

**Testimony of the Maine Office of Community Affairs
Director Samantha Horn**

**Before the Joint Standing Committee on Appropriations and Financial Affairs and
The Joint Standing Committee on Housing and Economic Development**

**LD 210, 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, 2025, June 30, 2026 and June 30, 2027**

Senator Rotundo, Representative Gattine, Senator Curry, Representative Gere, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the joint standing committee on Housing and Economic Development; my name is Samantha Horn, Director of the Maine Office of Community Affairs. I am here today to speak in support of LD 210, the Governor's biennial budget proposal for state fiscal years 2026 and 2027.

The Maine Office of Community Affairs, or MOCA, was created in 2024 to foster communications and partnerships between the State and communities in this State. Our charge is to engage with municipalities, tribal governments and regional councils to provide coordinated and efficient planning, technical assistance and financial support to better plan for challenges, pursue solutions and create stronger, more resilient communities.

Maine - like many states, both blue and red - is facing a tight budget environment. The Mills Administration has spent months carefully developing a balanced budget proposal to preserve the programs lawmakers and Maine people support, including education, revenue sharing, public safety, higher education, and school meals, while also protecting the long-term fiscal health of Maine.

Ultimately, we took a balanced approach: one that makes some investments - including operational needs such as technology efficiencies, health and safety improvements, collective bargaining impacts, etc. - that proposes some spending cuts, and that makes some targeted revenue increases. We know these proposals are difficult and appreciate that you will consider them with an open mind.

We look forward to working with you over the coming months to enact a budget that supports our greatest asset of all: the people of Maine.

Summary – In response to LD 1934, and the subsequent report that summarized the input from stakeholders and the resulting recommendations, the 131st legislature and the Governor created MOCA and staffed it with a director. That director position was intended to spend FY25 preparing to move seven existing programs into the office in the biennial budget. The purpose of bringing these programs together is to create a one stop shop for communities for issues like land use planning, housing, code enforcement and resilience to storms. This office is particularly important for small communities who have limited capacity to pursue and administer grants and have few or no staff to tackle projects that require technical assistance.

Those programs are:

- Community Resilience Partnership (currently part of GOPIF)
- Maine Coastal Program (Department of Marine Resources)
- Maine Floodplain Program (Department of Agriculture, Conservation and Forestry)
- Municipal Planning Assistance Program (Department of Agriculture, Conservation and Forestry)
- Housing Opportunity Program (Department of Economic and Community Development)
- Maine Uniform Building and Energy Code/Code Enforcement (Office of State Fire Marshal)
- Volunteer Maine, an independent state office connected to the Department of Education.

In the fall of 2024, Maine was awarded the \$69 million NOAA regional challenge grant, which included five years of funding for a State Resilience Office, which is currently being set up in the office by financial order. You will see those federally funded positions proposed to be continued in the budget.

The proposed budget for the Office is primarily comprised of the language and position changes needed to move those seven programs. To support the office's financial and administrative operations, two new positions are proposed and there is a modest proposed fee for the service center, to be supplemented with other special revenues.

There are also some components of the MOCA staffing picture that are contained in the budgets of the departments where those programs are currently housed, including five limited period positions to be made permanent which are in the budgets of the Department of Agriculture, Conservation and Forestry, the Department of Education, and the Department of Economic and Community Development.

And finally, there is a request to supplement two of the positions in the Maine Commission for Community Service with partial General Fund funding so that the Commission staff may

have the flexibility to pursue opportunities to diversify their income stream, given the uncertainty of future federal funding, and so that they may share support positions with the rest of the MOCA staff.

The proposed budget makes the Maine Office of Community Affairs a functioning entity with appropriate administrative support so that we may best serve communities.

Now for the details. Because each of the programs that are being moved to MOCA will be addressed in the budget presentation for their current department, I will not be going into detail on the existing operations. My testimony will focus on the move of those programs, and the positions and costs that only appear in the MOCA budget.

Program descriptions:

The only baseline budget item for the office is on **page A-508 of the budget bill - Maine Office of Community Affairs.**

This program provides funding for the personal services and all other costs associated with the Director position.

To make it easier to track, all of the moves and language I just summarized are contained in Part D of the biennial budget.

All other MOCA-related programs are currently within other departments and will be described in the budget testimony of those agencies.

Initiatives:

The initiatives below are the mechanics of moving the programs to MOCA and are summarized in Appendix C at the end of my testimony. I won't read all of this, but have it included for your reference and would be happy to walk through the details during work session.

On **Page D-10**, there are two initiatives that move one staff position and existing grant program funds of the Community Resilience Partnership to MOCA. There are no proposed changes beyond moving the program. This initiative is supported with **Language Part D on Page 10** of the language document.

On **Page D-11**, the first two initiatives move two staff positions and all other funding for the Building Codes and Standards program to MOCA. There are no proposed changes beyond moving the program. This initiative is supported with **Language Part D on Pages 24, and 30-36** of the language document.

Also on **Page D-11**, the final two initiatives move two staff positions and grant program funds for the Housing Opportunity Program to MOCA. There are no proposed changes beyond moving the program. This initiative is supported with **Language Part D on Pages 22-24** of the language document. It is important to note that these two staff positions are currently limited period and are proposed to be made permanent in the DECD budget.

On **Page D-12**, there are two initiatives that move one staff position and existing grant program funds of the Maine Climate Corps program to MOCA. This initiative is supported with **Language Part D on Pages 29-30** of the language document. It is important to note that this position is reallocated with 68% existing all other funds and 32% new GF dollars to make it permanent in the Department of Education budget on **Page A-224**

On **Page D-13**, the four initiatives move six staff positions and all other funding, including grant program funds, for the Maine Coastal Program to MOCA. There are no proposed changes beyond moving the program. This initiative is supported with **Language Part D on Pages 10-11** of the language document.

On **Page D-14**, the first and fourth initiatives move one secretary specialist position from the Maine Commission for Community Service; provide funding for a reclassification of that position to management analyst; and reallocate the position to be 70% General Fund, whereas it was previously funded with federal and other special revenue funds. This position will be shared between the MCCS and the rest of the MOCA office to provide support that includes assisting the grant programs with receiving applications, issuing awards and processing invoices. The increase in General Fund is primarily to allow the entire MOCA office to access the services of the position and also to adjust budgets for available federal dollars. This initiative is supported with **Language Part D on Pages 24-29** of the language document.

Also on **Page D-14**, the second and third initiatives move all other funding and five positions for the Maine Commission for Community Service. One of those positions, a senior planner, is proposed to be reallocated from 40% General Fund to 75% General Fund to provide more flexibility in pursuing alternative funding sources and working with other MOCA programs. This initiative is supported with **Language Part D on Pages 24-29** of the language document.

On **Page D-16**, the first two initiatives move two staff positions and all other funding for the Maine Floodplain Program to MOCA. There are no proposed changes beyond moving the program. This initiative is supported with **Language Part D on Page 11** of the language document.

On **Page D-17**, the first initiative establishes two support positions for the office – a resource administrator to manage the office’s finances and operations, and a secretary specialist to provide administrative support. These positions are critical for an office that will be operating multiple community grant programs totaling over \$10 million and taking

inquiries from local, regional and tribal officials across the state to request assistance with community development activities.

Also on **Page D-17**, the second initiative continues four federally-funded positions that will form the State Resilience Office, once hired. Those positions are in the process of being approved by financial order and will be hired into MOCA this spring. The State Resilience Office will reduce flood and storm damage, protect public and private infrastructure, and support public safety, as well as coordinate community resilience activities across state and regional entities.

Also on **Page D-17**, the third initiative provides partial funding for the accounting and human resources services provided by the service center. Additional funding will be transferred to the service center once MOCA's DICAP account is healthy.

Also on **Page D-17**, the fourth initiative is a placeholder for starting MOCA's DICAP account.

On **Page D-18**, there are two initiatives that move the Maine Service Fellows program to MOCA. There are no proposed changes beyond moving the program. This initiative is supported with **Language Part D on Pages 24-29** of the language document. It is important to note that the position was established by financial order and is proposed to be continued through 2029 in the Department of Education budget on **Page A-229**.

On **Pages D-19 and D-20**, there are five initiatives that move five positions and the All Other funding of the Municipal Planning Assistance Program to MOCA. One permanent senior planner position is currently funded from the DICAP account at the Department of Agriculture, Conservation and Forestry. That position is proposed to be reallocated to the General Fund as it moves to MOCA. This initiative is supported with **Language Part D on Pages 11-20** of the language document. It is important to note that two MPAP staff positions - a Planner II, and a Senior Planner - are currently limited period and are proposed to be made permanent in the DACF budget.

Language:

The following language is in addition to what is listed for each program above.

On **page 9 of Language Part D**, there are several changes to allow all of the community grant programs in MOCA to follow a grant-making procedure that allows for more flexibility in communicating with communities during the grant-making process. The Community Resilience Partnership and the Municipal Planning Assistance Program currently have this authority, and with the proposed language, that flexibility would be extended to the other MOCA programs. The language also adds a new section on rulemaking to provide an

appeal process that will bring these grant programs in line with Department of Administrative and Financial Services purchasing guidelines.

On **pages 21-22 and 30 of Language Part D**, the Development Ready Advisory Committee is proposed to be moved from the Maine Redevelopment Land Bank to MOCA with a revised mission and composition. The committee is charged to develop and maintain best practices for municipalities in infrastructure, land use, housing, economic development, conservation and historic preservation policy. The committee will provide coordination and subject matter expertise to municipalities to advance the likelihood of success across the community development lifecycle.

APPENDIX A: Reclasses/Reorgs/Range Changes

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. Actions may include changing classification or keeping the same classification, but changing pay range (usually referenced in blippie as range change). Requests may be employee initiated (usually referred to as reclass) or management initiated (usually referred to as reorganization). Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. Reclass/reorg/range change initiatives in Part A of the budget are necessary to fund these approved actions, which is required before the action can be processed and paid. Reclass initiatives in Part B are self-funded.

Page	Program	Fund	FY26 Amount	FY27 Amount
D-14	Z415	GF	1,158	1,333
D-14	Z415	FEF	496	571

APPENDIX B: Centralized Services

The Department of Administrative and Financial Services (DAFS) develops, delivers, and maintains centralized government systems that support the financial, human resource, physical and technological infrastructure of state government. The services are billed to agencies through Internal Service Funds

All components of an internal service fund, including staff, All Other and capital, are included in 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. impact these budgets. Internal Service Funds are meant to recover the costs of providing the service. DAFS bills agencies for these services and the agencies pay the bills with All Other funds.

In this biennial budget, DAFS has adjusted these rates for all of the reasons outlined above, but primarily the result of significant collective bargaining efforts approved by the Governor and Legislature. Agency All Other funds are not increased in the baseline to reflect the increased costs of the Internal Service Funds, so statewide all agencies will include initiatives for additional All Other to cover these services.

DAFS 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.
- The Division of Leased Space manages leases encompassing office, warehouse, garage, storage, tower, classroom, mixed-use, and training spaces.
- 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.

Page	Program	Service	Fund	FY26 Amt	FY27 Amt
D-17	Z396	Service Center	GF	20,000	20,000

APPENDIX C: Table of Positions

The following is a chart of the positions that are affected by Part D of the budget, along with the related Part A items that are mentioned in the initiatives section above.

POSITION TITLE	PROGRAM	CURRENT AGENCY	CURRENT FUNDING SOURCE	PROPOSED ACTION
Positions already in MOCA				
Director	MOCA administration	MOCA	100% GF	No change
Positions to be moved to MOCA from other agencies				
Program Manager (Public Service coordinator II)	Community Resilience Partnership	GOPIF	100% GF	No change
State Building Official (Public Safety Inspector III)	Code Enforcement Training and Certification	Public Safety	100% OSR	No change
Office Associate II	Code Enforcement Training and Certification	Public Safety	100% OSR	No change
Training and Development Program Officer (Senior Planner)	Volunteer Maine	Education	100% federal	No change
Housing Opportunity Program Coordinator (PSC II)	Housing Opportunity Program	DECD	100% GF	Limited period - make permanent
Housing Opportunity Program Coordinator (PSC II)	Housing Opportunity Program	DECD	100% GF	Limited period - make permanent
Senior Planner	Volunteer Maine/ Climate Corps	Education	100% Federal	68% existing baseline GF sources plus 32% new GF to make limited period position permanent
Secretary Specialist (currently shared 50% with DOE)	Volunteer Maine	Education	75% federal, 25% OSR	Reclass to Management Analyst, reallocate to 30% federal, 70% GF

Public Information Officer (Senior Planner)	Volunteer Maine	Education	60% federal, 40% GF	Reallocate to 25% federal, 75% GF
Grant Officer (Senior Planner)	Volunteer Maine	Education	100% federal	No change
Executive Director (Public Service Manager I, administratively reclassified to Public Service Executive II)	Volunteer Maine	Education	100% federal	No change
Senior Planner	Volunteer Maine	Education	Federal funding for part of the position, but vacant	No change
Volunteer Services Coordinator	Volunteer Maine/ Maine Service Fellows	Education	100% federal	Limited period – continue
Senior Planner	Coastal Program	DMR	100% Federal	No change
Director (Public Service Manager II)	Coastal Program	DMR	100% Federal	No change
Marine Resource Management Coordinator	Coastal Program	DMR	100% Federal	No change
Marine Resource Management Coordinator	Coastal Program	DMR	100% Federal	No change
Public Service Coordinator 1	Coastal Program	DMR	100% Federal	No change
Marine Resource Management Coordinator	Coastal Program	DMR	100% Federal	Limited period - continue
Coordinator (Senior Planner)	Maine Floodplain Program	DACF	100% Federal	No change
Planner II	Maine Floodplain Program	DACF	100% GF	No change
Director (Public Service Manager I)	Municipal Planning Assistance Program	DACF	100% General Fund	No change
Senior planner	Municipal Planning Assistance Program	DACF	DACF dicap	Reallocate to 100% GF
Coastal Planner (senior planner)	Municipal Planning Assistance Program	DACF	100% Federal	No change
Senior planner	Municipal Planning Assistance Program	DACF	100% General Fund	Limited period - make permanent
Planner II	Municipal Planning Assistance Program	DACF	100% General Fund	Limited period - make permanent

Positions being created by FO or proposed for creation in MOCA				
Resource Administrator (public service coordinator I)	MOCA administration	Proposed in biennial	100% GF	Establish
Secretary Specialist	MOCA administration	Proposed in biennial	100% GF	Establish
Director (public service executive II)	State Resilience Office	Creating by financial order	100% Federal	Limited period - continue
Lead Planner (public service manager II)	State Resilience Office	Creating by financial order	100% Federal	Limited period - continue
Communications Coordinator (public service manager II)	State Resilience Office	Creating by financial order	100% Federal	Limited period - continue
Resilience Collaborative Program Manager (public service manager II)	State Resilience Office	Creating by financial order	100% Federal	Limited period - continue