

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

**Before the Joint Standing Committee on  
Appropriations and Financial Affairs**

**“An Act to Make Supplemental 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”**

**January 22, 2025**

Good afternoon, Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs. I am Kirsten Figueroa, the Commissioner of the Department of Administrative and Financial Services. I am here today to present a portion of the fiscal year 2025 supplemental budget bill.

**Part R on page 11** of the language document suspends the appropriation limit for the remainder of fiscal year 2024-25. Maine Revised Statutes, Title 5, section 1534, establishes a General Fund Appropriation Limitation and prescribes the calculation thereof.

The supplemental budget that uses the RFC’s recently recognized one-time funding in FY25 to bridge the MaineCare gap for the current Fiscal Year. The biennial budget proposal for FY26-27 is lean in nature and focuses on maintaining core commitments to Maine people, including the expansion of voter-approved health care, 55 percent of education funding, free community college, and five percent of revenue sharing for municipalities. Additional investments beyond these core commitments will be limited and will focus on supporting the health and safety of Maine people and the operations of the State of Maine.

In Fiscal Year 2025 and into the 2026-2027 biennial, the MaineCare program is experiencing a funding gap stemming predominantly from significant enrollment increases due to the federal COVID-era continuous enrollment requirement, as well as from increases in health care costs due to high inflation, increasing patient need, returning to pre-pandemic levels of service utilization, and reimbursement

practices that do not control sufficiently for cost growth. The supplemental budget for fiscal year 2025 includes nearly \$118 million in General Fund to stabilize the program and bridge the shortfall. This results in appropriations exceeding the established FY25 limitation. The biennial budget includes \$122 million in General Fund each year for the same purpose and includes language to notwithstanding the limit for the first year of the biennium.

**Part V on pages 12 and 13** of the language document authorizes an extension of position expiration dates to August 1, 2025 for limited period positions set to end in June 2025 with funding continued in the next biennium. We include this language in each biennium to ensure continuity for these positions in the event the budget enactment date is close to or past the end of the existing position end date. For example, a limited period position end date aligns with the last pay period fully paid in June 2025; for cycle A payroll, the position would end on June 15 with a pay date of June 25th. This language would allow the incumbent to continue in the position between June 15 and June 30 if the position is fully funded in the next year.

This concludes my testimony. Thank you.