

2020

FEDERAL ISSUES PAPER

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March 2, 2020

Senator Susan Collins
413 Dirksen State Office Building
Washington, DC 20510

Senator Angus King
133 Hart Senate Office Building
Washington, DC 20510

Congresswoman Chellie Pingree
2162 Rayburn House Office Building
Washington, DC 20515

Congressman Jared Golden
1223 Longworth House Office Building
Washington, DC 20515

Dear Senator Collins, Senator King, Congresswoman Pingree, and Congressman Golden,

On behalf of the Maine Municipal Association's Executive Committee, I am pleased to present our 2020 Federal Issues Paper.

This year's paper is focused on our gratitude for your support of federal investments in Maine, which have enabled the state, municipalities, schools and counties to implement important programs and services. In the pages that follow, our focus is on some of the most effective federal programs in existence today, including examples of how these investments impact the very people and communities you represent.

We thank each member of the Maine Congressional Delegation for your support of these vital federal programs and offer our assistance in helping you advocate for their continued funding. We look forward to meeting with you on March 11 to discuss federal investments in Maine and thank you in person.

Sincerely,

Christine Landes
Gardiner City Manager
MMA Executive Committee, President



Federal Investments at Work in Maine

Total Federal Funding. Whether calculated on the basis of return on investment or the percentage of state and local government expenditures funded with federal revenue, Maine comes out on top. According to data published by several government agencies and the Pew Charitable Trusts, it is estimated that Maine receives \$2.41 in federal revenue for every dollar in income taxes and highway user fees paid to the federal government. To put that investment into context, the other New England states combined receive an average of \$1.18 in federal revenue for each dollar paid in taxes and fees, and the average federal return on investment among all states in the nation is \$1.19.



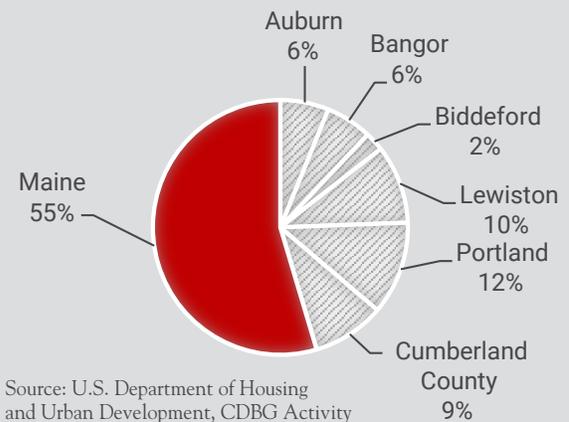
Furthermore, the data reported in the U.S. Census shows that 23% (\$2.7 billion) of FY 16 state and local government spending in Maine was funded with federal revenues, which is slightly above average among the New England states. If not for this level of investment, the services and programs the state and local governments are able to provide might not have been delivered at all or would have been provided at greater expense to the state’s taxpayers.

The twin cities of Auburn and Lewiston used a \$376,500 U.S. Department of Justice COP grant to fund a school violence prevention program. The revenues were used to purchase 130 800 MHz portable radios that are compatible with the new Lewiston/Auburn 911 Communications Center system. The investment will provide school administrators in both communities, school resource officers, command center units, as well as law enforcement officers with the communication tools necessary to work in old buildings and enable officials to remain in contact during a school related event.

Community Development Block Grants.

Maine's \$16.2 million federal allocation under the Community Development Block Grant (CDBG) program is divided between direct allocations to "entitlement" communities and to the state for distribution to "non-entitlement" communities through a competitive grant process managed by the Maine Office of Economic and Community Development. In 2018, the cities of Auburn, Bangor, Biddeford, Lewiston and Portland, as well as Cumberland County, qualified for entitlement status and received \$7.3 million in CDBG funding. An additional \$8.8 million was provided to the state and passed through to non-entitlement communities. Nearly 30% of these funds were used to rehabilitate single-family and multi-unit housing, further supporting local level efforts to preserve affordable and workforce housing.

2018 CDBG \$16 Million Distribution

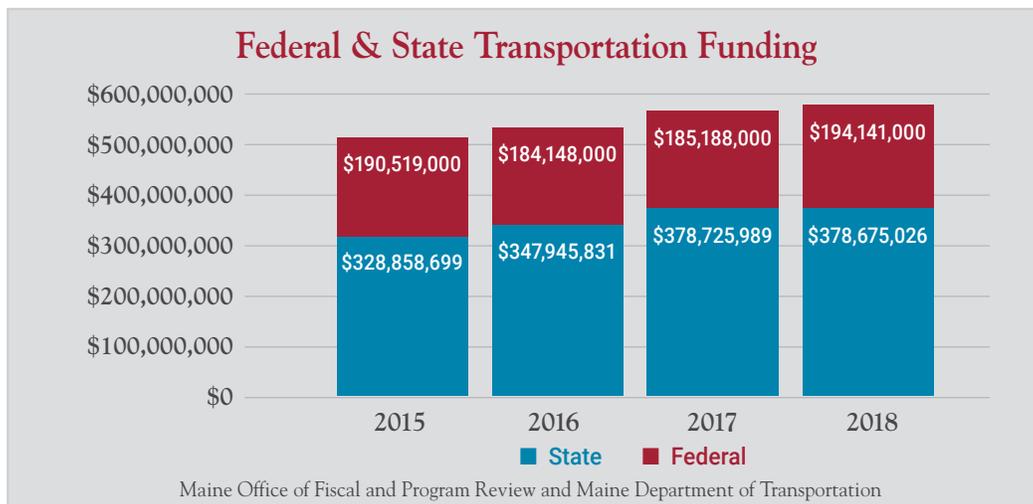


In 2018, local governments used CDBG funding to make the following investments:

- \$5.3 million for public facilities, including parking; water/sewer infrastructure; streets and sidewalks; and parks, recreational and neighborhood facilities;
- \$4.5 million for housing related projects, including single-family and multi-unit housing rehabilitation; energy efficiency improvements; homeownership assistance; and testing and abating lead related hazards;
- \$2.8 million for economic development, including privately-owned commercial and industrial properties rehabilitation;
- \$1.7 million for public services, including employment training; crime awareness; senior, youth and child care services; support programs for victims of domestic violence; services for persons with disabilities; transportation services; food bank support; and substance use disorder services; and
- \$1.7 million for general administration and planning.

In 2019, the Town of Madison received a \$300,000 CDBG Special Project Funding grant, which was used to fund 75% of a \$400,000 loan to pay for engineering costs associated with the redevelopment of the former Madison Paper Industries site. The mill was the identity for Madison for over 100 years and its redevelopment was a top priority for the community. To witness the site fall into disrepair would have been a real tragedy for the community's residents. The investment has already served as a shot in the arm for the local economy.

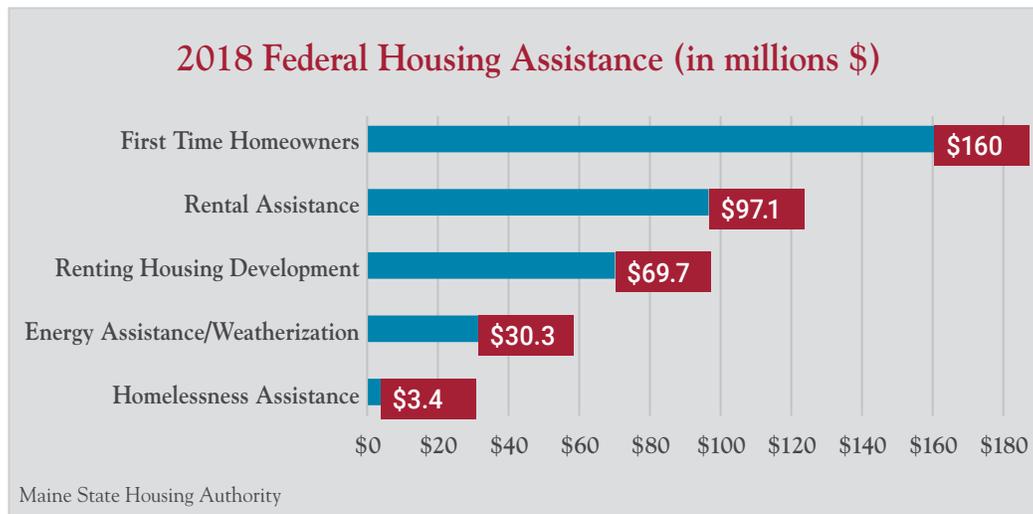
Transportation Funding. Between 2015 and 2018, Maine received \$754 million in federal transportation aid, which accounted for roughly 35% of total state transportation related expenditures. According to the Maine Department of Transportation, federal level investments helped to fund the ongoing maintenance, improvements and operation of 8,812 highway miles; 2,967 bridges and minor spans; the ports in Eastport, Searsport and Portland; 35 publicly-owned and funded airports; 337 miles of state-owned rail lines; 22 public transit providers; 68 miles of ferry routes serving six islands; and 54 park and ride facilities located around the state. In addition, Maine was one of the 18 states awarded funding under the infrastructure for Rebuilding America grant program. The \$36 million provided to the Maine Department of Transportation will fund 50% of the total project cost to replace the International Bridge in Madawaska.



This extraordinary level of federal funding is evidence of the importance the members of Maine’s delegation place on funding investments in the state’s transportation network.

Since 2016, Bangor International Airport (BGR) has increased departures 40% and added capacity (seats) by over 32%. Investments in airport infrastructure, safety, capacity and security are essential. Ongoing support from Maine’s Congressional delegation for increases in the Airport Improvement Program (AIP) will help BGR invest in a planned runway rehabilitation project and ensure improved airfield safety and security, for example. As the delegation continues to develop and support programs focused on improving the nation’s transportation infrastructure, airport operators around the county, including BGR, are asking members of Congress to give serious consideration to increasing the federal cap on the local Passenger Facility Charge (PFC). The fee, which is currently capped at \$4.50 and last adjusted in 2000, would simply provide airports like BGR with the option to turn to user fees as a means to fund projects targeted at aging facilities, security and rising passenger demands. Municipal officials appreciate the Maine delegation’s continued support for airport funding through an increased and modernized PFC and protected AIP funding. We all recognize that Maine’s airports serve as regional economic development engines.

Affordable Housing/Heating Assistance. In 2018, the Maine State Housing Authority (MSHA) received \$360.5 million in federal aid, 70% of which was used to fund the state’s first time buyers and rental assistance programs. In addition, of the \$30.3 million in energy assistance received, \$28 million was used to fund the Home Energy Assistance Program (HEAP), with the remaining \$2.4 million used to fund home weatherization efforts. Based on the data generated by MSHA and Governor’s Energy Office, federal level investment and support for HEAP enabled social service agencies across the state to purchase roughly 11 million gallons of fuel oil for over 11,000 low-income households.



Broadband Investments. In January it was announced that nearly \$10 million in funding from the U.S. Department of Agriculture’s Broadband ReConnect Program was awarded to the communities of Arrowsic, Monhegan Plantation, and Roque Bluffs, and the Biddeford Internet Cooperation. Enacted via passage of the Consolidated Appropriations Act on March 23, 2018, the program supports local level efforts to construct, improve or acquire the infrastructure and equipment needed to provide reliable internet service. Of the total invested in Maine, \$1.2 million was awarded to the Town of Arrowsic as an evenly split loan/grant, which will be used to provide much needed internet access to nearly 240 households. Municipal leaders appreciate the Congressional Delegation’s ongoing commitment to making reliable internet service a reality in all Maine communities.

The combined grant and loan will provide funding for the construction of a fiber-optic broadband network with speeds up to 100 Mbps to all homes in the community [Arrowsic]. Such a state of the art service will allow town residents to reliably surf the web, email, live stream movies, utilize tele-medicine, do homework and take courses, conduct business, tele-commute, install a low cost internet phone, and receive TV, all over the internet. *The Arrowsic Arrow (Winter 2020).*

Special Education. Over the past two decades, total local and state special education expenses increased from \$145 million in 1999 to \$357 million in 2018, representing an average annual increase of 7%. During that same period, federal special education aid increased from \$22 million to \$57 million, an average annual increase of 8%. If not for federal level investments in special education, during that same 20 year span, Maine's property, sales and income taxpayers would have expended an additional \$959 million in K-12 education costs. Although due to increasing total special education expenditures, federal payments do not stretch as far as they once did, continued federal funding for this service is vital.

In 2018, the Washington County community of Machias received \$1.7 million in federal funding from seven different programs. Nearly 30% (\$494,400) of the revenue was awarded by the U.S. Department of Education to help fund special education costs. The town also received grants to support a fresh fruit and vegetable program and a variety of other meal programs (after school, summer, breakfast, etc.).

Immigration Reform. Finally, municipal officials commend the efforts of Senator King, Senator Collins and others seeking to implement immigration reforms. Efforts to streamline and simplify the process for those applying for asylum in our country, generally, and more specifically in Maine, present a win-win solution for a state struggling with stagnant population numbers and a declining and aging workforce.

In June 2019, the City of Portland, in response to an influx in asylum seekers activated an emergency operations center and additional emergency shelter at the Portland Expo. The City worked as part of a coordinated effort with county and state emergency management officials, state officials, public health and Maine CDC officials, and food response partners, to manage the effort. Between June 12 and August 15, the City processed intake for almost 450 people temporarily housed at the Expo. City staff worked tirelessly to find temporary and long-term housing opportunities for the families residing at the Expo, in addition to the 42 families that were at the Family Shelter on Chestnut Street. After August 15, the City went back to using its existing shelter and overflow spaces due to the non-availability of the Expo building. Since asylum seekers are not allowed to work for at least six months after filing their asylum applications and they have up to one year to apply for asylum for the most part these new residents are eligible and receive General Assistance (GA) for up to 18 months.

Thank you. As the examples provided throughout this report show, federal investments in Maine are vital and appreciated. Without your support for these programs, the state and its local government partners would struggle to provide the same level of services to Maine residents, guests and businesses. Thank you for your federal level efforts, and as always, we invite you to turn to the Maine Municipal Association when municipal leaders can assist your efforts.



OUR MISSION

The mission of the Maine Municipal Association is to provide professional services to local governments throughout Maine and to advocate for their common interests at the state and national levels.

OUR CORE BELIEFS

We believe in:

- Local government is the keystone of democracy.
- Representative, participatory, local government.
- The accessibility and accountability of municipal government officials.
- A commitment to honesty, civility, integrity and the highest ethical standards among public officials.
- The vital intergovernmental role of municipal governments in providing basic services essential to public safety and the functioning of our economy.
- Respect for the individuality of each local government and the diversity of its citizens.
- The value of collaboration as a means of strengthening cities and towns and providing needed services.

LOCAL GOVERNMENT
begins with **YOU**[®]