

130th Maine Legislature
Joint Standing Committee on State and Local Government

Testimony of Erik C. Jorgensen, MaineHousing, neither for nor against

**LD 875: An Act To Protect Taxpayers in the Privatization of Services
and To Establish the State Procurement Review Committee**

30 April 2021

Senator Baldacci, Representative Matlack, members of the Joint Standing Committee on State and Local Government, my name is Erik Jorgensen, Director of Government Relations at the Maine State Housing Authority (MaineHousing).

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single-family mortgages for first-time homebuyers and to finance affordable multi-family housing.

We are also authorized to administer a number of state and federal programs including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

We understand that this bill is a measure designed to regulate state agencies and stop the potential expense of privatization of services that are being provided by state employees at those agencies. MaineHousing is not a state agency, but a “quasi-independent state entity.” Our employees are not state workers, our compensation policies are different, and like FAME or the Maine Municipal Bond Bank, our fundamental mission, which is that of a bank, is different from that of a state agency. What’s more, we do not offer services that we would be able to readily privatize. That said, we do have many critical partners in the private sector, from banks and Realtors, to community action agencies, to loan servicers, and those relationships are positive and productive.

Our chief concern with this bill is based in the fact that any measure that lumps us in with state agencies will ultimately create potential red tape and muddy the State Housing Authority’s statutory relationship with state government.

MaineHousing and FAME are developing an amendment to put forward as a potential solution to this problem. We strongly support its simple goal of drawing a brighter line between what is state government and what is not. This amendment, which we hope you will approve, would simply exclude Maine’s quasi-independent entities, as outlined in [MRS Title 5, §12021](#) from this bill. Thank you for your consideration.

