

**Testimony of Major General Douglas Farnham, Adjutant General / 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**

**“An Act Making Unified Appropriations and Allocations for the Expenditures of
State Government, General Funds 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, 2021, June 30, 2022 and June 30, 2023”**

March 2, 2021

Good afternoon Senator Breen, Representative Pierce and Members of the Joint Standing Committee on Appropriations and Financial Affairs, Senator Luchini, Representative Caiazzo and members of the Joint Standing Committee on Veterans and Legal Affairs. My name is Douglas Farnham, and I am the Commissioner of the Department of Defense, Veterans and Emergency Management. I am here today to testify in support of the biennial budget bill, LD 221.

As Governor Mills said, at a time when Maine people are hurting, when small businesses are struggling to keep their doors open, when the ranks of the unemployed have swelled, and when we are fighting a deadly virus all around us, we are proposing balanced budgets as required by the Constitution that continue efficiencies, good fiscal management and curtailments to cover projected revenue shortfalls for all three fiscal years. They focus on combatting the COVID-19 pandemic by continuing to rebuild the State’s public health infrastructure and protecting essential health care, education, and life-saving services. They do not change Maine tax rates and they maintain the Budget Stabilization Fund. With a future made unpredictable due to the ongoing pandemic, these budgets make good on the promise of government, which is to protect and support the wellbeing of our people and institutions.

The Department of Defense, Veterans and Emergency Management coordinates and administers the discharge of Maine State Government’s responsibility for all military, veterans and emergency management activities through the authorization, planning, provision of resources, administration, operation and audit of each. In addition to their Federal mission, our Soldiers and Airmen are immediately available to respond to the Governor and citizens of Maine in times of crisis; man-made or natural disasters. The Maine Bureau of Veterans' Services provides numerous support services to Maine's 115,000 veterans and manages Maine's four Veterans' Memorial Cemeteries across the State. Although not included in my testimony today, the Maine Emergency

Management Agency is charged with all disaster mitigation, preparedness, response, recovery and Homeland Security operations within the State of Maine.

Administration – Defense, Veterans, and Emergency Management 0109

I will address our budget in the order listed in the Public Hearing Testimony agenda and will include programs with and without budget initiatives. I will begin on page A-116, the Department of Defense, Veterans, and Emergency Management (DVEM) Administration program. The program primarily includes appropriations from the General Fund.

What the Budget purchases:

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.

There are only 2 initiatives associated with this program both on page A-116.

Initiative # 1: Reallocates the cost of one Public Service Coordinator I position funded 100% General Fund in the Administration program to 10% General Fund in the Administration program and 90% Federal Expenditures Fund in the Military Training and Operations program. This initiative will also be found on page A-124, initiative # 3 which reflects the partial transfer to the Military Training and Operations program.

General Fund decreases by (\$108,687) in FY22 and (\$109,479) in FY23.

Funding is provided to the State of Maine for the Operation and Maintenance of National Guard facilities through a Master Cooperative Agreement (MCA). This initiative reallocates the cost of one Public Service Coordinator I who provides professional services in support of the MCA. This cost share proposal is allowable in accordance with the terms of the agreement.

Initiative # 2: Provides one-time funding for environmental closure activity costs at the former Maine Military Authority site in Limestone, Maine.

General Fund increases in FY22 by \$400,000.

Provides one-time funding for studies and activities required in accordance with the terms of the former Maine Military Authority's hazardous waste generator license. This is Phase One of the project which will determine if additional phases are needed.

Since pages A-118 thru A-120 cover Maine Emergency Management Agency programs, I will now move on to page A-121 for the Maine National Guard Postsecondary Fund.

Maine National Guard Postsecondary Fund Z190

What the Budget purchases:

The Maine National Guard Postsecondary Fund provides funding for a 100% tuition reimbursement at any state postsecondary education institution for qualified members of the Maine National Guard.

This is primarily a non-lapsing General Fund All Other which provides tuition funding for qualified members of the Maine National Guard at any State postsecondary education institution as well as at any qualifying private non-profit in-State postsecondary education institution. There are no new initiatives for this program.

I will now proceed to pages A-122 thru A-128 for the Military Training and Operations.

Military Training and Operations 0108

What the Budget purchases:

The Military Training and Operations program has 2 components - the Army National Guard and the Air National Guard and each perform dual missions; a state mission as a resource to the State to provide trained and disciplined forces for domestic emergencies or needs such as helping communities deal with floods, tornadoes, hurricanes, snowstorms and most recently the COVID-19 pandemic and a federal mission as a resource to the President for prompt mobilization for war or emergencies in support of our national security. The state budget properly funds 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 soldiers, airmen, civilian employees and the sustainment of more than 2 million square feet of state guard facilities and more than 365 thousand acres of training land.

There are 28 initiatives to adjust the baseline for the program. Out of the 28 initiatives, there are 26 Personal Services actions, 17 of those reallocate different positions resulting in net decrease in General Fund by (\$312,166) in FY22 and (\$318,707) in FY23. On the other hand, Federal Expenditures Fund will have a net increase by \$307,669 in FY22 and \$313,542 in FY23.

Funding is provided to the State of Maine for the Operation and Maintenance of National Guard facilities through a Master Cooperative Agreement (MCA). The Maine Army National Guard audited the federal/state cost share for facilities and programs associated with the MCA in accordance with National Guard Regulation 420-10, Chapter 7. As a result of this audit and with the concurrence of the United States

Property and Fiscal Office, the funding for these positions is reallocated accordingly.

The 17 reallocation initiatives are found on the following pages:

Page A-122:

Initiative # 1: Reallocates the cost of one Maintenance Mechanic position from 50% General Fund and 50% Federal Expenditures Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$15,061) in FY22 and by (\$15,674) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Page A-123:

Initiative # 1: Reallocates the cost of one Inventory and Property Associate II position from 100% Federal Expenditures Fund to 73% Federal Expenditures Fund and 27% General Fund within the same program.

General Fund increases by \$19,425 in FY22 and \$19,590 in FY23; Federal Expenditures Fund decreases by the same amounts in FY22 and 23 respectively.

Initiative # 2: Reallocates the cost of one Building Maintenance Coordinator position from 100% Federal Expenditures Fund to 75% Federal Expenditures Fund and 25% General Fund within the same program.

General Fund increases by \$19,190 in FY22 and \$19,343 in FY23; Federal Expenditures Fund decreases by the same amounts in FY22 and 23 respectively.

Page A-124:

Initiative # 3: Reallocates the cost of one Public Service Coordinator I position funded 100% General Fund in the Administration - Defense, Veterans and Emergency Management program to 10% General Fund in the Administration - Defense, Veterans and Emergency Management program and 90% Federal Expenditures Fund in the Military Training and Operations program.

Federal Expenditures Fund increases by \$108,687 in FY22 and \$109,479 in FY23. The corresponding decrease in General Fund was reported in the Admin- DVEM program.

Initiative # 4: Reallocates the cost of one Buyer II position from 80% Federal Expenditures Fund and 20% General Fund to 100% Federal Expenditures Fund within the same program.

General Fund decreases by (\$15,792) in FY22 and (\$16,450) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 5: Reallocates the cost of one Maintenance Mechanical Supervisor position from 100% General Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$64,805) in FY22 and (\$67,274) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Page A-125:

Initiative # 2: Reallocates the cost of one Facilities Project Manager position from 75% Federal Expenditures Fund and 25% General Fund to 100% Federal Expenditures Fund within the same program.

General Fund decreases by (\$28,345) in FY22 and (\$28,495) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 3: Reallocates the cost of one vacant Contract Grant Specialist position from 80% Federal Expenditures Fund and 20% General Fund to 100% Federal Expenditures Fund within the same program.

General Fund decreases by (\$17,817) in FY22 and (\$17,968) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 5: Reallocates the cost of one Superintendent of Buildings position from 20% General Fund and 80% Federal Expenditures Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund increases by \$9,293 in FY22 and \$9,386 in FY23; Federal Expenditures Fund decreases by the same amounts in FY22 and 23 respectively.

Page A-126:

Initiative # 1: Reallocates the cost of one Warehouse Superintendent position from 100% Federal Expenditures Fund to 73% Federal Expenditures Fund and 27% General Fund within the same program.

General Fund increases by \$17,704 in FY22 and \$18,420 in FY23; Federal Expenditures Fund decreases by the same amounts in FY22 and 23 respectively.

Initiative # 2: Reallocates the cost of one Director of Building Control Operations position from 60% General Fund and 40% Federal Expenditures Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$29,908) in FY22 and (\$31,062) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 3: Reallocates the cost of one Building Mechanical Systems Specialist position from 100% General Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$60,583) in FY22 and (\$62,514) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 4: Reallocates the cost of one vacant Building Maintenance Coordinator position from 75% Federal Expenditures Fund and 25% General Fund to 47% Federal Expenditures Fund and 53% General Fund within the same program.

General Fund increases by \$21,311 in FY22 and \$22,367 in FY23; Federal Expenditures Fund decreases by the same amounts in FY22 and 23 respectively.

Page A-127:

Initiative # 2: Reallocates the cost of one Office Specialist I from 80% Federal Expenditures Fund and 20% General Fund to 100% Federal Expenditures Fund within the same program.

General Fund decreases by (\$15,176) in FY22 and (\$15,316) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 4: Reallocates the cost of one Auto Mechanic II position from 100% General Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$56,592) in FY22 and (\$57,322) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Page A-128:

Initiative # 1: Reallocates the cost of one Carpenter position from 100% General Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$52,734) in FY22 and (\$53,464) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

Initiative # 2: Reallocates the cost of one Maintenance Mechanic position from 100% General Fund to 27% General Fund and 73% Federal Expenditures Fund within the same program.

General Fund decreases by (\$42,286) in FY22 and (\$42,274) in FY23; Federal Expenditures Fund increases by the same amounts in FY22 and 23 respectively.

I will now move on to the second category of the Personal Services actions: reclassification, reorganizations and range changes. There are 8 initiatives in this category that will decrease General Fund by (\$72,115) in FY22 and (\$71,686) in FY23. On the other hand, the Federal Expenditures Fund will increase by \$186,627 in FY22 and \$197,891 in FY23.

The 8 reclassification, reorganizations and range change initiatives are found on the following pages:

Page A-123:

Initiative # 3: Provides funding for the approved reorganization of one vacant Civil Engineer III position to a Facilities Project Manager position to reflect the change of duties and responsibilities.

Federal Expenditures Fund decreases by (\$6,706) in FY22 and (\$6,923) in FY23.

Initiative # 4: Provides funding for the proposed reorganization of one vacant Engineering Technician III position to a Planning & Research Associate I position to reflect the change of duties and responsibilities within the same program.

Federal Expenditures Fund increases by \$4,901 in FY22 and \$5,175 in FY23.

Initiative # 5: Provides funding for the proposed reorganization of one Engineering Technician IV position to a Facilities Project Manager position to reflect the change of duties and responsibilities within the same program.

Federal Expenditures Fund increases by \$8,074 in FY22 and \$12,378 in FY23.

Initiative # 6: Provides funding for the proposed reclassification of one Senior Planner position to a Public Service Coordinator I position to reflect the change of duties and responsibilities within the same program.

Federal Expenditures Fund increases by \$11,976 in FY22 and \$15,674 in FY23.

Page A-124:

Initiative # 6: Provides funding for the approved range change of 6 Military Firefighter Supervisor positions from range 17 to range 19 and 3 Assistant Military Fire Chief positions from range 19 to range 21.

Federal Expenditures Fund increases by \$74,490 in FY22 and \$74,489 in FY23.

I should note this initiative carries forward an initiative in the Governor's FY21 supplemental budget proposal to fund the back pay and increase the Federal

Expenditures Fund necessary to pay the Military Firefighter Supervisors and Assistant Military Fire Chiefs. This was an employee-initiated reclassification.

Page A-125:

Initiative # 4: Provides funding for the approved reorganization of one High Voltage Electrician position to a High Voltage Electrician Supervisor position and reallocates the cost from 100% General Fund to 27% General Fund and 73% Federal Expenditures Fund to reflect the changes in duties and responsibilities within the same program.

General Fund decreases by (\$58,800) in FY22 and (\$58,377) in FY23; Federal Expenditures Fund increases by \$70,952 in FY22 and \$73,740 in FY23.

Page A-127:

Initiative # 1: Provides funding for the approved reorganization of one vacant Locksmith position to an Electronic Security System Technician position and reallocates the cost from 75% Federal Expenditures Fund and 25% General Fund to 73% Federal Expenditures Fund and 27% General Fund within the same program.

General Fund increases by \$2,667 in FY22 and \$2,814 in FY23; Federal Expenditures Fund increases by \$2,235 in FY22 and \$2,415 in FY23.

Initiative # 3: Provides funding for the approved reorganization of one Office Specialist I position to an Office Specialist II position and reallocates the cost from 50% General Fund and 50% Federal Expenditures Fund to 27% General Fund and 73% Federal Expenditures Fund to reflect the change of duties and responsibilities within the same program.

General Fund decreases by (\$15,982) in FY22 and (\$16,123) in FY23; Federal Expenditures Fund increases by \$20,805 in FY22 and \$20,943 in FY23.

Let us now look at the last category of the Personal Services initiatives which is the elimination of positions in the Maine Military Authority Enterprise Fund. The initiative is at the top of page A-125.

Page A-125:

Initiative # 1: Eliminates all positions within the Military Training and Operation program, Maine Military Authority Enterprise Fund except one Budget Manager position that oversees minor contracts and other related activities.

The Maine Military Authority (MMA) ceased its industrial operations in late 2018. As a result, only the Budget Manager has been retained, to manage and oversee MMA's minor contracts and activities. This initiative eliminates all of the positions, except for the Budget Manager position, to reflect true cost of operations.

MAINE MILITARY AUTHORITY ENTERPRISE FUND decreases by (\$49,651,794) in FY22 and (\$51,732,860) in FY23.

Moving on to the last 2 initiatives which are the only All Other budgetary adjustments for the Military Training and Operations program. These initiatives are carried over from the FY21 Supplemental Budget and can be found on page A-124.

Page A-124:

Initiative # 1: Reduce funding for facility maintenance and repairs on buildings and engineering contractual services within the Military Training and Operations Program.

General Fund will decrease by (\$10,668) in FY22 and (\$83) in FY23.

This initiative reduces some funding for repairs and maintenance to armories and engineering contracted services. The Maine Army National Guard will adjust their maintenance and repair schedule to absorb these cuts within their annual budget.

Initiative # 2: Reduces funding in utility services in the General Fund within the Military Training and Operations program to align with the required state match in support of facilities operations and maintenance funded in Appendix 21 of the Master Cooperative Agreement between the State of Maine and National Guard Bureau.

General Fund will decrease by (\$111,000) in FY22 and (\$111,000) in FY23.

License number DACA51-3-83-84 between the State of Maine and the Secretary of the Air Force requires that the site shall be maintained and kept in good order. Funding is provided to the State of Maine through a Master Cooperative Agreement which stipulates an approximate cost share of 75% federal / 25% state. This initiative adjusts the state funding required to meet this match based on projected budgets and available federal funding.

We will now leave the Military Bureau and move on to the Maine Bureau of Veterans Services.

Veterans Services 0110

The Veterans Services program beginning on page A-130 provides support to veterans by serving as the primary public advocate for Maine Veterans in assisting them and their dependents in obtaining State and Federal veterans' benefits, overseeing and operating Maine's 4 Veterans' Memorial Cemeteries, conducting marketing, outreach and recognition services and creating and maintaining a strategic plan to end veteran homelessness in Maine. The program includes General Fund, Federal Expenditures Fund, and Other Special Revenue Funds.

What the Budget purchases:

The Maine Bureau of Veterans Services assists veterans in accessing services from the US Department of Veterans Affairs including housing, medical and hospital care, educational aid and compensation, vocational rehabilitation, burials and nursing homes, as well as several state specific benefits. There are 7 regional service offices and a central office located at Camp Keyes open 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 and All Other which includes professional services, travel, state vehicle operation, utility, rent, repairs, insurance, general operations, fuel, technology, clothing, equipment, supplies, highway materials, miscellaneous grants and STA-CAP. The Bureau incurs Capital Expenditures costs for equipment used for the burials. There is no state match requirement for federal funding.

There are 8 initiatives to adjust the baseline and can be found on pages A-130 thru A-132:

Page A-130:

Initiative # 1: Eliminates one GIS Coordinator position.

Federal Expenditures Fund will decrease by (\$109,231) in FY22 and (\$110,374) in FY23.

This position has accomplished major tasking initiatives that were set forth when the position was created five years ago. A National Gravesite Locator is already available for patrons seeking to locate a veteran grave. Eliminating this position will free up federal funds to cover operational expenses associated with the Maine Veterans Cemeteries.

Initiative # 2: Eliminates one part-time vacant Office Associate II position.

General Fund will decrease by (\$36,247) in FY22 and (\$37,991) in FY23.

This initiative eliminates funding for one part-time 100% General Fund Office Associate II position. This position has never been filled. The position was created to help track and manage the distribution of funds for the Veterans' Homelessness Prevention program. The bureau has the capability to manage the program using existing resources. The initiative is carried over from the FY21 Supplemental Budget.

Initiative # 3: Eliminates All Other funding for one temporary office staff position and reduces two temporary groundskeeping staff position hours and dates of service for the Caribou and Augusta office within the same program.

General Fund will decrease by (\$36,625) in FY22 and (\$45,367) in FY23.

This initiative eliminates funding for one temporary office staff position in Caribou and reduces two temporary groundskeeping staff position hours and dates of service. Office staff in Augusta will absorb additional workload from Caribou to ensure that Maine veterans and their families have the assistance they need. The two Augusta groundskeeping temporary positions will be reduced from 32 hours per week to 24 hours per week, the Augusta groundskeeping staff will cover the additional workload experienced during the contract reduction. The initiative is carried over from the FY21 Supplemental Budget.

Page A-131:

Initiative # 1: Reduces funding by managing employee training, travel, advertising/marketing, and technology contracts within available resources.

General Fund will decrease by (\$73,014) in FY22 and (\$77,803) in FY23.

This initiative reduces funding for employee training, travel, advertising/marketing, and technology contracts to achieve department budget reduction goals. While a reduction in travel may inconvenience veterans in more remote locations and will decrease Superintendent oversight at remote Veterans' Cemetery locations, efforts are already being made to make every service available online or via phone. Operational adjustments necessary as a result of COVID-19 safety measures have improved the remote and online capability of the bureau. The bureau will continue to leverage these capabilities as we move into the future. Contracted marketing services will be absorbed by the Bureau's Communications Director. The bureau will continue to operate using technologies currently utilized within the agency. The initiative is carried over from the FY21 Supplemental Budget.

Initiative # 2: Reduces funding by reallocating cemetery expenses for vehicle repairs, gas, diesel, electricity, building repairs, equipment repairs, fuel, cleaning contracts, and rubbish disposal contracts from 100% General Fund to 100% Federal Expenditures Fund within the same program.

General Fund decreases by (\$131,037) in FY22 and (\$131,037) in FY23; Federal Expenditures Fund increases by \$131,037 in FY22 and \$131,037 in FY23.

This reallocation of cemetery expenses is allowable under the federal Plot Allowance provided to the state for cemetery operations.

Initiative # 3: Reduces All Other funding one-time in the Veterans Services program, General Fund.

General Fund decreases by (\$100,000) in FY22 and (\$100,000) in FY23.

This initiative reduces All Other funding one-time in the Veterans Services program, General Fund. The funding was approved in Public Law 2019, Chap. 504, Section 3. This one-time reduction in All Other funding can be managed utilizing resources within the bureau dedicated to veteran's assistance. In particular, the bureau can use the Veterans Temporary Assistance Fund, Title 37-B §505, to assist veterans in need of temporary housing.

Initiative # 4: Provides funding for the approved reorganization of 6 Office Associate II positions to 6 Office Specialist I positions within the same program.

General Fund increases by \$31,744 in FY22 and \$32,589 in FY23.

These positions have been reclassified to provide for the additional duties and responsibilities required of the incumbents.

Initiative # 5: Provides funding for the approved reorganization of a Heavy Equipment Operator I to a Heavy Equipment Operator II within the same program.

General Fund increases by \$11,380 in FY22 and \$10,173 in FY23.

This position has been reclassified to provide for the additional duties and responsibilities required of the incumbent.

Veterans Temporary Assistance Fund Z268

The baseline budget for the Veterans Temporary Assistance Fund program is found on page A-132. This is a General Fund All Other account within the Maine Bureau of Veterans Services established to provide grants for temporary financial assistance to veterans who are residents of the State of Maine.

What the Budget purchases:

The program provides funding for temporary assistance to eligible veterans as prescribe by Maine Revised Statutes, Title 37-B, §505, sub-§§1-B and 1-C. There are no new initiatives for this program.

This concludes my testimony. My staff and I would be happy to address any questions you may have.