



STATE OF MAINE  
GOVERNOR'S OFFICE OF POLICY INNOVATION AND THE FUTURE  
181 STATE HOUSE STATION  
AUGUSTA, MAINE  
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**Testimony in Favor of L.D. 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**

**February 28, 2025**

Good morning, Senator Rotundo, Representative Gattine, and members of the Committee on Appropriations and Financial Affairs, and Senator Baldacci, Representative Salisbury and members of the State and Local Government Committee, my name is Hannah Pingree, I am the Director of the Governor's Office of Policy Innovation and the Future and I am here today to speak in support of the Governor's proposed budget.

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.

In light of the tight budget environment, the Governor's Office of Policy Innovation and the Future (GOPIF) has limited general fund initiatives beyond the baseline budget and they include just two general fund initiatives related to centralized services and technology.

As you will hear, GOPIF has initiatives requesting additional allocation to spend federal and other special revenue funds, and requests to continue multiple federal and other special revenue positions, as long as those funds are available. As you have already heard in budget testimony several weeks ago, there are several language initiatives that propose to transfer the Community Resilience Partnership program and one staff position out of GOPIF into the new Maine Office of Community Affairs (MOCA).

The Governor's Office of Policy Innovation and the Future (GOPIF) was created by Governor Mills in 2019 to advance long-term planning and policy work, in collaboration with agencies across state government, communities and other stakeholders on important issues of concern for Maine. We provide support and coordination on a variety of policy issues, cross-cabinet groups, and in support of state commissions and task forces.

GOPIF's areas of policy and projects include priorities of the Governor, as well as several initiatives passed by the Maine Legislature including:

- The Children's Cabinet and the Early Childhood Advisory Council, and Maine's federal pre-school development grant (PDG) coordination
- The Cabinet on Aging and the Elder Justice Roadmap implementation project
- The Maine Climate Council, climate policy and coordination, the Community Resilience Partnership Program, and support for the State's Lead By Example efforts
- Opioid Response and Recovery
- Housing Policy
- Workforce & Economic Development Policy
- The Office of New Americans
- Ending Hunger by 2030 Initiative
- And time-limited projects including the Maine Economic Recovery Committee, the Maine Jobs & Recovery Plan, Bipartisan Infrastructure Law Coordination, Infrastructure Rebuilding & Resilience Commission, the State AI Task Force, the state EDA Tech Hub grant, and projects that have led to the creation of the Maine Office of Community Affairs.

Almost all GOPIF projects are undertaken in close coordination with multiple other state agencies, and often also include communities, businesses, and other key stakeholders. Learn more about all these items at: <https://www.maine.gov/future/>

The budget and staffing details of the office appear on **pages A- 281-284** and the overview speaks primarily to the continuation of GOPIF's program, staffing, and policy areas, as described above. The first initiative on **page A-282** is a request for funding for centralized services, specifically technology services, which is outlined in **Appendix A**.

*Initiative: Provides funding for statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology.*

MaineIT is responsible for the delivery of safe, secure, and high-performing networks and systems to State Agencies for the 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 modernization and upgrades. This recoupment process results in increased billing rates to departments and agencies.

The second and third initiatives on **page A-282** increases allocations in GOPIF's allotment baseline to align with projected resources for GOPIF's other special revenue fund and federal funding account.

*Initiative: Provides allocation to align with projected resources (OSR)*

*Initiative: Establishes All Other baseline funding for federal grant award expenditures*

GOPIF receives OSR funds at times for project initiatives from philanthropic foundations, most recently for elder justice work and climate resilience. This allocation allows us to spend those private funds on state projects.

GOPIF was also awarded a significant \$69 million-dollar federal NOAA grant last summer to support statewide climate resilience projects and planning efforts. Most of the grant funded activities are being undertaken by other state agencies including DEP, DOT, DMR, and DACF. GOPIF is managing some components of the grant including support for regional governments to support municipal planning and project implementation.

On pages **A-283-84**, GOPIF has multiple initiatives proposing existing non-general fund positions be continued or made permanent.

The first position initiative, listed below, related to a youth engagement coordinator, is listed as a federally funded position and should have been listed as an OSR position, and we anticipate this correction will be made in a change package.

*Continues and makes permanent one Public Service Coordinator I position continued with Financial Order 003600 F5 through August 13, 2025 to conduct youth engagement and outreach on issues related to climate change and supporting education efforts related to state and local actions, and provides funding for related All Other costs.*

The second initiative related to GOPIF positions continues three federally funded positions through the end of 2026 that provide support for project monitoring, policy and cabinet coordination, and reporting associated with the Maine Jobs & Recovery Plan (MJRP), the state's ARPA spending plan. GOPIF does this work in close collaboration with DAFS and provides a regularly updated dashboard of projects and annual reporting on MJRP at <https://www.maine.gov/jobsplan/>

*Continues 2 limited-period Public Service Coordinator II positions and one limited-period Public Service Manager III position, continued by Financial Order CV0725 F5 through December 31, 2026 and provides funding for related All Other costs.*

The next four initiatives propose making federally funded positions permanent. The first position is related to a FEMA Building Resilient Infrastructure Grant (BRIC) to accomplish a multi-year project to assess the vulnerability of priority state assets. The second position is related to a federal Energy Efficiency Grant focused on supporting municipal efficiency projects. The third position is related to the Children's Cabinet pre-school development program project and advancing the state's early childhood data system. And the last three positions are all related to a federal EPA Climate Pollution Reduction Grant, a multi-year grant to support climate planning and project implementation.

*Continues and makes permanent 2 Public Service Coordinator II positions continued with Financial Order 003665 F5 to support the Building Resilience Infrastructure and*

*Communities grant and the Energy Efficient & Conservation Block Grant, and provides funding for related All Other costs.*

*Continues and makes permanent one Public Service Manager I position continued with Financial Order 003617 F5 to oversee the integration of data from early childhood programs and planning, organizing and managing the implementation of a statewide Early Childhood Integrated Data System, and provides funding for related All Other costs.*

*Continues and makes permanent one Public Service Coordinator II position continued with Financial Order 003633 F5 to provide budgeting, reporting and contracting services to support federal grant activities, and provides funding for related all other costs.*

*Continues and makes permanent 2 Public Service Coordinator II positions continued with Financial Order 003634 F5 to develop policy and provide executive branch expertise on issues related to natural resources, climate changes and waste management, and provides funding for related all other costs.*

The last initiative on **page A-284** is related to GOPIF's centralized services, as discussed in **Appendix A.**

*Provides funding for the Department's share of the cost for the financial and human resources service center within the Department of Administrative and Financial Services.*

Additionally, there is one GOPIF initiative in **Part D on pages D-9 and D-10.** It relates to the transfer of the Community Resilience Partnership program and one position from GOPIF into the new Maine Office of Community Affairs (MOCA). This committee has already heard this proposal to transfer several state programs to MOCA, including this program and position, so I won't repeat the initiative details, but I will remind the committees about this impactful program since so many of your communities and constituents are now participating.

The Community Resilience Partnership provides grants and technical assistance to Maine communities to help them identify and address local priorities to reduce emissions, increase efficiency, transition to clean energy, and become more resilient to climate effects such as extreme storms, flooding, rising sea levels, and threats to public health.

The Partnership was launched by Governor Mills in December 2021 with an initial goal of assisting 100 communities in its first year and with a new goal set in her 2024 State of the State address to add 100 more communities. To date, **263 communities are now participating in the Partnership.** Currently, the Partnership is working with approximately 55% of all Maine communities and Tribal governments. To date, the program has awarded \$9.1 million in grants for 180 resilience, efficiency, clean energy and other locally determined projects in all 16 Maine counties. Utilizing both state and federal funds, the program is currently evaluating its largest grant round yet and will soon award approximately \$8 million in funds to Maine communities this spring with a major focus on resilience projects.

Learn more at: <https://www.maine.gov/future/climate/community-resilience-partnership>

I am happy to answer any questions this committee has about the initiatives of GOPIF – both our budget or policy initiatives today, or at the work session. Thanks to both committees for your time and service.

## **APPENDIX A: 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 the 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.
- 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.