

Testimony of Beth White
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**In Support of LD 2102, An Act to Clarify and Strengthen the
Government Shutdown Loan Program
Sponsored by Representative Kristi Mathieson**

**Before the Joint Standing Committee on Health Coverage, Insurance and Financial Services
1:30pm Tuesday, January 27, 2026, Cross Office Building Room 220 and Electronically**

Senator Bailey, Representative Mathieson, and members of the Committee on Health Coverage, Insurance and Financial Affairs, I'm Beth White, Director of Politics and Legislation for the Maine Service Employees Association, Local 1989 of the Service Employees International Union. We are a labor union representing over 13,000 Maine workers, including workers across all three branches of state government.

We're here today in support of LD 2102, An Act to Clarify and Strengthen the Government Shutdown Loan Program, sponsored by Representative Kristi Mathieson. This legislation would make meaningful improvements to the Government Shutdown Loan Guarantee Program, which was established by LD 874 in the previous legislative session. LD 874 allows state government employees to access no-interest loans in the event of a partial or full state government shutdown lasting longer than seven consecutive days. Under the bill, affected employees are eligible for up to three loans during a shutdown, each equal to their monthly after-tax pay, minus unemployment benefits, up to a maximum of \$6,000.

Since the Government Shutdown Loan Guarantee Program was established last year, we've faced a prolonged federal shutdown. During the shutdown, many laid off federal workers accessed loans through the program, and they have been proven reliable in paying the loans back. Unfortunately, it also became clear that only a small number of workers participated because of how difficult it was to access the loans; the rollout of the program was challenging and slow, and many lenders did not participate despite being able to do so. We feel strongly that the changes proposed in this legislation, particularly lines 28 and 29, would help address the main concerns lenders raised when choosing not to participate in the program, which would make it more accessible to workers in the event of future shutdowns. One issue that we saw when the program rolled out in 2025 was the lack of lenders participating in regions where MSEA members are working. While our highest member density is in Kennebec County, our members work in every county across the state; however, most lenders who participated in the

program in 2025 were in York County. The changes proposed in LD 2102 should help address this issue of lack of participation across the state.

A state budgetary shutdown occurs when one budget expires and no new budget has been enacted to replace it; without a budget, the government has no authority to operate, except for the Governor's emergency authority to operate essential functions. Employees who are deemed non-essential are prohibited from working. This occurred in 1991, when the state was shut down for 16 days over a 19-day period, and again in 2017, when the state shut down from July 1 through 1:15am on the Fourth of July, locking workers out of their jobs.

Fortunately, state government shutdowns are uncommon. However, when they do occur, it is due to conditions completely outside of state workers' control. Yet state workers are the ones who have to struggle and bear the burden of any shutdowns that do occur. If a state shutdown occurs, workers still need to pay their bills, feed themselves and their families, and find a way to stay afloat until a budget is passed and the shutdown ends. Even if a worker is deemed essential and is required to report to work during a shutdown, they are not being paid during that time.

Passing and funding LD 874 last session helped ease some suffering that state and federal employees incur during shutdowns. Passing LD 2102 would strengthen the program and ensure more workers can access it during future shutdowns; this would protect their ability to provide for themselves and their families and prevent people from falling into financial hardship due to situations outside of their control. Maine state employees dedicate their lives to serving our great state and its citizens; making sure they have a strong, reliable safety net during government shutdown is the right thing to do.

Thank you and I would be happy to answer any questions.