

## TESTIMONY IN OPPOSITION TO

L.D. 1611

### AN ACT TO DECREASE THE RETIREMENT CONTRIBUTIONS REQUIRED FOR TEACHERS AND STATE EMPLOYEES

April 29, 2025

Senator Tipping, Representative Roeder, and members of the Labor Committee, I am Steven Bailey, Executive Director of Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and Maine School Superintendents Association in opposition to L.D. 1611, An Act to Decrease the Retirement Contributions Required for Teachers and State Employees. While our organizations are fully supportive of efforts to reduce the financial burden on educators, this bill would represent a significant unfunded mandate that could increase local school budgets by millions of dollars, impacting every community in Maine.

Proponents of this bill argue that, compared to what other entities pay into Social Security, teachers in Maine are paying too large of a portion of their salary into MainePERS, and school districts not paying enough. However, this misses crucial complexities regarding the retirement and benefits packages offered to public workers in Maine.

We believe the current system is generous and, in fact, attracts many workers into our profession. Groups like the National Institute on Retirement Security [recognize](#) that pension plans provide far greater benefits than if an educator solely received Social Security benefits. Teachers, ed techs and staff often search out a career in education because of the promise of a reliable, steady income stream in retirement.

In fact, an AARP [study from 2017](#) found that Maine retained more than 120 teachers each year specifically because its educators are part of a defined benefit plan, effectively saving the state more than \$1 million in teacher turnover costs.

It is also important to recognize that schools are not private employers and thus operate under a different system than Social Security. Most school funding comes from the state. While local schools pay the 4.47% normal contribution into MainePERS, the state also pays an additional 14.51% share on top of that to pay Unfunded Actuarial Liabilities. The final output of this plan is that educators receive far more in retirement than if they relied on Social Security. This is a different system from Social Security, and simply comparing hypothetical contribution levels between MainePERS and Social Security misses these crucial details and does not recognize the generous benefits state plans provide.

Our associations firmly believe that educators should be making more money, and we appreciate the bill sponsor's goals of working to boost take-home pay for teachers. We share this goal: school districts are working hard to boost pay for working teachers. Our associations have also supported many efforts towards

improving the financial conditions of retirees, such as the Social Security Fairness Act, along with many bills this session that would boost teacher compensation and increase retirement benefits.

The state should pursue these strategies instead of placing new burdens on local public schools and municipalities. Many districts are already struggling to deal with rising school budgets. Some are being forced to consider layoffs and reductions in programming. Adding additional costs will only exacerbate those issues and hurt our children's education.

Any new mandates – including L.D. 1611 – must be accompanied by sufficient, consistent state funding. Without such funding included, our associations oppose this legislation and urge your committee to vote “ought not to pass”.