

TESTIMONY IN OPPOSITION TO

L.D. 1040

AN ACT TO RAISE THE CAP ON RETIREMENT BENEFITS FOR CERTAIN STATE EMPLOYEES AND TEACHERS TO WHICH A COST-OF-LIVING ADJUSTMENT IS MADE

March 26, 2025

Senator Tipping, Representative Roeder, and esteemed members of the Labor Committee, I am Steven Bailey, the executive director of the Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and the Maine School Superintendents Association in opposition to L.D. 1040, An Act to Raise the Cap on Retirement Benefits for Certain State Employees and Teachers to Which a Cost-of-living Adjustment Is Made. Our associations represent more than 1,700 school board members across the state, as well as more than 200 superintendents and their districts.

Our associations understand the sponsor's goals with this bill: to begin to restore the retirement benefits that were promised to state employees and educators close to 15 years ago – benefits that they expected and were taken away from them. These retirees saw the purchasing power of their benefits plummet in recent years because of cuts to the cost-of-living adjustment, and we have heard examples of workers who have been forced to get jobs in retirement or move because their pensions have not kept up with the rising cost-of-living.

We believe in finding legislative solutions to boost these benefits and ensure that all state retirees receive the benefits they were promised and deserve, after years of service to our state and to our schools.

However, our members do not believe that this bill – which specifically carves out a provision solely for retirees who retired “on or before June 30, 2011” is the correct legislative solution. We believe that any solutions should apply to all state retirees – not just a single subset. We view raising the COLA cap to \$40,000 for just one group of retirees as only a “band-aid” solution. The state must do more for the retirees who retired after this date, too – boosting their cost-of-living adjustments and ensuring those workers do not fall behind.

This is vital – not just for retired teachers but for those looking to enter into the teaching profession, too. Legislators must pass provisions providing more assurance to these aspiring educators that they will have financial security during and after their careers in the classrooms. These changes can bring more candidates into the education field and ensure that every Maine student has a quality teacher providing an excellent education every day.

Our associations believe that your committee should reject L.D. 1040 and instead prioritize these more inclusive policies.