

JANET T. MILLS GOVERNOR

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STATE OF MAINE DEPARTMENT OF CORRECTIONS 111 STATE HOUSE STATION AUGUSTA MAINE 04333-0111

RANDALL A. LIBERTY COMMISSIONER

Testimony of Randall A. Liberty, Commissioner State of Maine, Department of Corrections

Before the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Criminal Justice and Public Safety

January 21, 2025

LD 209, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025.

Good afternoon, Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs; and Senator Beebe-Center, Representative Hasenfus and members of the Joint Standing Committee on Criminal Justice and Public Safety.

I am Randall Liberty, Commissioner of the Maine Department of Corrections.

DEPARTMENT SPECIFIC INITIATIVES

In consideration of your time, I will keep it brief today and jump right in. Maine Department of Corrections has only one initiative within the 2025 supplemental budget and that initiative is targeted at right sizing the costs related to heating our facilities.

<u>Initiative Z366</u>: Includes one-time funds of \$743,241 to our department for fuel. The reason for this need is simple, to cover the increasing cost of heating our facilities. In recent years our department has taken active measures to better manage our fuel costs. Key among those measures was the decision to manage fuel through our central office budget, rather than at a facility level. When you look at the Department of Corrections budget, each facility's "All Other" line covers a wide range of costs from basic operating bills to programming costs and supplies. However, fuel is not included in that line and is instead now managed through a single department account.

This change was made in recognition of the fact that it was becoming increasingly difficult for our facilities to manage their operating budgets with the fluctuating prices of fuel. The switch to centralized management allows our department to separate fuel from the rest of the facility operating costs and provides our team with more



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flexibility in how that money is managed. This flexibility is especially important because not all of our facilities are heated using the same fuel source. While most of our facilities are heated using oil, Maine Correctional Center and Long Creek Youth Development Center are both connected to natural gas lines. From a budgeting perspective this means that not all our facilities are subject to the same fluctuations in market prices. The price of natural gas does not necessarily move in step with the price of oil.

When calculating the budget ask for fuel our department is always in the position of trying to predict what future prices will be, and we look back on data from the three previous years to project anticipated costs. However, the biennial budget cycle does not align with real-time market changes, nor does it align with the contracting cycles of our fuel providers. You may recall that the 24-25 Supplemental Budget included a transfer of \$500,000 in savings from our fuel account to support the new Offender Management System. In that case, fuel had turned out to be cheaper than anticipated based on market projections.

The ask before you today addresses the fact that costs over the last year were much higher than originally anticipated. Money from this initiative will go directly toward supporting fuel needs in the immediate future. Later this session we will also be addressing our ongoing fuel costs and the realigning of some funds under an initiative in the 26-27 Biennial Budget.

For the purpose of today's hearing, the key point is this, initiative Z366 reflects an immediate need to make sure that we can heat our department's facilities through the winter. The Maine Department of Corrections has been recognized across the country for our innovative and effective approach to the work we do. Part of that work is making sure that we can deliver a safe and humane environment that allows our residents and our staff to focus on addressing the factors that brought people into our custody in the first place. During a Maine winter, heat is a vital part of that mission.

This concludes my testimony.

Thank you and I'm happy to answer questions.

Randall A. Liberty Commissioner Maine Department of Corrections