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Testimony of Michelle Lenihan, Deputy 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**

**LD 2212, "An Act Making Unified Supplemental Appropriations and Allocations for the
Expenditures of State Government, General Fund and Other Funds, and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State Government for the
Fiscal Years Ending June 30, 2026 and June 30, 2027"**

February 24, 2026

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 Michelle Lenihan, the Deputy Commissioner of the Department of Defense, Veterans, and Emergency Management. I am pleased to be here today to testify in strong support of the supplemental budget bill, LD 2212, in lieu of MG Dunn.

This is the final budget proposal from the Administration. The proposal delivers financial relief to the Maine people, preserves programs lawmakers and Maine people support, and addresses some emergent issues, including impacts of new federal legislation. Governor Mills' guiding belief has always been that our strongest asset is the people of Maine and that's why this budget, like those in the past, seeks to invest and support them. We look forward to working with the Legislature in the coming weeks to enact a balanced budget that supports Maine people and protects the fiscal health of our state.

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 more than 102,000 veterans and manages the four Maine Veterans' Memorial Cemeteries across the State. The Maine Emergency Management

Agency 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 departmental budget proposals. Today I will address our Military Training and Operations, Bureau of Veterans Services, and Veterans' Homelessness Prevention Partnership Fund programs in the order listed in the Public Hearing Testimony agenda. The Administration-Maine Emergency Management Agency program will have their budget testimony tomorrow, on February 25, 2026, in conjunction with the Joint Standing Committee on Criminal Justice and Public Safety.

DVEM has 20 initiatives and one Unallocated Language which will adjust the current funding (most will reduce the General Fund and some will require funding). Italics indicate additional details for your information that I do not plan to read.

Initiative (1) – page A-22 (Personal Services- transfer and reallocation of cost)

Initiative (2) – page A-22 (Personal Services- reallocation of cost)

Initiative (3) – page A-22 (Personal Services- establishes new position)

Initiative (4) – page A-22 (Personal Services- approved reorganization)

Initiative (5) – page A-22 (Personal Services- approved reorganization)

Initiative (6) – page A-22 (Personal Services- transfer and reallocation of cost)

Initiative (7) – page A-23 (Personal Services- reallocation of cost)

Initiative (8) – page A-23 (Personal Services- transfer and reallocation of cost)

Initiative (9) – page A-23 (Personal Services- transfer and reallocation of cost)

Initiative (10) – page A-23 (Personal Services- reallocation of cost)

Initiative (11) – page A-23 (Personal Services- reallocation of cost)

Initiative (12) – page A-24 (Personal Services- transfer and reallocation of cost)

Initiative (13) – page A-24 (Personal Services- reallocation of cost)

Initiative (14) – page A-24 (Personal Services- transfer and reallocation of cost)

Initiative (15) – page A-24 (Personal Services- transfer and reallocation of cost)

Initiative (16) – page A-25 (Personal Services- approved reorganization)

Initiative (17) – page A-25 (All Other – reduces funding)

Initiative (18) – page A-25 (All Other – provides funding)

Initiative (19) – page A-25 (All Other – provides funding)

Initiative (20) – page A-25 (All Other – provides funding)

DVEM's Part A budget can be found on pages A-22 to A-25. I will begin with the Military Training and Operations 0108 – found on page A-22 to A-24.

Military Training and Operations 0108

The General Fund budget properly funds the required state share 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 nearly 3000 soldiers, airmen, civilian employees and the sustainment of more than 1.6M square feet of state guard facilities and more than 366 thousand acres of training land.

The 15 budget initiatives in the Military Training and Operations section of the supplemental budget bill support the continued provision of professional, competent, and dedicated service to the citizens of Maine. Of note, the net result of these initiatives is savings of \$138,855 in the General Fund and a \$287,365 increase in the Federal Expenditures Fund. *Appendix A summarizes these effects on the General Fund.*

Several of the initiatives address similar issues, so I will describe them in groupings:

Initiatives (1), (2), (8), (9), and (10) on pages A-22 to A-23 transfer and allocate cost of positions from a 27% General Fund / 73% Federal Expenditures Fund share to 100% in the Federal Expenditures Fund. These changes are in alignment with National Guard Regulations regarding positions that support the Construction, Facilities, and Maintenance Office.

Initiative 1: Transfers and reallocates the cost of one Auto Mechanic II position from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$23,532 and Federal Expenditures Fund increases by \$23,582 in FY27.

Initiative 2: Reallocates the cost of one Public Service Manager III position from 73% Federal Expenditures Fund and 27% General Fund to 100% Federal Expenditures Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is reallocating this position from 73% Federal Expenditures Fund and 27% General Fund to 100% Federal Expenditures Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$51,777 and Federal Expenditures Fund increases by \$51,777 in FY27.

Initiative 8: Transfers and reallocates the cost of one Office Specialist II position from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund within the same program. This position is part of the Cooperative Agreement with the United State

Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$28,449 and Federal Expenditures Fund increases by \$28,449 in FY27.

Initiative 9. Transfers and reallocates the cost of one Maintenance Mechanic position from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 100% Federal Expenditures Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$22,952 and Federal Expenditures Fund increases by \$22,952 in FY27.

Initiative 10: Reallocates the cost of one Warehouse Superintendent position from 73% Federal Expenditures Fund and 27% General Fund to 100% Federal Expenditures Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is reallocating this position from 73% Federal Expenditures Fund and 27% General Fund to 100% Federal Expenditures Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$23,459 and Federal Expenditures Fund increases by \$23,459 in FY27.

Initiatives (6), (7), (11), (12), (14), and (15) on pages A-23 to A-24 transfer and allocate cost of positions from a 27% General Fund / 73% Federal Expenditures Fund to a 25% General Fund / 75% Federal Expenditures Fund share. These adjustments are in alignment with the state/federal building shares that these positions support.

Initiative 6: Transfers and reallocates the cost of one Building Mechanical Systems Specialist position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$2,074 and Federal Expenditures Fund increases by \$2,074 in FY27.

Initiative 7: Reallocates the cost of one Electronic Security System Technician from 73% Federal Expenditures Fund and 27% General Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is reallocating this position from 73% Federal Expenditures Fund and 27% General Fund to 75% Federal Expenditures Fund and 25% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$1,876 and Federal Expenditures Fund increases by \$1,876 in FY27.

Initiative 11. Reallocates the cost of one Building Maintenance Coordinator position from 73% Federal Expenditures Fund and 27% General Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is reallocating this position from 73% Federal Expenditures Fund and 27% General Fund to 75% Federal Expenditures Fund and 25% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$2,165 and Federal Expenditures Fund increases by \$2,165 in FY27.

Initiative 12: Transfers and reallocates the cost of one Maintenance Mechanic Supervisor position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$2,199 and Federal Expenditures Fund increases by \$2,199 in FY27.

Initiative 14. Transfers and reallocates the cost of one High Voltage Electrician Supervisor position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$2,559 and Federal Expenditures Fund increases by \$2,559 in FY27.

Initiative 15. Transfers and reallocates the cost of one Maintenance Mechanic position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This position is part of the Cooperative

Agreement with the United State Property and Fiscal Office. This initiative is transferring and reallocating this position from 27% General Fund and 73% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$1,429 and Federal Expenditures Fund increases by \$1,429 in FY27.

Initiative (5) on page **A-22** reallocates cost from 100% Federal Expenditures Fund to a 75% Federal Expenditures Fund and 25% General Fund share for the approved reorganization of one Heavy Vehicle and Equipment Technician position to a Supervisor Grounds & Transportation, as the position will now address state requirements in addition to federal.

Initiative 5: Provides funding for the approved reorganization of one Heavy Vehicle and Equipment Technician position to a Supervisor Grounds & Transportation Services position and reallocates the cost from 100% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program. This initiative reorganizes one Heavy Vehicle and Equipment Technician position to a Supervisor Grounds & Transportation Services position to fill the department's need for an employee to repair, maintain, transport and operate heavy equipment for earthwork, pavement repair, utility work and execution of work orders requiring heavy equipment support statewide.

The General Fund increases by \$26,017 and Federal Expenditures Fund decreases by \$18,629 in FY27.

Initiative (13) on page **A-24** reallocates the cost of one position from 47% General Fund / 53% Federal Expenditure Fund to a 50% General Fund / 50% Federal Expenditures Fund share, in alignment with the state/federal building share that the position supports.

Initiative 13. Reallocates the cost of one Building Maintenance Coordinator position from 47% Federal Expenditures Fund and 53% General Fund to 50% Federal Expenditures Fund and 50% General Fund within the same program. This position is part of the Cooperative Agreement with the United State Property and Fiscal Office. This initiative is reallocating this position from 47% Federal Expenditures Fund and 53% General Fund to 50% Federal Expenditures Fund and 50% General Fund to be in line with federal regulations (Policy Interim Chapter 7, NGR 420-10 document (A) 10.45 and (B)).

The General Fund decreases by \$2,401 and Federal Expenditures Fund increases by \$2,401, in FY27.

In addition to the aforementioned transfers and allocations, **Initiative (3)** on page **A-22** establishes a Biologist II position, 100% Federal Expenditures Fund, to ensure the development

of the Lola-Dana Training Site meets state and federal natural resource management requirements.

Initiative (3): Establishes one Biologist II position effective July 1, 2026, and provides funding for related All Other costs. This initiative establishes one Biologist II position funded 100% Federal Expenditures Fund under the Army National Guard Environmental Program through the Master Cooperative Agreement between the State of Maine and the National Guard Bureau. This position is needed to cover the increased workload caused by the development of the Lola-Dana Training Site live fire range complex and its significant natural resource management requirements.

Federal Expenditures Fund increases by \$130,594 in FY27.

Finally, **Initiative (4)** on page A-22 provides an increase to the Federal Expenditures Fund for an approved position reorganization to meet additional department requirements.

Initiative 4: Provides funding for the approved reorganization of one Business Systems Administrator position to a Business Systems Administrator II position. This initiative reorganizes one Business Systems Administrator position to a Business Systems Administrator II position within the Military Training and Operations program. This position is being reorganized to align with department requirements including the need for military-level cybersecurity credentials and specialized security and business technology skill sets.

Federal Expenditures Fund increases by \$10,168 in FY27.

Language Part DD Sec. DD-1 originally was an initiative in our Part A submission. However, this was included in the final submission as language that allows the Department of Defense, Veterans and Emergency Management to self-fund the rising electricity costs at Military Training and Operations (0108) program.

PART DD Sec. DD-1. Transfer of Personal Services balances to All Other; Department of Defense, Veterans and Emergency Management. Notwithstanding any provision of law to the contrary, for fiscal year 2026-27, the Department of Defense, Veterans and Emergency Management is authorized to transfer up to \$76,000, of available balance of Personal Services appropriations after all salary, benefit and other obligations are met, to the All Other line category of the Military Training & Operations program for the purpose of funding rising electricity costs. These amounts may be transferred by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

PART DD SUMMARY This Part authorizes the Office of the Department of Defense, Veterans and Emergency Management to transfer Personal Services to the All Other line category in order to fund rising electricity costs.

Next, I will discuss programs involving Veterans, which are covered in Initiatives 16-20, and are found on pages A-25.

Veterans Services 0110

To maintain and amplify vital Veterans services, the following initiatives will provide necessary resources and ultimately improve care for our valued veteran community.

Initiative 16 addresses the increased requirements for one of the State Approving Agency positions, which supports education opportunities for our veterans and dependents.

Initiative 16. Provides funding for the approved reorganization of one Office Specialist I position to an Auditor II position and increases the hours from 60 hours to 80 hours biweekly. This initiative reorganizes one Office Specialist I position to an Auditor II position and makes the position full-time. The need for this federally-funded position has fundamentally shifted since the State assumed control of the State Approving Agency (SAA) in 2021 after the agency was separated from an educational institution. This position was created to provide clerical and administrative support for the program and to the Director of the SAA. However, the need for this position to work independently has grown higher due to the complexity and increased program recertification, school certification, supervisory visits, and agency outreach requirements. This position is one of a two-person team that completes a great deal of multifaceted work under limited supervision while acting as a liaison on behalf of the Maine Bureau of Veterans Services to nearly a hundred educational agencies across the states and federal government that service over 3,000 veterans and dependents. This position will also act as the Director of the SAA in the absence of the Director of the SAA.

Federal Expenditures Fund increases by \$25,191 in FY27.

Initiatives (17) and (20) correct the allocation in the Other Special Revenue Funds in the Veteran Services program and the Other Special Revenue Funds in the Homelessness Prevention Partnership program.

Initiative 17 (From Veterans Services 0110). Reduces funding in the Veterans Services program, Other Special Revenue Funds and increases funding in the Veterans' Homelessness Prevention Partnership program, Other Special Revenue Funds. This initiative moves the allocation authorized in Public Law 2019, chapter 504, Section 3 from the Veterans Services program, Other Special Revenue Funds to the Veterans' Homelessness Prevention Partnership Fund program, Other Special Revenue Funds. This is in line with Public Law 2021, chapter 398 in which the appropriation was moved from the Veterans Services program, General Fund to the Veterans' Homelessness Prevention Partnership Fund program, General Fund.

Other Special Revenue Funds decreases by \$500 in FY27.

Initiative 20 (From Veterans' Homelessness Prevention Partnership Fund Z298). Reduces funding in the Veterans Services program, Other Special Revenue Funds and increases funding

in the Veterans' Homelessness Prevention Partnership program, Other Special Revenue Funds. This initiative moves the allocation authorized in Public Law 2019, chapter 504, Section 3 from the Veterans Services program, Other Special Revenue Funds to the Veterans' Homelessness Prevention Partnership Fund program, Other Special Revenue Funds. This is in line with Public Law 2021, chapter 398 in which the appropriation was moved from the Veterans Services program, General Fund to the Veterans' Homelessness Prevention Partnership Fund program, General Fund.

Other Special Revenue Funds increases by \$500 in FY27.

Initiative (18) includes allotment adjustments that result from the States' independent Revenue Forecasting Committee.

Initiative 18. Provides funding to align allocations with projected expenditures and available resources.

Other Special Revenue Funds increases by \$15,407 in FY26 and \$1,829 in FY27.

Initiative (19) facilitates our ability to administer the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program.

Initiative 19. Provides funding for the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program. The Maine Bureau of Veterans Services receives a grant award from the Department of Veterans Affairs, Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP). Suicide prevention grants are awarded to eligible entities to meet the needs of eligible veterans and their families through outreach, provision or coordination of suicide prevention services, and connection to Department of Veterans Affairs and community resources as described in 38 CFR Part 78. There is no required state match as funding is provided 100% Federal Expenditures Fund by the Department of Veterans Affairs.

Federal Expenditures Fund increases by \$775,191 in FY27.

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: Addition Reallocation/ Reclasses /Reorgs/ Range Changes

| Reallocations | | General Fund | Federal Fund |
|----------------------|----------------|-----------------------|---------------------|
| Page | Program | FY2027 | FY2027 |
| A-22 | 0108 | (\$77,383.00) | \$77,383.00 |
| A-23 | 0108 | (\$78,901.00) | \$78,901.00 |
| A-24 | 0108 | (\$8,588.00) | \$8,588.00 |
| | | (\$164,872.00) | \$164,872.00 |

| Reorganizations | | General Fund | Federal Fund |
|------------------------|----------------|---------------------|---------------------|
| Page | Program | FY2027 | FY2027 |
| A-22 | 0108 | \$26,017.00 | (\$8,101.00) |
| A-25 | 0110 | \$0.00 | \$25,191.00 |
| | | \$26,017.00 | \$17,090.00 |

| Additional Headcount | | General Fund | Federal Fund |
|-----------------------------|----------------|---------------------|---------------------|
| Page | Program | FY2027 | FY2027 |
| A-22 | 0108 | \$0.00 | \$130,594.00 |

APPENDIX B: Allotment Adjustment-RFC Revenue Forecast

| Other Special Revenue Fund | | | |
|-----------------------------------|----------------|---------------|---------------|
| Page | Program | FY2026 | FY2027 |
| A-25 | 0110 | \$15,407.00 | \$1,329.00 |