



## Testimony of the Maine Municipal Association (MMA)

### In Opposition to LD 12, An Act to Amend the Laws Governing Severance Pay to Cover More Types of Employers and Include More Workers

February 7, 2022

Senator Tipping, Representative Roeder, and members of the Labor & Housing Committee. My name is Kate Dufour, and I am offering testimony in opposition to LD 12 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish MMA's position on bills of municipal interest.

Local governments have functions, goals, and missions that significantly differ from those of private employers, and abide by numerous statutes regulating their operations, including a version of a "closure" process. For this reason, municipal leaders do not believe it is practical to apply the "one size fits all" standard contemplated in LD 12 to government employers.

Municipal governments deorganize, rather than close. The process to do so is guided by state statute (Title 30-A, chapter 302), and requires numerous steps including the creation of a plan to distribute financial liabilities and assets, fiscal impact statements, review and support from the Commission on Municipal Deorganization, public hearings, voter endorsement, and finally approval from the Maine State Legislature. Furthermore, when a municipal program or service is downsized or discontinued, potentially triggering the layoff or displacement of employees, those decisions are left to the municipal legislative body (e.g., council or town meeting), in part, to avoid a conflict that could arise among multiple decision-making authorities. For example, if via the adoption of LD 12 a municipality is mandated to provide severance pay, but the town meeting votes down the warrant article appropriating the necessary revenues, what happens?

Out of respect for the existing processes, local leaders urge the committee to exempt government employers from the requirements of LD 12.

Thank you for considering the municipal perspective on this issue. If you have any questions about our position, please contact me at [kdufour@mmun.org](mailto:kdufour@mmun.org) or 592-4038.