

## Overview of Governor Mills' Fiscal Year 24-25 Supplemental Budget Proposal

The Governor's proposal – which is balanced as required by the Maine Constitution – funds initiatives to enhance public safety and Maine's mental health system following the tragedy in Lewiston; strengthens disaster response following three devastating storms; addresses urgent challenges, like housing, education, health care, the opioid epidemic and more; and saves money to preserve the State of Maine's solid fiscal footing.

The supplemental proposal represents \$71 million in appropriations and would result in a \$10.41 billion budget. The current budget is \$10.34 billion, including more than \$285 million in [tax relief](#) per year.

Initiatives include:

**Saving for the Future:** Recognizing that other states are facing budget shortfalls and that revenues in Maine are expected to plateau in the coming years, the Governor's supplemental budget proposes to maintain the State's strong fiscal footing in the long-term by saving \$107 million in new, temporary reserve for next 2026-2027 biennium to provide ongoing funding for commitments made and in anticipation of the funding needs to come.

Protecting Public Safety and Strengthening Maine's Mental Health System:

- **Establishes an Injury and Violence Prevention Program at the Maine CDC:** \$1 million to establish an Injury and Violence Prevention Program at the Maine Center for Disease Control and Prevention as a central hub to bring together data about violence related injuries and deaths that is currently kept separate (such as in police reports, medical examiner files, and emergency department files) to allow Maine to identify patterns to inform public health and prevention measures to reduce suicides and homicides in Maine. This investment supports the Governor's public safety legislation.
- **Builds More Crisis Receiving Centers:** \$950,000 in one-time funding to establish a crisis receiving center in Lewiston, supported by \$450,000 in ongoing funding while the Maine Department of Health and Human Services develops a plan to create a statewide network of crisis receiving centers that provide greater access to behavioral health services for people across the state. Crisis receiving centers are a proven model of behavioral crisis intervention, allowing any person experiencing a mental health or substance use crisis to get immediate, appropriate, and no-cost care. This proposal builds on the successful Portland center and a similar one being established in Kennebec County. This investment supports the Governor's public safety legislation.
- **Supports Mobile Crisis Teams:** \$2.8 million (\$633,000 in ongoing General Fund) for Fiscal Year 2025, supplemented by enhanced Federal matching funds,

to strengthen mobile crisis through a comprehensive MaineCare (Medicaid) payment model. This model will support the teams comprised of specially trained behavioral health responders including peers who de-escalate mental health and substance use crises, assess needs, and provide an appropriate level of care in the least restrictive setting. These teams, which are dispatched to the location of a person in crisis through the 988 – Maine’s 24/7 centralized crisis lifeline – are a critical safety-net service that the Mills Administration has effectively worked with providers and national experts for the past two years to improve. This budget initiative complements the Governor’s public safety legislation.

- **Promoting Safe Firearm Storage:** \$200,000 in one time funding, supplemented by Federal matching funds, to enhance the promotion of Maine’s [Safe Homes Program](#), which encourages Maine people to safely store firearms and highlights programs that make safe storage more affordable, like the tax exemption, passed by the Legislature and signed by the Governor, for devices specifically designed to secure firearms. The Safe Homes Program was created by the Legislature and Governor in 2022. This budget initiative complements the Governor’s public safety legislation.
- **Hiring More State Troopers:** \$5.5 million (\$3.6 million in General Fund) to establish 16 State Police Trooper positions, 4 State Police Corporal positions, 3 State Police Detective positions, 8 State Police Sergeant positions and one State Police Major position to allow Maine State Police to maintain Resource Coordination Agreements with counties and municipalities and continue rural policing throughout the state, providing for 24/7 operations. This budget initiative complements the Governor’s public safety legislation.
- **Enhancing Funding for Extreme Risk Protection Order Assessments:** \$422,400 to support the surge in mental health assessments under the extreme risk protection order law since the tragedy in Lewiston. The Governor announced in her State of the State Address that the law has been used 15 times more in the three months after the shooting in Lewiston than it had been used for the three years it was on the books before. This budget initiative supports the Governor’s public safety legislation.
- **Creating the Maine Mass Violence Care Fund:** \$5 million in one-time funding to create the Maine Mass Violence Care Fund to provide coverage for physical and mental health out-of-pocket expenses that are connected to a mass violence event in Maine and are not covered by insurance. The fund will be invested by the Office of the State Treasurer with eligibility determined and proceeds distributed by the Maine Crime Victims Compensation Board within the Office of the Attorney General.
- **Funding Victims’ Services:** \$6 million in one-time funding to address a Federal funding shortfall from the Victims of Crime Act (VOCA). The State funding will support community-based domestic violence and sexual assault services, civil legal

representation for victims, government-based victim witness advocates, and housing and supportive services for elder abuse victims.

#### Responding to and Preparing for Extreme Weather:

- **Growing the Community Resilience Partnership:** \$5 million to help another 100 cities, towns, and tribal governments create local plans to address vulnerabilities to extreme weather through the Partnership, adding to the 175 communities now participating in the program. The Governor [announced this funding](#) in her State of the State Address.
- **Funding Disaster Recovery:** \$15 million for the Disaster Recovery Fund within the Department of Defense, Veterans and Emergency Management to fund the State's share of estimated disaster recovery costs.
- **Rebuilding Maine State Parks, Historic Sites and Public Lands:** \$6 million to repair damage to Maine State Parks, Historic sites, and public lands caused by the recent storms.

These are complemented by [standalone legislation](#) the Governor is proposing to invest \$50 million into the Maine Infrastructure Adaptation Fund to help communities rebuild infrastructure and enhance climate resiliency.

#### Addressing Homelessness and Building More Housing:

- **Funding Emergency Housing:** \$16 million for the Emergency Housing Relief Fund to ensure that winter warming shelters, lower barrier shelters, longer term shelters and transitional housing programs can remain open, operating, and supporting the emergency housing needs of Maine people. This builds on \$55 million in previous investments by the Governor and Legislature through the fund to support more than 75 housing programs and 7,000 Maine people in need statewide. This also complements an initiative providing \$5 million for General Assistance that is connected to reforms to make the program more sustainable in the long-term. Both of these programs provide temporary assistance as affordable housing options expand.
- **Long-Term Home Ownership:** \$10 million to bolster the Affordable Homeownership Program, which is estimated to help build more than 130 new homes in Maine. Since 2019, the Governor and Legislature have authorized almost \$285 million to support the construction of more apartments and homes. These state and federal funds have resulted in more than 600 new homes so far, with more than 1,000 homes under construction, and more than 2,000 homes in the pipeline for construction – the most ever in Maine Housing's history.

#### Improving Child Safety:

- **Adding Targeted Positions to Support Child Caseworkers:** \$1.4 million for targeted positions – such as legal aides and trainers – to expand teams for caseworkers so that they can focus their time and energy on engagement with children and families, on follow-up for services, on investigations, and on making sound decisions to protect children in need.
- **Supporting the Health of Children in State Care:** \$1.3 million (\$747,000 in General Funds) to support services for children in state custody, including funding for room and board, clothing, activities, and respite, as well as funding for a new comprehensive foster child assessment service that provides timely, comprehensive evaluations for youth entering foster care that aligns with the Child Welfare League of America and the American Academy of Pediatrics Standards.
- **Initiating a Reclassification of Child Welfare Positions:** \$4 million (\$3.1 million General Fund) to support a reclassification of child welfare caseworkers and supervisors to ensure that the compensation properly reflects the difficulty and complexity of the work over the long run.

These investments build on [a recent announcement](#) by the Maine Department of Health and Human Services that it is delivering recruitment and retention payments to child welfare staff as directed by the Governor in her State of the State Address.

Additional Initiatives:

- **Addressing the Opioid Epidemic:** \$4 million to expand Medication Assisted Treatment in county jails to help put more people battling addiction on a life-long path to recovery. This builds on the proven use of Medication Assisted Treatment in Maine prisons and other initiatives announced by the Governor, including adding nine new recovery coaches to our OPTIONS teams statewide and further expanding the distribution of naloxone across Maine.
- **Investing in K-12 Education:** \$22.6 million for Maine public schools through the General Purpose Aid (GPA) formula to ensure Maine continues to meet its obligations to schools, municipalities, and teachers. In 2021, the Governor and the Legislature met the State’s requirement to provide 55 percent of education funding for the first time in Maine history and have maintained that commitment ever since.
- **Improving Child Development Services:** \$25 million to support the implementation of the [Maine Department of Education’s plan](#) to improve Child Development Services (CDS), including \$10 million for year one of the three-year phase-in of the oversight of educational plans for preschool-age children with disabilities from the CDS agency to public schools; \$4 million to fund infrastructure upgrades at those schools that voluntarily assume the education of children ages 3 through 5; and \$11 million to cover additional costs for private special education schools. The Governor urged the Legislature to fix CDS in Part

One of her State of the State Address, and the Maine Department of Education recently unveiled its plan to do so.

- **Attracting and Retaining Health Care Workers:** \$34 million (\$11.4 million in General Fund) for a MaineCare cost-of-living adjustment for behavioral health providers and an overhaul of nursing facility rates which improve quality, access to care, and the ability attract and retain high-quality health providers.
- **Improving Hospital Reimbursements:** \$96.4 million in Federal, State, and hospital revenue, with the support from [the Maine Hospital Association](#), to reform hospital reimbursement rates to improve the health of Maine people.
- **Supporting Maine Commission on Indigent Legal Services:** Authorizes the transition of unused funding to create 22 new positions at Maine Commission on Indigent Legal Services – including 10 new public defenders – to further expand the network of public defenders in Maine.
- **Supporting the Judiciary:** \$4 million to upgrade the Judiciary’s computer systems.
- **Amending Medicare Savings Program Expansion:** The proposal amends an expansion of the Medicare Savings Program, added by the Legislature to the biennial budget last year, to advance a partial implementation of the expansion.
  - More specifically, the Department of Health and Human Services has implemented the removal of the asset test for the program and plans to increase enrollment in the federally funded program that covers Part B premiums (called Qualified Individuals) from 185 to 202 percent of the federal poverty level, or as high as is permitted by the federal government within the current appropriation, but it will pause an expansion of eligibility from 150 to 185 percent of the federal poverty level for qualified Medicare beneficiaries to evaluate revenues in the next biennium.
  - This would generate a saving of \$14.1 million in General Fund, or \$52.3 million in federal and state costs, in the biennium; would not affect anyone currently enrolled in or eligible for MaineCare; and would maintain Maine’s ranking as the fifth most generous state in the nation on coverage of Medicare premiums.
- **Paying Municipalities:** \$15 million to fund final payments to municipalities under the Property Tax Stabilization Program for Seniors.
- **Helping Dairy Farmers:** 3 million one-time payment to Maine milk producers in recognition of increased production costs.

- **Enhancing Support for Maine Communities:** Establishes a Maine Office of Community Affairs to serve as a one-stop shop within state government to engage and partner with Maine communities, [as endorsed by the Legislature in 2023](#). The Office will align existing state programs and resources to provide coordinated and efficient planning, technical assistance, and financial support to towns, cities, Tribal governments and regional entities to better plan for common challenges, pursue solutions, and create stronger, more resilient communities.
- **Building Out Office of New Americans:** Provides for two positions to establish an Office of New Americans.
- **Streamlining, Simplifying and Modernizing Sales Tax Provisions:** a proposal to streamline, simplify, and modernize certain provisions of the sales tax to better align it with the practice of other states across the country.
  - repealing the 6 percent Service Provider Tax, which is largely applicable to telecommunications and cable services, and return those taxable services to the lower 5.5 percent sales and use tax that governs the sale of other services, now including digital streaming services (consistent with previous proposals by the Mills and LePage Administrations that treats digital streaming services equally to cable services).
  - eliminating the requirement that sales tax be paid up front by a business owner when purchasing property, like equipment, to rent out to consumers; instead allowing the tax to be paid over the use of the rental, which eliminates the upfront financial burden on these business owners when acquiring rentable equipment. Maine and Illinois are the only two states in the country not to approach the tax in this way. This move would bring Maine into alignment with all the remaining states with a sales tax.
  - broaden and simplify tax exemptions for durable medical and mobility enhancing equipment for home use, making the exemption more consumer friendly and the equipment more affordable in many cases;
  - simplify the sales tax exemption for nonprofits by making any nonprofit that is exempt from federal income tax under Section 501(c)(3) automatically sales tax exempt for the State of Maine. This move eliminates the need for the Legislature to pass a new statutory exemption for every nonprofit seeking tax-exempt status and is consistent with the treatment of nonprofits in most other sales tax states.