

Janet T. Mills
Governor
State of Maine
(207) 287-3531



Diane L. Dunn
Brigadier General
Commissioner
(207) 430-6000

**Department of Defense, Veterans and Emergency Management
33 State House Station, Augusta, Maine 04333-0033**

**Testimony of Brigadier General Diane Dunn, Adjutant General and Commissioner,
Department of Defense, Veterans, and Emergency Management**

**BEFORE THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND
FINANCIAL AFFAIRS WITH THE JOINT STANDING COMMITTEE ON VETERANS
AND LEGAL AFFAIRS**

February 27, 2025

**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"**

Good afternoon, Senator Rotundo, Representative Gattine, and honorable members of the Joint Standing Committee on Appropriations and Financial Affairs. Good afternoon also to Senator Hickman, Representative Supica and members of the Joint Standing Committee on Veterans and Legal Affairs.

I am Diane Dunn, the Commissioner of the Department of Defense, Veterans, and Emergency Management and The Adjutant General. I am pleased to be here today to testify in strong support of the biennial budget bill, LD 210.

The information in italics is additional detail for your information, but that I do not plan to read. *Maine – like many blue and red states – is facing a tight budget environment. The budget presented is a balanced approach, a result of months spent carefully considering how to preserve the programs lawmakers and Maine people support. This budget invests in operating needs like technology efficiencies, health and safety improvements, and collective bargaining impacts. 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.

The Department of Defense, Veterans and Emergency Management (DVEM) is responsible for all military, veterans, and emergency management-related operations within the State of Maine. In addition to our Federal mission, our Soldiers and Airmen are immediately available to respond to the Governor and citizens of Maine in times of crisis. The Maine Bureau of Veterans' Services provides numerous support services to Maine's 104,000 veterans and manages the four Maine's Veterans' Memorial Cemeteries across the State. The Maine Emergency Management

Agency, which was covered in my February 4th LD 210 testimony, is charged with all disaster mitigation, preparedness, response, and recovery, within the State of Maine.

Thank you for allowing me the opportunity to present our remaining departmental programs. Today I will address our Administrative, Military and Bureau of Veterans Services programs in the order listed in the Public Hearing Testimony agenda, highlighting our eight initiatives which will adjust the baseline funding (all require funding):

Initiative (1) – page A-165 (increase in IT cost)

Initiative (2) – page A-165 and A-168 (increase in Workers Compensation premium)

Initiative (3) – page A-175 (increase in sustainment, restoration of readiness facilities)

Initiative (4) – page A-175 (increase in IT cost)

Initiative (5) – page A-176 (Personal Services- approved reclassification)

Initiative (6) – page A-176 (Personal Services- transfer and reallocation of cost)

Initiative (7) – page A-178 (increase in IT cost)

Initiative (8) – page A-178 (Veterans Services Revenue Adjustment from 12/21/24 revenue forecast)

Three of these initiatives - (1), (4), and (7) as annotated in my written testimony- are necessitated by the increase in centralized services provided by the Department of Administrative and Financial Services, specifically rates for technology services, and require a total of \$114,000 in the General Fund for FY2026 and FY2027 respectively. These rates are adjusted primarily due to the collective bargaining efforts approved by the Governor and Legislature, as well as vendor increases, capital needs, and supply chain impacts. Our Department's centralized service requests are summarized at the end of this testimony as **Appendix B**.

DVEM's Part A budget can be found on pages A-165 to A-179. I will begin with the Administration – Defense, Veterans, and Emergency Management 0109 – found on **page A-165**.

Administration – Defense, Veterans, and Emergency Management 0109

The Administration program consists of the Commissioner, Deputy Commissioner and staff, who administer all programs of the department. The program funds the Personal Services and All Other which includes travel, insurance, general operations, and technology. The program primarily includes appropriations from the General Fund.

The Administration program includes Initiative (1) and Initiative (2). Initiative (1) provides funding for an increase in rates to statewide technology services provided by the Department of

Administrative and Financial Services, Office of Information Technology, and is outlined in **Appendix B**.

Provides funding for an increase to statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology within the Administration program of the Department of Defense, Veterans, and Emergency Management. \$5,000 General Fund in each year.

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 benefiting all state agencies are managed through this office to ensure consistency, volume discount efficiencies, and optimum performance and throughput. MaineIT is established as an internal service fund intended to recoup their costs through billings to departments and agencies for services provided. MaineIT expenses are higher due to negotiated and benefit changes to Personal Services as well as increases in operational costs, including vendor increases, supply chain costs, and network and systems.

The General Fund increases by \$5,000 in FY26 and \$5,000 in FY27.

Initiative (2) is about the funding for workers' compensation premiums and is found on **pages A-165 and A-168**. The net General Fund request is \$104,574 per year. On **page A-165** is a deappropriation of \$36,026 in the Administration – Defense, Veterans, and Emergency Management 0109 All Other line category. This account does not pay these premiums. Instead, the funding request for workers' compensation premiums for emergency management volunteers, amounting to \$140,600, can be found on **page A-168** in the Administration – Maine Emergency Management Agency Program 214.

Provides funding for Workers Compensation premiums for emergency management volunteers and deappropriates related All Other in the Administration - Defense, Veterans and Emergency Management program in the same fund. Page A-165 deappropriates \$36,026 each fiscal year, Page A-168 appropriates \$140,600 each fiscal year.

Note: The initial funding in the Administration - Defense, Veterans and Emergency Management was provided under 2009 PL, Chapter 213, Part A, Section 15.

The General Fund decreases by (\$36,026) in FY26 and (\$36,026) in FY27.

Pages A-167 thru A-173 as well as page A-177 outline the Maine Emergency Management Agency programs budget that I have already presented during the February 4th hearing.

I will now move on to **page A-174** for the *Maine National Guard Postsecondary Fund Z190 and Maine Veterans' Homes Stabilization Fund Z358*.

Maine National Guard Postsecondary Fund Z190

The Maine National Guard Postsecondary Fund provides funding for a 100% tuition reimbursement at any state postsecondary education institution or partial reimbursement at participating private nonprofit institutions in the state for qualified members of the Maine National Guard. There is no new initiative for this program in FY2026 and FY2027.

Maine Veterans' Homes Stabilization Fund Z358

This fund was established as a special revenue fund for the purpose of assisting the Maine Veterans' Home Board of Trustees in ensuring the continuous operation of the Maine Veterans' Homes. There is no new initiative for this program.

I will now proceed to pages A-175 thru A-176 *for Military Training and Operations Program 0108*.

Military Training and Operations 0108

The Military Training and Operations program has two components - the Maine Army and Air National Guard each perform dual missions: a state mission as a resource to the State to provide highly trained and disciplined forces and specialized equipment for domestic emergencies such as helping communities deal with floods, snowstorms, search and rescue operations and cyber defense or other emergency situations; and a federal mission as a resource to the President for prompt mobilization for war or emergency in support of our national security.

The state General Fund budget represents and funds the required state share (+/- 25%) for the Master Cooperative Agreement between the National Guard Bureau and the State of Maine. It is for both the Army and Air National Guard facilities and environmental support. It is also for the support of more than 3,100 servicemembers, civilian employees and the sustainment of more than 1.6M square feet of state National Guard facilities and more than 366 thousand acres of training land.

The funding requests in the Military Training and Operations section of the biennial budget bill support the continued provision of professional, competent, and dedicated service to the citizens of Maine.

In support of the requirements on our Guard Soldiers and Airmen, State employees, and State-owned facilities, we are requesting \$2,239,383 General Fund in FY2026 through Initiatives (3), (4) and (6). Securing the state share requirement will achieve \$6,789,000 in the Federal Expenditures Fund.

Initiative (3) on **page A-175** provides one-time funding in FY26 to correct non-compliant code health and life safety code deficiencies, replace failing systems to prevent further facility deterioration, update facilities to current standards and authorizations, and correct energy inefficiencies at the Maine National Guard Readiness Centers located in Bangor and Waterville, Maine.

Specifically, the Bangor AFRC will: replace a beyond life cycle roof that is leaking badly into the interior of the building; renovate the kitchen for a safer and more spacious area for food preparation; replace an outdated and obsolete entry control system; and add better insulation for energy efficiency. Building 255 will install the fire alarm and suppression system to be code compliant and upgrade the roof and HVAC that are past their life cycle. The HVAC will be a more energy efficient unit. Electrical upgraded and panel replacement with 400 Amp panel to be able to accommodate the FY 23/24 Lead By Example in State Owned and Leased Buildings executive order.

Provides one-time funding for the design and construction of sustainment, restoration and modernization projects for Maine National Guard Readiness Centers located in Bangor and Waterville.

The General Fund increases by \$2,263,000 and Federal Expenditures Fund increases by \$6,789,000 in FY26. This represents matching of 25% General Fund and 75% Federal Expenditures Fund.

Speaking more broadly, the Maine National Guard has a need for partial renovation (Phase 2) at the Bangor Armed Forces Readiness Center (AFRC) and complete renovation of Building 255 in Bangor. These Army National Guard Readiness Centers require a 25-75 state to federal share for repairs and renovations. It is not possible to sustain let alone maintain state share of 974,000 SF of facilities to the level required for proper health and safety. The condition of these facilities continues to suffer due to the lack of State funds necessary to support them. The investment in our Maine National Guard infrastructure, covered by the aforementioned initiatives, will provide better training, increase unit readiness, enable safer working environments for our service members, improve morale, and provide efficient buildings within our communities.

As previously stated, Initiative (4) on **page A-175** provides funding for increases in rates related to statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology, and are detailed in **Appendix B**.

Provides funding for an increase to statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology within the Military Bureau.

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 benefiting all state agencies are managed through this office to ensure consistency, volume discount efficiencies, and optimum performance and throughput. MaineIT is established as an internal service fund intended to recoup their costs through billings to departments and agencies for services provided. MaineIT expenses are higher due to negotiated and benefit changes to Personal Services as well as increases in operational costs, including vendor increases, supply chain costs, and network and systems.

The General Fund increases by \$15,000 in FY26 and \$15,000 in FY27.

Initiatives (5) and (6) are on **page A-176**.

Initiative (5) is a request to increase the Federal Expenditures Fund allocation for the HR approved employee-initiated reclassification of one Environmental Specialist II position to an Environmental III position retroactive to March 2024.

The State's collective bargaining unit agreements include negotiated language related to this process. Our Department's reclass and reorganization requests are summarized at the end of testimony as **Appendix A**.

The duties of this position have evolved and expanded, and will continue to do so, to meet new or increasing Army National Guard/Department of Defense (ARNG/DoD) requirements concerning Tribal consultation and Environmental Justice, PFAS in Maine Army National Guard drinking water supplies, operating public drinking water supplies as the Maine Army National Guard builds out the Woodville Training Site, and a doubling of facilities subject to storm water regulation in the last 10 years that continues to trend upwards. This position is funded through the Master Cooperative Agreement between the State of Maine and the National Guard Bureau at 100% Federal Expenditures Fund.

The Federal Expenditures Fund increases by \$8,490 in FY26 and \$8,833 in FY27.

Initiative (6) transfers and reallocates the cost of one Director of Building Control Operations from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund in the same program. This position supports the operation and maintenance of Maine National Guard facilities and is funded through a Master Cooperative Agreement (grant) between the State of Maine and the National Guard Bureau. Reallocating the funding will align the cost share (100% Federal) within the provisions of this agreement.

An additional item in 0108 is the Maine Military Authority Environmental Clean Up Project. We appreciate the committee's funding for this effort and we are pressing to expend the existing appropriation by the end of FY25 and complete the closure.

The General Fund decreases by (\$38,418) in FY26 and (\$41,187) in FY27 and is offset by a Federal Expenditures Fund increase of \$38,418 in FY26 and \$41,187 in FY27.

The next program I will discuss is Veterans Services.

Veterans Services 0110

The Bureau of Maine Veterans Services provides support services to veterans including housing, medical and hospital care, educational aid and compensation, vocational rehabilitation, burials and nursing homes. There are seven regional offices, and a central office located at Camp Keyes to provide services to veterans. The Maine Veterans' Memorial Cemetery System consists of four cemeteries located *on Civic Center Drive, Augusta; Mt. Vernon Road, Augusta; Lombard Road, Caribou; and Stanley Road, Springvale. The Veterans Services program funds Personal Services, All Other which consists of professional services, travel, state vehicle operation, utility,*

rent, repairs, insurance, general operations, fuel, technology, clothing, equipment, supplies, highway materials, miscellaneous grants and Statewide Cost Allocation Plan (STA-CAP). The Bureau incurs Capital Expenditures costs for equipment used for the burials. There is no state match requirement for federal funding.

The Maine Bureau of Veterans Services is dedicated to securing the benefits and entitlements that are rightfully deserved by Maine veterans and their families. As federal laws evolve, grant opportunities multiply, and programs expand, the need for enhanced resources and services continues to grow. The Bureau oversees the Veterans Emergency Financial Assistance Program, Homeless Veteran Prevention Coordination Program, and Homeless Veterans Standdown which have aided 204 veterans experiencing housing insecurities this past year, as well as normal daily activities of running and maintaining four veteran cemeteries, and seven veterans' services offices around the state that provide access to various other state and federal veteran programs. To maintain and amplify vital Veterans services, the following initiatives will provide the necessary resources, ultimately improving care for our valued veteran community.

The two new initiatives for this program, (7) and (8), are on page A-178.

As previously stated, Initiative (7) on **page A-178** provides funding for increases in rates related to statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology, and are detailed in **Appendix B**.

Provides funding for an increase to statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology within the Maine Bureau of Veterans Services. General Fund of \$94,000 per fiscal year.

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 benefiting all state agencies are managed through this office to ensure consistency, volume discount efficiencies, and optimum performance and throughput. MaineIT is established as an internal service fund intended to recoup their costs through billings to departments and agencies for services provided. MaineIT expenses are higher due to negotiated and benefit changes to Personal Services as well as increases in operational costs, including vendor increases, supply chain costs, and network and systems.

The General Fund increases by \$94,000 in FY26 and \$94,000 in FY27.

Initiative (8) aligns allocation with the December 1, 2024, revenue forecast of the State's independent Revenue Forecasting Committee. The Bureau's Other Special Revenue Funds are derived from net table game income provided under 2013 PL, chapter 128 and goes to the Coordinated Veterans' Assistance Fund.

Adjusts funding to align with revenue projections from the December 1, 2024 revenue forecast. The Other Special Revenue Funds increases \$19,161 in FY26 and \$18,895 in FY27.

This concludes the initiatives for the Veterans Services 0110 program.

Next is the *Veterans Temporary Assistance Fund Z268 and Veterans' Homelessness Prevention Partnership Fund Z298* on **page A-179**.

Veterans Temporary Assistance Fund Z268

The Veterans Temporary Assistance Fund program provides funding for temporary assistance to eligible veterans as prescribed by Maine Revised Statutes, *Title 37-B, §505, sub-§§1-B and 1-C*.

There is no new initiative for this program.

And now the final program I will address is the Veterans' Homelessness Prevention Partnership Fund Z298.

Veterans' Homelessness Prevention Partnership Fund Z298

The Veterans' Homelessness Prevention Partnership Fund, a non-lapsing fund, is established under the bureau for the purpose of receiving funds from state, federal and other sources, including donations from private citizens, corporations, and entities for the purpose of this section. The Bureau shall use the fund to provide reimbursement to human services-based volunteer organizations that provide transitional housing to homeless veterans.

There are no new initiatives for this program.

This concludes my testimony. Thank you for your time, consideration, and support. I welcome any questions you may have and look forward to further discussions in the work session.

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
A-176	0108	Fed	8,490	8,833

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
A-165	0109	MaineIT	GF	5,000	5,000
A-175	0108	MaineIT	GF	15,000	15,000
A-178	0110	MaineIT	GF	94,000	94,000

APPENDIX C: Allocation Adjustments

Adjusts funding to align with revenue projections from the December 1, 2024 Revenue Forecast Committee forecast.

Page	Program	FY26 Amt	FY27 Amt
A-178	0110	19,161	18,895