



### **Testimony in Opposition to LD 1219:**

**“An Act to Increase State Funding for the Campuses of the University of Maine System and to Raise the Minimum Hourly Wage for Employees of the System”**

Senator Rafferty, Representative Murphy, and the distinguished members of the Committee on Education and Cultural Affairs, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 1219.

While the goals of supporting higher education and fairly compensating employees are laudable, LD 1219 represents an unsustainable and misguided approach that expands government spending without ensuring accountability, competitiveness, or fiscal responsibility.

First, LD 1219 would tie University of Maine System funding to that of "peer institutions," which may be located in other states, a mechanism that risks escalating costs without regard to Maine's unique fiscal environment. Maine's taxpayers should not be forced to subsidize a model of public higher education spending based on the decisions of other states' legislatures. Each state has vastly different demographics, economic realities, and budgetary constraints. Benchmarking funding to out-of-state institutions effectively surrenders Maine's control over its education budgets, compelling us to meet financial obligations set elsewhere, regardless of local needs or capacity.

Second, the bill mandates that each campus receive 95% of peer institution funding per student by FY 2026-27 and 100% by FY 2027-28. Such rigid targets ignore the inefficiencies already present within Maine's university system and remove incentives for reform or innovation. Instead of pouring more taxpayer dollars into a system that hasn't undergone sufficient operational reform, Maine should first demand a comprehensive review and audit of university spending to identify waste and promote efficiency.

Third, LD 1219 imposes a 25% premium over the state minimum wage for all hourly employees in the University of Maine System. While this may seem generous, it sets a dangerous precedent by establishing two tiers of minimum wage earners — one for public employees and another for the private sector. In effect, Maine taxpayers — many of whom work in small businesses and earn only the statewide minimum wage — would be forced to pay inflated wages for public employees. This move would deepen the



divide between public and private sector compensation and place additional financial burdens on working Mainers.

Maine's small businesses, especially those in rural areas, already struggle with rising labor costs due to increases in the minimum wage. Elevating public sector wages even higher will exacerbate this divide and further erode Maine's economic competitiveness, as well as exacerbate our state's growing revenue shortfall.

Lastly, LD 1219 is an "emergency" bill that seeks to circumvent the normal 90-day enactment period. Yet, no true emergency exists that justifies such a designation. Sound public policy demands thorough debate and careful planning, not rushed action based on political expediency.

In closing, Maine needs a university system that is nimble, accountable, and responsive to the real needs of both students and taxpayers. Throwing more money at the problem without structural reform will only deepen inefficiency and burden future generations.

We urge this committee to reject LD 1219 and instead pursue policies that promote transparency, fiscal discipline, and genuine innovation in higher education. Thank you for your time and consideration.