

## Janet Mills accepts emergency Maine budget plan, will ask for more changes in January

Caitlin Andrews | 9.17.2020 | [Click here to view online.](#)

Gov. Janet Mills speaks at a news conference on Tuesday, April 28, 2020, in Augusta. Credit: Robert F. Bukaty / AP

AUGUSTA, Maine — Gov. Janet Mills approved a hiring freeze and the use of reserves to stem the coronavirus-related shortfall the state is facing this year and plans to ask for additional changes when the Legislature returns in January, her office announced Thursday.

An executive order included most of the items suggested by budget commissioner Kirsten Figueroa proposed last week to cover a \$528 million revenue shortfall projected through mid-2021 due to the drop in tax revenue amid the pandemic. Next year's regularly scheduled budget talks will consider how to fill an \$800 million gap expected over the next two years.

Figueroa's plan accepted by the Democratic governor on Thursday takes \$130.5 million from unspent appropriations and reduces state budget spending by \$125 million through continued cost-savings efforts like reducing travel and delaying technology to counter the bulk of the shortfall. It also takes advantage of higher federal Medicaid matching rates.

The order takes effect today. Reductions will be made on a quarterly basis until June 30 of next year. In addition, Mills plans to ask the Legislature to approve an additional \$130 million in reductions early next year when it reconvenes, according to a press release.

The plan also included use of funds generated by the state's liquor contract, which have exceeded expectations for years. The \$70 million pulled from the

fund will mostly drain a fund currently sitting at \$77 million, according to a state spokesperson. But use of that money will require legislative approval, a budget department spokesperson said.

The remainder is expected to be covered by \$97 million of federal aid provided in March, as well as \$106 million in unspent funds from the last fiscal year. It does not pull from Maine's rainy day fund. The highway fund will be reduced by \$23 million, according to the release. Another \$17 million in reductions could occur, subject to Legislative approval.

Mills said the actions will ensure "Maine's fiscal stability in the short term" and prevent reductions in services to health care and state employee jobs for now. She continued to call on Congress to pass federal aid that would prevent future cuts.