



60 Community Drive | Augusta, ME 04330-9486  
1-800-452-8786 (in state) | (t) 207-623-8428  
(f) 207-624-0129

Attachment #S-2

To: Legislative Policy Committee  
Justin Poirier, Chair

From: Kate Dufour, Advocacy & Communications Director

Re: State Budget Update

Date: March 19, 2025

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The Legislature was unable to adopt its FY 2025 supplemental General Fund budget, as the initiative's vehicle, LD 209, failed passage on March 11. Although LD 210, the FY 2026 – FY 2027 biennial General Fund budget, is still in play, movement is afoot to get a the baseline supplemental and biennial budget passed via enactment of an amended version of [LD 609](#), *An Act Making Certain Appropriations and Allocations and Changing Certain Provisions of Law Necessary to the Proper Operations of State Government*.

The adoption of a baseline budget affords the members of the Appropriations & Financial Affairs Committee more time to complete its work and deliberations on funding expanded or new programs and services via LD 210.

It is possible that LD 609 will be debated in House and Senate chambers as early as Thursday.

Since no good thriller is complete without a twist, there is a complicating factor in the budget adoption saga. For the bill to become effective law on June 30, 2025, it must be adopted with an emergency preamble, which requires a two-thirds vote of the House and Senate. This preamble and super majority vote would allow the bill to become effective law upon receiving Governor Mills' signature.

Failure to do so leaves the legislature with a few options.

The legislature could adopt LD 609 with a majority vote, finally adjourn the first regular session and return to complete their work in a special session. This action would allow the 90-day clock to start and make the budget effective by the end of the fiscal year.

The legislature could continue discussions and work on the development of a budget that could be enacted by a two-thirds majority before June 30, 2025, thereby avoiding a state government shutdown.

Both approaches come with benefits and risks and only time will tell which path will be successful.

For your information, attached is a table describing the initiatives of municipal interest in both LD 609 and LD 210. Please stay tuned for updates.

**LD 210 and LD 609 - Budget Initiatives of Municipal Interest**

<b>Budget Item</b>	<b>LD 210</b>		<b>LD 609</b>	
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Homestead Exemption Reimbursement</b>	\$92 million	\$95 million	\$92 million	\$95 million
<b>County Jail Operations</b>	\$24.3 million	\$24.3 million	\$20.3 million	\$20.3 million
<b>GA Reimbursement</b>	\$10.4 million	\$10.4 million	\$10.4 million	\$10.4 million
<b>Revenue Sharing</b>	\$276 million	\$283 million	\$265 million	\$265 million
<b>K-12 Education – 55%</b>	\$1.5 billion	-	\$1.5 billion	-
<b>Maine Office of Community Affairs</b>	Shifts oversight for several programs, including community resilience partnerships, code enforcement and housing planning programs.		NA	
<b>Ambulance Provider Tax</b>	Assesses 6% tax on all ambulance service providers, excepting programs run by municipalities. Questions remain as to how this provision impacts interlocal agreements.		NA	
<b>GA Policy</b>	Limits housing eligibility to three months in a 12-month period and provides that the maximum levels of assistance for all other basic necessities can only be exceeded 30 days in a 12-month period.		Requires designated GA administrators to annually complete training and directs the Department of Health and Human Services to annually inform municipal GA administrators about the program’s rules, requirements and compliance expectations.	