

# 2025 FEDERAL ISSUES PAPER



**MAINE MUNICIPAL**  
ASSOCIATION **SINCE 1936**



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February 17, 2025

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  
2354 Rayburn House Office Building  
Washington, DC 20515

Congressman Jared Golden  
1710 Longworth House Office Building  
Washington, DC 20515

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

On behalf of municipal leaders across Maine, I want to thank you for your commitment to public service. Having served the residents of Bradley in many capacities for 20 years, I am familiar with the trials and rewards of the work that you do.

While the challenges we face seem to be made more difficult as public dissention increases, we are grateful for your leadership in Washington, D.C. and the ability of each of you to rise above the noise, partisanship, and discontent to get things done for Maine. From securing funding for important programs, such as LIHEAP and the Community Development Block Grant program, to working with municipal leaders to ensure that OSHA's Fire Brigade rules do not unduly burden fire departments of all sizes and capacities, your work does not go unnoticed.

It is because of your unwavering commitment to the people of Maine and our towns and cities that municipal leaders look forward to meeting with you during the National League of Cities' Congressional City Conference. It is our way to connect with you on issues of mutual concern.

The need to discuss issues and strategies is especially important now, considering the ongoing uncertainty surrounding the continued disbursement of the federal revenue used to invest in Maine's economy, infrastructure, and people, as well as the impacts facing town and cities located on the Canadian border. For this reason, the 2025 edition of the Federal Issues Paper diverges slightly from those published in the past, and in part, provides information you might find helpful in efforts to secure ongoing financial investments in our communities.

We look forward to meeting with you in March. If you have any questions about the issues featured in this paper, please do not hesitate to contact Kate Dufour, MMA's Director of Advocacy and Communications at [kdufour@memun.org](mailto:kdufour@memun.org) or 207-623-8428.

Sincerely,

Melissa Doane  
Bradley Town Manager  
President, MMA Executive Committee



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**Introduction.** As noted in President Doane’s opening letter, municipal leaders, MMA staff and the residents of Maine greatly appreciate your federal level work. We also recognize that a different strategy will need to be adopted in the coming months and years to ensure stability and predictability in the distribution of federal funding, and to the extent necessary, to adjust state and local investment priorities. While municipal leaders may not always agree with the decisions being made, it is only fair that all impacted parties are kept abreast of the facts and provided the information necessary to amend investment priorities, as needed.

It is for this reason that the topics addressed in the following pages are intended to draw attention to issues of immediate concern, again focusing attention on the ways in which federal revenues are invested in Maine, as well as to start discussions on how our border communities will be impacted by changing international relationships.

In these uncertain times, it is also important to acknowledge and illustrate how your work positively impacts the way in which municipal, state, and county governments serve Maine people. When it comes to providing municipal leaders with the necessary tools and resources, we find that our federal leaders, more often than not, are on the same page. The ability to put Maine first, and partisanship aside, is what Maine people appreciate most, and that collaborative working relationship will become increasingly more important as the new administration sets the nation’s course over the next several years.

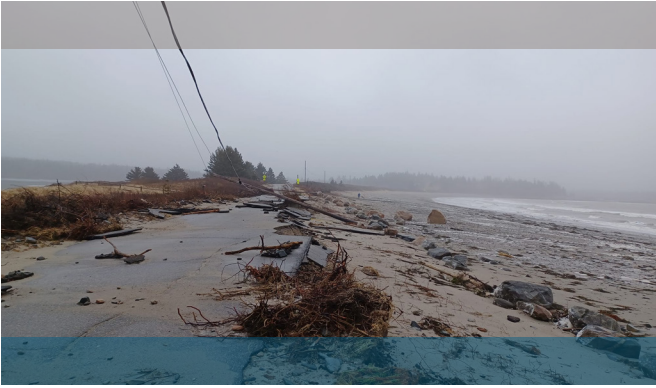
**Protecting the Federal-State/Local Partnership.** In the ongoing discussions and analysis regarding the distribution of federal revenues, municipal leaders ask that the process for reducing or eliminating federal categorical or block grant programs are implemented thoughtfully and strategically. With appropriate time, changes, although potentially difficult, in the federal policy initiatives can be implemented in ways that cause the least harm possible.

For example, when it comes to programs funded by categorical grants, such as housing assistance vouchers, LIHEAP, WIC and SNAP, a transitional period will be necessary to inform recipients of the changes, point clients to other resources, if any exist, and transition staff that are currently providing services. While it may be the case that ending programs quickly is the desired approach, municipal officials strongly believe that the individuals involved deserve better.



With respect to other important block grant programs, such as Community Development Block Grants and Rural Economic Development, in many cases the awarded revenues fund projects that are, as a whole or part, implemented by a third-party provider, such as road or bridge construction. If federal grant cuts are implemented, without grandfathering projects already in play, communities may be left to navigate complex contractual agreements to avoid facing costly litigation.

That said, the preference among municipal leaders is to retain these programs, as each provides an avenue for better balancing among municipal, state and federal taxpayers the burdens of large infrastructure investments, as well as supporting the needs of our most vulnerable residents.



It is also important to remember that local government is where the proverbial rubber hits the road. Municipal leaders are closer to the people and have the agility necessary to advance and implement federal and state policy priorities, provided that non-property tax resources and technical assistance are made available.

For these reasons, municipal leaders urge the congressional delegation to continue to protect municipal access to vital federal funding.

**Protecting Tax Exempt Municipal Bonds.** Since September 2024, the National Leagues of Cities has sent out three urgent messages informing municipal leaders across the nation that the tax exemption on municipal bonds is at risk. The repeal of the exemption is an issue of grave concern for municipal leaders.

Simply stated, municipal bonds are the financial lifeline for countless community projects, which enable local governments to fund essential infrastructure projects, such as schools, roads, water systems, and public safety facilities. The tax-exempt status makes these bonds especially valuable, as it keeps borrowing costs low for municipalities and reduces the financial burdens placed on property taxpayers.

According to the Maine Municipal Bond Bank, over the years, Maine has leveraged the bond exemption to fund projects that would have otherwise been unaffordable or required larger investments of property taxes. For example, in 2024 the bond bank financed several tax-exempt projects, including a new elementary school in Regional School Unit (RSU) 10; facility improvements in RSU 39; a new fire station in Plymouth; a new public safety building in Greenville; the replacement of a bridge in New Sharon; a community center in Shapleigh; and the purchase of a new fire truck in Bowdoinham.

In total, nearly \$9 million in improvements were financed in these communities. The bond bank estimates that without the tax-exempt status, “these projects would have seen financing costs rise significantly—estimates suggest borrowing costs could increase by 25-50%, translating to millions more paid by local taxpayers over time.”

Additionally, tax-exempt bonds have funded paving, engineering and culvert replacement projects in Union; a \$10 million project in Falmouth along the Route 1 corridor designed to enhance all modes of transportation including transit, bike, pedestrian, and vehicle traffic, which has become a catalyst for economic growth; and funded the development of a waterfront trail and the construction of a public safety building in Brewer.

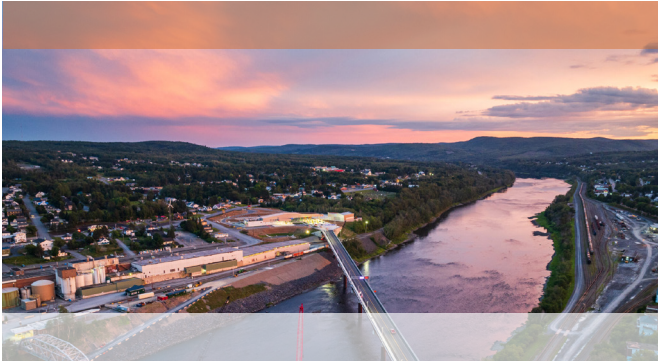
For John Simko, former town manager and current chair of the Maine Municipal Bond Bank, the “municipal bond exemption isn’t just a line in the tax code—it’s a commitment to local communities. It empowers us to build, innovate, and sustain the infrastructure we depend on, without disproportionately burdening our residents. Preserving this exemption is not optional—it’s essential.”

This is a sentiment that is widely shared among municipal officials, who appreciate the federal delegation’s ongoing support and protection of this valuable economic development tool.

**Supporting Border Communities.** For centuries, Maine municipalities viewed the towns and cities located along the Canadian border merely as an extension of their own communities and neighborhoods, simply separated by water and not necessary an international border. For the thousands of residents that share the U.S.-Canadian boundary, crossing the border for services, employment and to visit with family and friends is not a foreign concept, but part of a daily routine.

However, since 2001 that peaceful existence has been turned on its head twice.

First, the September 11 attacks drew added concern over the security of our borders and resulted in the subsequent adoption of homeland security regulations that left both American and Canadian citizens needing to carry passports and passport cards to visit relatives and conduct routine tasks, such as shopping, visiting restaurants, or accessing personal care services.



The second challenge to the norm came in 2020 as the pandemic closed the borders to travel. This was particularly troubling, as both American and Canadian citizens lost access to services and resources that were vital to their wellbeing, as well as the ability to attend weddings, birthday celebrations, funerals and memorial services.

In both cases, residents on both sides of the border adapted to the change and continued to adjust to the reality of a new normal.

However, the current concern among Maine residents, as well as those residing in the Canadian provinces of New Brunswick and Quebec, is that the tariffs slated to be put into place in March may this time cause irreversible damage to a unique way of life and mutually beneficial economic practices. In addition to the direct impact on goods, services and employment, there is the untold impact on our tourism industry. It is highly likely that increasing costs and dissension between our two countries will affect Maine's tourism industry and related meals and lodging sales. Those potential losses could adversely impact the revenues available to fund state, municipal, county and school services, including the state revenues distributed through the revenue sharing program that are used to reduce the burdens placed on property taxpayers.

As Governor Mills observed in her January 31, 2025 press release regarding the proposed tariffs, "Canada is Maine's largest trading partner and our economy is deeply intertwined with Canada's economy. Maine businesses and Maine people rely on Canada not just to sell and purchase goods, but as a major source for energy, from heating fuel to gasoline to natural gas to electricity. These tariffs will drive up energy prices, increase the costs of everyday goods that Maine people rely on, roil markets, and destabilize our economy."

Those living on the Maine/Canadian border are aware of the financial and human impacts these tariffs will cause.

For an example of magnitude of the disruption and possible economic damage, one need to look no further than "The Valley" in northern Aroostook County, whose largest employer, Twin Rivers Paper Company, is reliant on the sawmills in Maine, New Brunswick and Quebec to produce and supply the raw product needed to manufacture paper products in Madawaska. It is a partnership that has been in existence for a century and supported the economies of the communities abutting both sides of the border. Disruption of this relationship will not only have an impact on the paper mill, but their employees and families, and every other industry, business and program that exists to directly or indirectly support the mill and its employees.

The recent \$97.5 million investment in the bridge and border facilities tying the communities of Madawaska and Edmundston together, of which \$36 million was funded with Infrastructure for Rebuilding America grant from the U.S. Federal Highway Administration, is evidence of the importance of this international relationship. State and municipal leaders from across Maine urge continued assistance in strengthening international economic development efforts and partnerships.



**Improving Communication Avenues.** Through the association's conversations with municipal leaders on federal issues, we are routinely informed of the litany of roadblocks that exist when working with federal agencies. The general observation among municipal officials is that it is rapidly becoming more difficult and frustrating for municipal leaders and employees to communicate with federal government agencies.

Examples of miscommunications are varied. We have heard, more than once, that communities have been denied access to funding for a successful grant award because the community filed the application under the Town of Bliss, Maine, for example, while the federal agency filed the disbursement award under Bliss,

Town of. In other cases, requests for access to unique identifying numbers have been denied because a U.S. post office box number was used as the community's mailing address, even though the entity was able to use other government issued credentials to prove the municipality's existence.

With respect to filing certain IRS employment forms, municipal officials are at times required to provide personally identifying information, such as social security numbers and payroll statements, in the process of completing work-related tasks.

To add insult to injury, when assistance is desperately needed, phone numbers and email addresses are either hard to come by, or non-existent, leaving municipal officials to deal with a chat bot. These helpful AI-fueled assistants can, at times, drop a session for taking too long to respond, leaving the human on the other end of the line with no other option than to start over.

Additionally, there are opportunities to implement efficiencies, such as consolidating the systems for drawing down federal revenue or repealing unnecessary reporting requirements, such as those under the ACA that are already provided by carriers.

Municipal leaders understand the need to hold recipients of taxpayer funded grants accountable for spending funds appropriately, and that President Trump's Administration will continue to focus on the importance of accountability. However, there is a balance that must be achieved, particularly when the inability to follow through on a federal level reporting requirement comes with financial penalties.

The next time the opportunity presents itself, we urge our federal leaders to inquire about the resources available to help municipalities successfully access federal funding and comply with reporting requirements.

**OSHA Fire Brigade Rules.** Municipal officials and public safety leaders across Maine appreciate the delegation's understanding of the impact that OSHA's proposed fire brigade rules will have on volunteer fire departments. We were pleased to read the message in the May 22, 2024 letter to Assistant Secretary Parker, signed by Congressman Golden, that underscores the fact that "volunteers donate their own time and resources to ensure that communities have readily available access to emergency services, often serving as the only source of emergency response with miles or hours of response time away."



We are equally thankful that Senators Collins and King joined a bipartisan group supporting an exemption for volunteer departments, which explicitly recognized that elements of the proposed rules "would be prohibitive for volunteer departments, whose budgets are already strained."

Because the rules would impact property taxpayers in towns and cities of all sizes and capacities, the association also encourages and urges your support for the implementation of fairer solutions for all, including our full-time departments. As you are aware, Maine communities have very little access to non-property tax revenues, which are not only raised to fund municipal services but also used to capitalize significant portions of school and county budgets.

Without additional financial support, when faced with requests to raise property tax revenues to fund proposed OSHA related mandates, residents and voters may instead elect to significantly reduce coverage, or cease providing services altogether. While the complete suspension of fire protection services is not a viable option for many communities, the changes to this rule will place local leaders in an unenviable position. The decisions made may result in both an increase in financial burdens and a decrease in services, as the cost of this proposed mandate is significant.

To be clear, MMA and its member communities understand that the modernization of rules adopted nearly 45 years ago is necessary. The equipment available to protect first responders has improved, vehicles have become safer and more durable, training requirements are better targeted at arming full-time, part-time, and voluntary firefighters with the skills necessary to keep themselves and others safe, and light has been shed on the importance of information sharing, trained leadership, post-incident analysis, standard operating procedures and annual health and skills checks.

However, in light of a potential reduction in federal support and investment in state and local programs, municipal leaders hope that the changes proposed in the OSHA rules will not be advanced without federal financial assistance.

Again, the association thanks members of the delegation for their efforts on this front and urges continued advocacy for all of Maine's property taxpayers and the firefighters who protect our lives and property.



**Treatment In-place & First Responder Health.** On a positive final note, municipal leaders want to take the opportunity to thank Senator Collins for introducing the Improving Access to Medical Services Act, which proposes to make the medical treatment services provided at the scene of an emergency that does not result in the transport to a hospital, eligible for Medicare and Medicaid reimbursement.

The introduction of the bipartisan bill represents a significant step in the right direction, as the Maine Blue Ribbon Commission on EMS found that on average 26% of emergency calls do not result in transport. This means that even though property taxpayers have funded the cost of operating the ambulance, as well as the staff and the medical equipment and supplies used at the scene of an emergency, if transport to a medical facility does not occur, reimbursement under the Medicaid and Medicare programs is not available.

Making reimbursement available regardless of whether transport occurs will enable communities to continue to provide this vital public safety service.

Municipal leaders would also like to thank Senator King for his work to expand access to the federal funding available under the *Law Enforcement Mental Health and Wellness Act (LEMHWA)*. According to the Community Oriented Policing Services, the federal grant program, enacted in 2018, is open to state, local, tribal and territorial law enforcement agencies “to improve the delivery of and access to mental health and wellness services for law enforcement through the implementation of peer support, training, family resourc-

es, suicide prevention and other promising practices for wellness programs.”

Because of the prescriptive nature of the grant program, municipal leaders understand that discussions are now focusing on finding the resources necessary to expand the program's benefits. One of the suggested solutions is providing an additional \$1 million under LEMHWA to fund locally implemented programs that provide law enforcement officers (LEOs) access to specialized cardiac screenings.

This work supports collaborative measures taking place at all levels of government to ensure first responders have access to appropriate physical care, and dovetails perfectly with an MMA initiative to increase first responder access to tailored mental health services.

## SERVESTRONG



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who understand.

In late August of 2024, MMA implemented the first in the nation **ServeStrong** program. The initiative is a collaboration among the National League of Cities (NLC), NLC-Risk Information Sharing Consortium, and the association, that is specifically designed to provide first responders and their families with access to confidential, web-based behavioral services offered by professionals familiar with the stress and trauma experienced by law enforcement officers, firefighters, emergency medical services providers, dispatchers, and correctional officers.

Under the program first responders have access to resilience training and therapy for trauma-based behavioral health support and 24/7 access to telehealth-therapy, as well as text services, offered by vetted and trusted experts.

It is through this ongoing federal support for targeted physical and mental health programs that all levels of government can protect the property taxpayers, while providing a better quality of life for our public safety officials.



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## OUR MISSION

The mission of the Maine Municipal Association is to support excellence in Maine's municipalities by providing important services and advocating for their common interests.

## OUR CORE BELIEFS

### LOCAL GOVERNANCE

We believe that local government is the foundation of a strong democracy and is fundamental to the provision of essential services that promote the safety, health and well-being of residents and communities.

### LEADERSHIP

We believe in the accessibility and accountability of municipal officials, with a commitment to honesty, civility, integrity, and the highest ethical standards. Municipal Officials are entrusted to develop cohesiveness and build strong future-driven communities.

### COLLABORATION

We value and support opportunities for collaboration and partnerships among municipalities, public organizations, and private entities.

### DIVERSITY, EQUITY, AND INCLUSION

We respect the uniqueness of each municipality and the diversity within the community. We are dedicated to ensuring that all individuals are treated equally, respectfully, and fairly.

### FISCAL INTEGRITY

We believe that financial accountability, transparency, and responsible management of resources are essential for MMA and its member municipalities.

### EXCELLENCE IN SERVICE

We believe in listening to and supporting member municipalities to ensure that their priorities, needs, and educational requirements are met through services and programs.