

**Testimony of Elaine Clark, Commissioner  
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on  
Appropriations and Financial Affairs  
and Veterans and Legal Affairs**

**“An Act Making Supplemental 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, 2026 and June 30, 2027”**

**February 24, 2026**

Good afternoon, Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Hickman, Representative Supica and members of the Joint Standing Committee on Veterans and Legal Affairs. I am Elaine Clark, the Commissioner of the Department of Administrative and Financial Services. I am here today to testify in support of certain items in LD 2212, the Governor’s proposed fiscal year 2026-2027 supplemental budget bill.

This is the final budget proposal from this Administration. The proposal delivers financial relief to 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 in 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.

I am here today in support of those items on today’s agenda relating to the Department of Administrative and Financial Services, specifically the two requests in the Office of Cannabis Policy.

Our proposal includes an allotment adjustment as the result of the State’s independent Revenue Forecasting Committee forecast dated December 1, 2025. Our Department’s RFC adjustments are summarized at the end of this testimony as **Appendix A**.

While we won't read the specifics, we have included the blippie and justification in this testimony on the relevant page in italics for your reference.

Page A-1 contains two initiatives for the **Adult Use Cannabis Public Health & Safety & Municipal Opt-In Fund (Z263)**.

The first initiative is the alignment with the December 1, 2025, Revenue Forecast Committee projections.

*Provides funding to align allocations with projected expenditures and available resources. Title 28-B section 1101 (1) (A) and (B) directs a percentage of excise and sales tax on the sale of adult use cannabis to the Adult Use Cannabis Public Health and Safety and Municipal Opt-out Fund. In January 2026 (pursuant to Title 36 section 4925 for excise tax and section 1818 for sales tax) the transfers reduced from 12% to 9%. The RFC forecasts cannabis sales and excise taxes and adjusted to reflect the reductions. Per the December 1, 2025, Revenue Forecast Committee projections, this is a reduction of (\$385,778) in fiscal year 2026 and a reduction of (\$546,225) in fiscal year 2027.*

The second initiative continues a limited-period position, previously established in Public Law 2023, chapter 683. This position was originally created within DAFS as a 2-year position through July 2026. The supplemental proposes extending this position, along with a limited-period position from the same chapter in the Department of Labor (DOL), through June 2028. The intent of the Cannabis Business Advocate is to provide adult use cannabis licensees and medical cannabis registrants with an avenue to seek assistance navigating the regulatory environment and resolving issues with the Office of Cannabis Policy (OCP). The position is modeled after the Taxpayer Advocate and Experience Officer and is independent of OCP. Although we experienced some delays, the job description is now finalized and the next step is posting, which we will do as soon as the extension is approved. DOL will testify to the specifics of their position in the Labor Committee. Although on the Labor Committee schedule, I will mention **Part TTT on Page 111** of the language document. This language extends the authorization of the State Controller, as originally granted in chapter 683, to move the funds from this fund to the Department of Labor for the cost of their limited-period apprenticeship navigator position through June 18, 2028.

*Continues one limited-period Public Service Coordinator II position, previously established in Public Law 2023, chapter 683, through June 30, 2028, and provides funding for related All Other costs. This is Other Special Revenue Funds in fiscal year 2027 of \$129,510 Personal Services and \$9,453 All Other.*

### *Program Funding and Uses*

*Updated per PL2025, C388, Part F, this fund receives 9% of the cannabis excise tax revenue and 9% of sales tax revenue from the sales of adult use cannabis and adult use cannabis products. Funds in this program can be used for public health, safety awareness, education, and enhanced law enforcement training programs supporting the adult use of cannabis. For a limited time, the funds may be used to provide reimbursement to a municipality for qualifying expenses incurred when the municipality opts to permit the operation of some or all adult use cannabis establishments within the municipality. Also, for a limited time, currently through July 31, 2026, there is Personal Services funding allocated for a limited-period Cannabis Business Advocate position (Public Law 2023, chapter 683).*

*) Additionally, legislation directs portions of this revenue to other Departments:*

- \$2 million each year from this fund to the Department of Health and Human Services, Recovery Community Centers Fund for operational support for recovery community centers and to provide funding for capacity building for recently established or new recovery community centers (Public Law 2023, chapter 658).*
- \$150,000 each year from this fund to the Department of Economic and Community Development to support the Social Equity Program aimed at increasing workforce development programs and providing support to individuals who are members of impacted communities and businesses that are owned by members of impacted communities (Public Law 2023, chapter 683).*
- \$111,170 in fiscal year 2026 and \$28,232 in fiscal year 2027 to support the cost of one limited-period Career Center Consultant position in the Department of Labor to increase access to workforce development opportunities for impacted communities and provides funding for related All Other costs (Public Law 2023, chapter 683).*

- *If any funds remain after the authorized uses in the program and the transfers identified above, the State Controller must transfer to the General Fund the cost of the tax deductions for business expenses related to carrying on a business as a cannabis establishment or a testing facility, provided pursuant to Title 28-B, section 1101, paragraph (2)(D)(1) and paragraph (2)(D)(2). The cost of a position in MRS to administer the tax deductions must also be funded. This is estimated at \$1,581,923 in FY26 and \$1,780,000 in FY27. (RR 2023, C.2, Pt. A, §§ 44, 45 COR.)*

*It is estimated this Fund needs approximately \$5 million per year to fund the various legislatively authorized activities.*

This concludes my testimony. I will be happy to answer any questions the Committees may have. Thank you.

## APPENDIX A: Allocation Adjustments

Adjusts funding to align with revenue projections from the December 1, 2025, Revenue Forecast Committee forecast.

Page	Program	FY26 Amt	FY27 Amt
A-1	Z263	(\$385,778)	(\$546,225)