March 18, 2026

Dear Senator Hickman, Representative Mastraccio, and esteemed members of the Government Oversight Committee,

My name is Renee Page, and I am a Farmingdale resident and the Executive Director of Healthy Communities of the Capital Area (HCCA), a public health nonprofit organization based in Hallowell and serving primarily Kennebec County and the Central Public Health District. HCCA works with community members, organizations, schools, and municipalities to implement policy, systems, and environmental change strategies to prevent the costly and negative life altering impacts of chronic disease and addiction. This work is supported statewide primarily through state Maine Prevention Network (MPN) grants through DHHS/MCDC.

Healthy Communities of the Capital Area Challenges with DCM
I am sharing HCCA's experience with the Division of Contracts Management (DCM) as related to Maine Prevention Network contracts that are awarded to each of Maine's nine public health districts.

The current 10-year DHHS MPN grant began in 2023 and is renewed periodically throughout with updated workplans and budgets that initiate either new contracts or contract amendments for the awarded time period (typically 1 or 2 years per contract period). The most recent contract award was a one-year award for FY25 that ended June 2025. Rather than issue a new contract for FY26, DHHS/MCDC opted to amend the FY25 contract by adding funding for FY26.

These awards are comprised of different funding streams from different sources (state and federal) with different start and end dates to the funding within the contracts, meaning some funding streams must be spent sooner than others, and other funding streams may not be accessible until after the contract start date.

Encumbrance Delays Due to Amendments
One unique complicating factor of the FY25-26 contract was that there were ARPA funds in the FY25 contract. You will recall that ARPA funds were part of the March 2025 federal funding freeze. At that time MPN contractors were told to stop spending ARPA funds immediately. Subsequently, the State of Maine successfully sued the federal government and the ARPA funds were restored. By that time, it was close to the end of the FY25 contract but MCDC allowed contractors to carry over the unspent ARPA funds to use by the end of that funding stream period, September 30, 2025. All of this back and forth triggered contract amendments in the form of budget amendments along the way. By the time the carryover funds were restored (December 2025), contractors were told the state had already closed out their contract with the feds and had returned the "unspent" ARPA funds. Because MPN contractors were still waiting on encumbered contracts, invoices that included those spent funds were never paid. In good faith, the program did cover the unreimbursed ARPA expenses already incurred by contractors with a different funding stream, but this triggered yet another contract amendment, further slowing the encumbrance process.

This is just one example of the type of amendments that regularly happen with these contracts. Sometimes new funding opportunities arise to do additional work and the state wants to add these funds to existing contracts, which in theory is a good thing, but when the contract encumbrance and subsequent invoicing takes too long, the ability to spend the funds is

diminished. Every time there is any type of adjustment to the contract, it triggers an amendment and until the amendment is encumbered, invoices will not be paid.

Implications for HCCA
The fallout for HCCA with this particular contract to date has been that the organization was not paid for six months of incurred expenses for a contract that started July 1, 2025. Even then, the organization received only partial payment from some of the aforementioned funding streams that were already encumbered and not caught up in the ARPA shifts. This was the result of strong advocacy and problem-solving by MCDC staff. There has been a lot of back and forth with DCM on revisions and reallocation of expenses as funding streams have expired and new ones have become available, but to date, HCCA still does not have an encumbered contract.

Not a New Problem
This is not a new problem and has been a concern since the creation of DCM under the previous administration, leading one to believe it is not a partisan issue. What is different now is the extreme length of time that it takes to get contracts encumbered. Previously, contractors might be expected to wait one or two months but were assured that the work could commence, invoices could be submitted, and they would be paid upon encumbrance. Given the current uncertainty of federal funding, even if it has already been appropriated, the comfort level with working at risk is very low. The ARPA situation is a prime example of what can happen. Had the program not come through with alternate funds to cover the ARPA expenses, HCCA and other organizations would have been left holding the bag.

Other Negative Implications
There are other examples of what has triggered amendments that bring the encumbrance process to a halt, but this is one of the more recent ones. Some other observations made from being part of this infrastructure for several years are:

1. **Working at Risk** Without an encumbered contract, contractors are working at risk when incurring expenses that are not reimbursed in a timely manner, or possibly not reimbursed at all.
2. **Work Stoppage** If contractors were to stop work until contracts were encumbered, the infrastructure would be at risk of collapse. Had HCCA stopped work in July to await an encumbered contract, the organization would have lost key staff and the community would not have received the services outlined in the contract. Given the size of this contract and the length of time that has elapsed, it is highly likely the organization would have closed its doors by now.
3. **Poor Customer Service** The inability to access or understand the inner workings of DCM is concerning as a contractor. There is no ability to check on contract status or Go To person(s) there to help with challenges. DCM has a generic email address and when contacted, random people seem to be assigned to respond. Often one has to start from the beginning explaining the situation each time when trying to address an unresolved issue, and then may or may not get a response for quite some time. A higher level of customer service and responsiveness would go a long way.
4. **No Sense of Prioritization or Urgency** There is no perceived sense of urgency from DCM's end, based on user experience. There doesn't seem to be any sort of prioritization based on contract dates (first in, first out if you will) or based on contract start dates. Often other contracts with later start dates are encumbered with no issues while backlogged contracts remain unencumbered.

5. **Disconnect Between Work Plans & Budgets** There was a time when contracting lived within state agencies. Contractors used to have program managers who oversaw work plans and budgets. Those who have experience with project work know it is essential to ensure the budget supports the work and vice versa. Now the two are completely separate. Work plans are submitted to MCDC without approved budgets and often without even knowing what the budget allocations will be. Budgets are submitted to DCM separately.
6. **Lack of Understanding of How the System Works** This issue has persisted for years, but never to this extent (HCCA is going on 9 months of an unencumbered contract that is slated to end June 30). That said, smaller agreements seem to make it through the system more quickly, so perhaps there is a higher level of scrutiny based on the amount of the contracts that is slowing the process?

Not an Isolated Incident

This situation is not unique to this contract or HCCA. HCCA is aware of a lot of other contractors across the state who experience the same thing but opt not to speak out for any number of reasons - they don't even know where to start, they are fearful it will put their contract or vendor status at risk, they just accept the status quo, or they have opted not to contract with the state anymore. The negative impacts of this ongoing situation are many, including excessive contractor staff time reworking budgets to respond to DCM requests, figuring out how to cover unpaid expenses, navigating staff morale, and dealing with seemingly never-ending uncertainty. More important is the loss to the community. HCCA has had to adjust the work plan to only do the minimum amount of work without incurring too many expenses beyond staff time until invoices start to be reimbursed. This is a highly inefficient and ineffective way to do public health work and a disservice to the community. Given the amount of time that has elapsed, HCCA is now at risk for not being able to spend down the funding due to having to be so conservative with unreimbursed spending. This creates the illusion to the legislature who makes decisions about funding these critical programs, that the funds aren't needed because they weren't spent.

Proposed Solutions

Proposed "solutions" presented by the program include not allowing carryover of unspent funds from one fiscal year to the next and/or not adding funds to contracts once encumbered. It is understood that since these actions trigger amendments, which then lead to prolonged encumbrance, that these actions should be avoided. This doesn't do anything to address the root cause problems with the contracting process, but rather shortchange the community from resources appropriated for them.

Some ideas for possible solutions the committee may consider:

1. Create increased transparency and access between DCM and contractors.
    a. A more comprehensive website with contact information for individuals to help with specific issues.
    b. Require state employees who have email addresses to also have phone numbers (identified in their email signatures).
    c. Require regular contract status updates from DCM to contractors.
2. Reunite the programs with the budgets so that the contracting process evolves simultaneously. *Currently, programs work hard to get workplans in place prior to contract renewal, but it is difficult to build said workplans without even knowing what the funding allocations will be (not sure if this one falls on DCM).*

3. Training for grant applicants/contractors on how to properly complete state budget forms. *This could be done virtually a couple of times per year and/or recorded for reference and would decrease the back and forth for minor revisions.*
4. Contract language explanations and definitions. *Very often, contract terms and conditions change without notice and vary widely from the original RFP. This is often at the expense of the contractor. For example, required cybersecurity insurance, prohibitions on certain software usage, etc.*

Ideas From Another State

For further consideration, California is debating these proposed changes to their state contracting practices:

1. Mandate advance payments to contractors to solve cash flow issues.
2. Amend Prompt Payment Act - *currently California state agencies must pay undisputed invoices for goods and services within 45 calendar days of receipt. Late payments accrue interest penalties.*
3. Provide sufficient indirect cost coverage - *not limiting indirect rates to less than NICRA or de minimis.*
4. Maximize grant duration and simplify renewals to increase stability. *The 10-year MPN contract would apply here.*
5. Standardize emergency amendments.
6. Audit and harmonize reporting requirements.
7. Require feedback on rejected submissions.
8. Establish a nonprofit liaison in state government.
9. Standardize contract templates and terms.
10. Improve technical assistance and peer learning.
11. Establish a uniform portal for state grant reporting.
12. Streamline grant management processes within the State's Controller's Office.

Thank you to the Committee for your attention to this issue. Please consider me a resource for any future work sessions or for further clarification or sharing of my experience.

Sincerely,

Renee Page, MPH, PS-C, CLC
Executive Director, Healthy Communities of the Capital Area

M | A | N | P
Maine Association of Nonprofits

March 27, 2026

Dear Senator Hickman, Representative Mastraccio, and members of the Joint Standing Committee on Government Oversight,

My name is Jennifer Hutchins, Executive Director of the Maine Association of Nonprofits (MANP). MANP is a growing membership organization made up of more than 1,100 charitable nonprofits from all 16 counties. Since 1994, MANP has grown to become the state's comprehensive resource for the tools, knowledge, and connections nonprofits need to be effective and responsive to Maine communities.

To support your discussion today about contract administration in DHHS, I am providing a brief summary of a survey we conducted in 2025 to better understand issues nonprofits face when contracting with the Maine State government, including timeliness of payments.

I also include information about an effort MANP is leading to help strengthen the essential partnership between state government and charitable nonprofits. LD 1449, "Resolve, Requiring the Commissioner of Administrative and Financial Services to Conduct a Study of the State's Grant, Contracting and Procurement Practices," is legislation currently sponsored by Senator Michael Tipping in response to priorities informed by our members' collective experience over time.

Nonprofits are Essential Partners

Nonprofits maintain and promote the public good throughout our state. Through this work, nonprofits augment government efforts to effectively and efficiently support Maine people, thereby reducing the burden on the state's taxpayers.

Nonprofits are also a large part of Maine's economy, employing 1 in 6 Maine workers and mobilizing more than 400,000 volunteers each year. At the same time, most Maine nonprofits are small, community-based, and operate on extremely lean budgets: 88% have annual budgets less than $500,000 and 61% have annual budgets under $50,000. Given their size and public mandate, most have very limited reserves to cover payment delays, yet must continue to provide essential services.

2025 Contracting Survey of Maine Nonprofits

Among several issues, we often hear from members who are frustrated by contracts being encumbered months into the contract year, resulting in organizations either needing to end the program (which harms the communities they serve), or continue the programming without a guarantee that they will be paid.

In 2025, MANP surveyed nonprofits across the state to better understand their experiences with state government grants and contracts. Representatives from 60 different nonprofits around the state responded to the survey. The survey explored both systemic challenges and effective practices, gathering insights about reimbursement processes, contract rates, administrative requirements, communication with state agencies, and the overall health of nonprofit-state government partnerships. Here is what we learned:

The Top Five Challenges (% of survey respondents who always or often experience the following challenges with grants and contracts) were the following:

1. 66.7% - Contract rates don't keep up with rising costs.
2. 51.7% - Administrative costs aren't fully covered.
3. 39.3% - Reimbursement models create cash flow problems.
4. 44.3% - Budget and invoicing rules are too complicated.
5. 39.3% - Reporting requirements are excessive.

While the top five challenges affected the majority of survey participants on a regular basis, data also revealed significant problems, occurring less frequently, but creating serious disruptions when they do, such as:

- late delivery of contracts;
- late payments beyond the contract specifications;
- extended contract negotiations; and
- mid-project changes to contracts/grants.

Late contract delivery–some waiting months past the contract start date to receive finalized agreements–causes significant hardship. Nonprofits adapt by delaying program launches, risking missing contract deliverables, or beginning work without a finalized funding mechanism in place risking not getting paid for their work. As one respondent described:

"*We do not receive payments until the contract is encumbered, and our contract is usually not encumbered until 3 months after it started.* ***To continue to provide services, we are putting it on a line of credit, which then results in paying interest, which we cannot use state or federal funds to pay.***"

While survey respondents identified significant challenges with state government contracting, they also highlighted areas where partnerships are working well. The following positive experiences demonstrate what's possible when state agencies prioritize responsiveness, flexibility, and collaboration with their nonprofit partners:

- **Responsive and supportive state staff** - When accessible, state employees are often knowledgeable, professional, and genuinely invested in nonprofit success.
- **Streamlined processes and reduced barriers** - Some state agencies have made meaningful improvements to contracting procedures, simplifying applications, reporting mechanisms, and contract execution.
- **Flexibility and problem-solving approaches** - Agencies that demonstrate flexibility in budget adjustments, contract revisions, and payment timing help nonprofits manage the practical realities of service delivery.
- **Transparency and effective communication** - Respondents shared that some state agency staff provide clear communication about processes, timely responses to questions, and openness about their challenges. This openness builds trust and helps both parties work together toward shared goals.

LD 1449 - Study of the State's Grant, Contracting and Procurement Practices

LD 1449 establishes the Working Group on Modernizing State Grants, Contracts and Procurement to examine the State's grant and public procurement practices and make recommendations to the Department of Administrative and Financial Services. The working group is required to submit a report, which may include recommendations for legislation, by November 4, 2026 to the joint standing committee of the Legislature having jurisdiction over state and local government matters and the Department of Administrative and Financial Services.

MANP believes that building on the good work happening with contracting within some state agencies while addressing persistent challenges offers a pathway toward strengthening the state-nonprofit partnership for the benefit of all Maine communities. To that end we are strongly supporting LD 1449 and are very interested in the work your committee is considering today.

We will have representatives at your work session today (3/27/26) and look forward to providing support to your important efforts. We very much appreciate your time, consideration and public service.

Respectfully,

Jennifer Hutchins
Executive Director

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March 25, 2026

Senator Craig Hickman
3 State House Station
Augusta, Maine 04333

Dear Senator Hickman:

Thank you for inviting us to provide input about our experience working with the Department of Health and Human Services' Division of Contract Management (DCM). I am the health promotion manager for the City of Bangor's Public Health and Community Services (PCHS) Department, and I have managed dozens of state contracts since I started my job in 2007. **Since the creation of DCM we've experienced issues with unjustified budget cuts, contract delays, and inconsistent guidance, which have come at an impressive cost to our community.**

Back in 2007 Maine Center for Disease Control (CDC) project officers were responsible for all aspects of working with funded organizations including program, budget and contracts. Project officers helped grantees navigate all aspects of their contract experience with Maine CDC. There was a true single point of contact who understood the symbiosis between program and budget, and who could work with grantees to develop the best budget for programmatic work.

The relationship between program and contracts was wholly separated with the creation of the Division of Contract Management during Governor LePage's administration. Now, project officers may not even see a grantee's budget before it is approved and, conversely, DCM staff don't necessarily have an understanding of the work reflected in the budgets and contracts they're working with.

This disconnect has created many inefficiencies in the contracting process, resulting in a process that is driven by contracting rather than the needs of the community.

In 2022 nine organizations in the state were awarded Maine Prevention Network (MPN) contracts to provide primary prevention services in each public health district. MPN contracts are 10-year contracts with an initial 18-month period of performance followed by 4 two-year periods of performance. Many funded organizations subcontract with other organizations to provide services in their public health district. For example, in

the Penquis Public Health District Bangor Public Health and Community Services provides services in Penobscot County and we subcontract with Northern Light (NL) Mayo Hospital to implement programming in Piscataquis County.

To meet the MPN contractual requirements, at start-up each of the nine-awarded MPN contract holders had to build significant infrastructure and systems to manage and implement the grants in their respective service areas. It took some time to build these systems, get subcontracts in place, hire and train staff and begin implementing prevention strategies. As a result, most contracts were underspent at the conclusion of the first 18-month period of performance, *however we had the infrastructure in place to successfully manage and implement the project for the remaining eight years of the contract period.*

At the beginning of the second period of performance, 18-months after startup, **DCM "right sized" the contracts to reflect the previous years' spending, due in no part to performance or funding shortages,** resulting in cuts to all MPN contracts and forcing abrupt changes in the newly-built systems, eliminating staff positions, sending messages of instability to remaining staff, and leading the legislature to believe the funding wasn't needed.

MPN contract holders were told we'd have an opportunity to recoup this funding by December 31, 2024 but FY25 contracts were so severely delayed that the reinstatement of funds didn't happen.

Fiscal year 2025 contracts began on July 1, 2024; **the City of Bangor received the MPN contract from DCM on September 25th, almost three months after the start date.** Subcontracts take some time to create and move through each organization's process. The subcontract between the City of Bangor and NL Mayo Hospital wasn't in place until December 23, 2024: the City of Bangor worked at risk for almost three months and NL Mayo Hospital worked at risk for almost six months.

The delayed contract had several programmatic implications.

1. Both the City of Bangor and NLMayo Hospital prioritized keeping staff in place and refrained from other, nonessential spending. We worried that underspending our contracts would result in additional "right-sizing" cuts.
2. All invoicing was delayed, and the substance use prevention (SUPS) work was particularly impacted. MPN contracts contain three program areas, each funded differently:

    • Tobacco prevention is funded by state Fund for a Healthy Maine and some (former) Office of Smoking and Health funds

- Healthy Eating Active Living (HEAL) is funded by state Fund for a Healthy Maine
- SUPS is funded primarily via federal funds passed through the state

The federal reporting process for SUPS is more complex and complicated than the state reporting requirements for tobacco and HEAL. The SUPS invoices build on each other, month to month, requiring coordinated data entry between all staff members, first one organization and then the next (like a train). Due to contract and subcontract delays, in FY25 NL Mayo couldn't invoice for any work until well into 2025, and this complicated the SUPS invoicing far beyond what we could have imagined, consuming far more administrative resources than either organization planned or budgeted for.

The result: to simplify the invoicing process that would be exacerbated by a potential FY26 contract delay the next year, the City of Bangor preemptively pulled FY26 SUPS funds from NL Mayo and provided increased tobacco funding to offset the loss. Bangor PHCS is now providing MPN substance use prevention services in Piscataquis County, services that should instead be provided by a local organization.

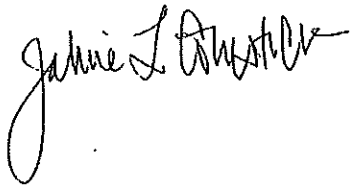
3. We've also lost federal funds due to state contracting delays. In several instances, money hasn't been able to flow to the community in time to use it.

Bangor PHCS has also experienced a lack of consistency and direction from DCM with regard to creating budgets and preparing invoices. We've prepared budgets to submit with contract amendments the *exact* way we prepared the initial budget (approved months prior) only to be told to complete the same forms a different way. We have been instructed to complete the forms yet a *different* way, for a *different* contract. In another multi-year grant we invoiced according to DCM's guidance for three years, only to be told we'd need to do a budget revision and change our invoices because the guidance was incorrect.

Our grants accountant has been requesting training from DCM since she started her position in 2018 but was told the state does not provide trainings.

We greatly appreciate the opportunity to provide our perspective and observations, Senator Hickman, and we are happy to provide additional insight, details, or help any way we can. I've included my contact information below.

Yours sincerely,



Jamie Comstock, Health Promotion Manager
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207-992-4466

Cc: Jennifer Gunderman

Testimony to the Joint Standing Committee on State & Local Government

March 27, 2026

Senator Baldacci, Representative Salisbury, and Honorable Members of the Committee on State & Local Government,

My name is Courtney Gary-Allen, and I am the Executive Director of ME-RAP. We are a network of Mainers with lived and living experience of substance use, working to advance community-based initiatives and public policy efforts across Maine. We are also the home of the Access Center, a recovery community center grounded in harm-reduction principles, located in downtown Augusta. I am here today to share the impact that delays in DHHS contract payments have on small, peer led organizations and the real impact these delays have on the communities we serve.

At the Access Center, we provide low-barrier, peer-led services to individuals at all stages of recovery. This includes recovery coaching, harm reduction services, overdose prevention education, connections to treatment and housing, and a safe, stigma-free space for community. Since opening in July of 2025, we have served 844 unique individuals, many of whom are navigating significant barriers including homelessness, poverty, and lack of access to traditional healthcare systems.

Until opening the Access Center, ME-RAP had never accepted a State contract. From 2020 to 2025, we relied on private donors and foundations, which allowed us to build an operating budget that was not dependent on State funding. As a result, we have been able to build a level of financial stability that many peer led organizations in our field simply do not have.

I want to be very clear. We are not at risk of closing our doors today, and we are not at the point of missing payroll. We have worked hard to build a small reserve of four to six months of operating capacity. However, we are now three months into delayed payments, and things are getting tight. If these delays continue, our reality will begin to look like the reality that many recovery community centers and grassroots, peer led organizations are already facing.

For many of our peers across the state, there is no cushion. One delayed payment can mean not making payroll. It can mean not being able to pay rent. It can mean reducing hours, cutting services, or closing their doors, even if only temporarily. Delays in contract payments have a direct and immediate impact on our ability to provide services.

Even with reserves, we are forced to make difficult decisions about how to sustain operations. These decisions can include slowing hiring, postponing planned programming, and tightening spending in ways that ultimately limit our ability to respond to community needs. These disruptions do not just affect our organization. They affect the people who rely on us for support.

Each week, I spend a significant amount of time working to keep our cash flow stable. That includes following up with State officials, calling private donors, planning fundraising efforts, and navigating the constant budgeting and re-budgeting that comes with delayed payments. That is time I should be spending with my staff, our participants, and in my own recovery. I should not have to focus on raising money that is already owed to us for services we have already provided.

Additionally, delayed payments hinder our ability to plan, grow, and respond to emerging needs. We cannot confidently invest in new programming, expand outreach, or pursue partnerships when we cannot rely on timely reimbursement for services already delivered.

We also know that our experience is not unique. Through our statewide work and listening sessions, we regularly hear from other recovery community centers navigating these same challenges. Some have already had to consider pausing services because they cannot cover basic operating costs while waiting for payment.

It is important to note that for many recovery community centers, state contracts are their primary source of funding. This is especially true for smaller, newer, and more rural organizations. These centers often do not have access to alternative funding streams or reserves to bridge payment gaps. As a result, delays disproportionately impact the very communities with the fewest resources and the greatest need.

Ultimately, delayed contract payments disrupt care and destabilize organizations. Recovery community centers are a critical part of Maine's response to the addiction crisis. Ensuring timely and reliable payments is essential to maintaining this lifeline of support. We are committed to working alongside the Committee, Department and the Contracting Division to find solutions to this issue and look forward to continuing this partnership.

Thank you for the opportunity to share our experience and for your consideration of this important issue.

Sincerely,

Courtney Gary-Allen

Courtney Gary-Allen
ME-RAP Executive Director
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March 26, 2026

Dear Senator Hickman, Representative Mastraccio, and members of the Government Oversight Committee,

My name is Matt L'Italien. I am a resident of Sidney and the Director of Somerset Public Health (SPH), a community health coalition and department of Redington-Fairview General Hospital in Skowhegan.

Somerset Public Health works to improve community health by preventing disease, promoting healthy behaviors, and addressing local health needs. Our work includes health education, substance use prevention, building community partnerships, and helping residents access critical physical and mental health resources. At its core, our mission is to create the conditions for people in Somerset County to live healthier lives.

Our work is supported through a mix of local, state, federal, and philanthropic funding. While managing multiple funding streams is inherently complex, funding from Maine DHHS is by far the most difficult to manage. The primary source of that difficulty is the Division of Contract Management (DCM).

The most significant issue is the lack of consistency and predictability in contract execution. There is no reliable timeline for when DCM will encumber a contract after a program has been awarded. These delays have real consequences.

For many nonprofit organizations, delayed contracts threaten cash flow, payroll, and basic operations. While SPH is part of a hospital and somewhat insulated from those immediate risks, we still experience serious downstream impacts. Delays force us to postpone hiring, which leads to underspending. That underspending is then viewed negatively in future funding decisions, creating a damaging cycle: either future funding is reduced, or organizations feel pressured to spend quickly and inefficiently once funds finally arrive.

This uncertainty also takes a toll on staff morale—particularly among early-career professionals who perceive their positions as unstable. Over time, this drives talent away from Maine's public health workforce, either into more stable sources of funding or out of the field entirely. We want more young professionals to invest in their future here in Maine.

Most importantly, these delays prevent critical public health services from reaching Maine residents when they are needed.

Invoicing and payment processes present an additional set of challenges. A recent example illustrates this clearly.

SPH received federal funding through the Health Resources and Services Administration, passed through Maine CDC, to improve access to healthcare services and benefits for military veterans. The program was scheduled to begin in August, but the contract was not encumbered until mid-December. We were only able to begin work in January.

During that delay, the staff member we had planned to hire left for another opportunity. We ultimately hired a more experienced candidate—who was also a veteran—improving the quality of the program, but at a slightly higher hourly rate.

When we submitted our invoice, it was rejected for two reasons: the staff member was not listed on the contract, and the payment address did not match DCM's records. The rejection came from an anonymous email address, with no identifiable staff contact.

We responded, noting that staff changes are allowable and that the address used matched the contract issued by DCM. We were instructed to resubmit the invoice without staff names, update the address, and include hourly rates. We complied immediately.

The invoice was rejected again—this time because the hourly rate differed from what was originally listed in the contract, despite the fact that total spending remains within the approved budget.

As of March 26, 2026, we have been directed to amend the contract to resolve this issue—a process that will likely take months and further delay payment.

What makes this situation particularly concerning is that we operate another program with Maine CDC using the exact same invoice format, address, and process, without any issues. This inconsistency highlights the lack of standardization within DCM.

Finally, DCM operates with little transparency or accountability. Leadership is not publicly identified, correspondence comes from anonymous email addresses, and there is no continuity in communication. Vendors are unable to work with consistent points of contact or resolve issues efficiently.

While we are vendors, we are also taxpayers and public health partners. The current system does not provide value to the people of Maine. It creates inefficiency, delays critical services, and undermines the effectiveness of organizations working to improve public health outcomes.

To address these issues, we respectfully recommend the Committee consider the following reforms:

- **Establish clear timelines for contract execution**, such as requiring contracts to be encumbered within 30–45 days of award, with accountability measures when those timelines are not met.
- **Assign a designated contract manager for each agreement**, with direct contact information, to ensure continuity, responsiveness, and accountability in communication.
- **Standardize invoicing requirements**, with clear, written guidance that is applied consistently to all vendors.

- **Allow program staff to manage budget flexibility within contracts**, particularly for modest staffing or wage adjustments that do not change the overall award amount, to avoid unnecessary amendments and delays.
- **Ensure that delays caused by the State do not result in funding penalties**, so organizations are not disadvantaged in future funding cycles due to circumstances outside their control.

These changes would not only improve efficiency and accountability within DHHS, but also ensure that public health organizations can deliver services more effectively to the people of Maine.

Thank you for your time and consideration.

Sincerely,

Matthew L'Italien
Director, Somerset Public Health
Redington-Fairview General Hospital