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STATE OF MAINE
ONE HUNDRED AND THIRTY-FIRST LEGISLATURE
COMMITTEE ON LABOR AND HOUSING

TO: Senator Margaret Rotundo, Senate Chair
Representative Melanie Sachs, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Mike Tipping, Senate Chair *MT SL*
Representative Amy Roeder, House Chair *AR SL*
Joint Standing Committee on Labor and Housing

DATE: May 26, 2023

RE: Governor's proposed change package

Members of the Joint Standing Committee on Labor and Housing ("LBHS Committee") reviewed the Governor's proposed change package to LD 258 on Tuesday, May 23, 2023. The LBHS Committee had further discussions on the change package at a committee meeting on Thursday, May 25, 2023.

CONSENSUS

The LBHS Committee once again wishes to express its frustration and disappointment at the ongoing lack of strategy and plan to address funding for retiree benefit legislation that biennially comes before the LBHS Committee for consideration.

The only solution proposed in this change package for retirees is a one-time payment of a 3% cost-of-living adjustment (COLA) with an average benefit of \$726. There is no doubt that this payment will provide some relief, albeit temporary, to thousands of retired Mainers. In no way does this make a necessary systemic change to the provisions that govern the retirement system and the retirees that rely on a strong pension to sustain them in their later years.

Therefore, the LBHS Committee strongly encourages the Joint Standing Committee on Appropriations and Financial Affairs to consider alternative proposals with the \$19.8M proposed for this one-time payment instead of a temporary bandage.

MAJORITY

A majority of the LBHS Committee¹ wishes to express disappointment that there are no start-up costs for a paid family and medical leave (PFML) program. When the LBHS Committee last wrote to the Joint Standing Committee on Appropriations and Financial Affairs in March 2023, PFML program legislation was being developed and had yet to be printed. Now, as the LBHS Committee prepares to work the PFML program legislation, a majority of the LBHS Committee wished that the inclusion of the estimated start-up costs would be offered as part of the Governor's proposed change package. Even though that was not the case, the majority of the LBHS Committee urges the Joint Standing Committee on Appropriations and Financial Affairs to amend the change package to include these start-up costs.

In the next week, the LBHS Committee will work the PFML program legislation and a vote will be taken, almost certainly in favor of some PFML program that will require resources to set up and operate such a program. A majority of the LBHS Committee feels it's important to have all of the pieces in place so that the PFML program can begin as smoothly and swiftly as possible.

Thank you for the opportunity to provide input as part of this process.

Please feel free to reach out to us directly with questions, or to our Legislative Analyst, Steve Langlin, at 207-287-1670.

¹ Sen. Tipping, Rep. Roeder, Sen. Daughtry, Rep. Malon, Rep. Geiger, Rep. Skold, Rep. Russell and Rep. Gere
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