (a decatherm is equivalent to 1 million BTUs) for the period December 1, 2023 through June 30, 2024 and \$3.64 per decatherm for the period July 1, 2024 through July 31, 2025. The rate we were paying under the 10-year agreement that expired in December 2023 was approximately \$.70 per decatherm.

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

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.

There is one initiative in the Central Services – Purchases program on **page A-2** to add one Postal Service Worker position to support enhanced security efforts relating to receiving and screening packages delivered to state agencies in the greater Augusta area. This will align with the new security screening being implemented in the Cross Office Building as part of comprehensive efforts to improve general safety procedures and precautions. The initiative appropriates \$70,616 in fiscal year 2025 for the position.

## **Information Services (0155)**

Next, on **page A-3 and A-4**, is Information Services also known as MaineIT. MaineIT 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.

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 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. MaineIT supplements its state workforce with contractors who assist with project work and specialized technology needs.

There are five initiatives in this program that continue and make permanent 5 positions that were initially funded with State Fiscal Recovery Funds through the MJRP bill. Some of you may remember that the Governor's 2022-2023 biennial budget requested nearly \$8.2 million of General Fund in each year to support and maintain Maine's cybersecurity program and investments.

This request was funded with the enactment of Public Law 2021, chapter 398, which appropriated half of the request (\$4.1 million) in the General Fund, and chapter 483, which allocated the other \$4.1 million in one-time State Fiscal Recovery Funds. Last session, you recognized the one-time nature of the State Fiscal Recovery Funds and appropriated \$3.6 million in fiscal year 2024 and \$4.1 million in fiscal year 2025 to continue these vital investments.

The Department intends to fully utilize the State Fiscal Recovery Funds by continuing the 5 positions through December 31, 2024 and then, on January 1, 2025, making them permanent using the General Fund resource appropriated for this purpose. You will note that General Fund All Other is reduced to support the cost of the position. When funds were originally appropriated, we had not determined if the state's needs would be best met by contractual services or staff. We've determined these 5 positions are necessary as state employee positions to understand and support critical statewide services.

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, creating unprecedented challenges for the State in its mission to safeguard the confidentiality, availability, and integrity of citizen data.

The first initiative continues and makes permanent one Public Service Manager III position on January 1, 2025 to continue the build out and management of the Cloud Center of Excellence within MaineIT to effect the transition of applications, storage, and other supported technologies to the cloud.

The second initiative continues and makes permanent one Public Service Manager II position on January 1, 2025 to continue the efforts that align cybersecurity architecture and engineering to implement technical solutions that work to ensure the safety and security of the millions of pieces of data the state is entrusted with.

The third initiative continues and makes permanent one Public Service Manager II position on January 1, 2025 to oversee and manage the Security, Governance, Risk, and Compliance efforts across MaineIT's operational services areas. The position is the subject matter expert manager to provide advice on various policies, procedures, projects, and related issues and audit work with appropriate parties to strengthen and ensure regulatory compliance for state agencies.

The fourth initiative continues and makes permanent one Public Service Manager II position on January 1, 2025 to supervise vendor managed services in the development of security plans, standard operating procedures, and security analysis, policies, and procedures.

The final initiative continues and makes permanent one Public Service Manager II position on January 1, 2025 to oversee and manage cross-functional information security policies to ensure security capabilities are optimized – and security goals and objectives are met – through any program's lifecycle.

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

**Risk Management**, on page A-6, 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 insures 4,300 buildings; 18,500+ employees; 4,300 vehicles; 6,000 watercraft; 19 aircraft; and 20 drones.

There is one initiative within the Risk Management-Claims program correcting an allocation from Public Law 2023, chapter 412, Part BBBB. The language in Part BBBB transferred \$3.5 million to the Other Special Revenue Funds account to pay attorney's fees or other costs awarded by a court against the State and its departments, agencies, officers or employees and settlements of attorney's fees or other costs without court award in these cases, which are not otherwise insured against under a deductible or self-insured retention program. Part A of that law increased the allocation in the Risk Management Fund rather than the Other Special Revenue Fund. This entry will correct the allocation.

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

The **Workers' Compensation Management Fund** is on page A-6. This division 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 is one new initiative in this program increasing the allocation in the Workers Compensation Management Fund by \$374,000 in fiscal year 2025 for the Return-to-Work program. These costs are fully covered by the agency who employs the person returning to work. Increasing the allocation will mitigate the need to adjust allotment by financial order that has been done for the last couple of years. Several factors are driving the change including an increase in the number of employees eligible for the program, higher salaries of the positions being filled, and an increased participation in the program by agencies.

This concludes my testimony. Thank you.