

LD 258

May 18, 2023

Senator Rotundo, Representative Sachs, Members of the Appropriations Committee.

My name is Harold Booth, I live in Hallowell, and I'm a retired state employee, retiring in 1996. In the 27 years of my retirement, I've maintained a spreadsheet of my financial affairs which I've used to provide the figures in my testimony. That spreadsheet also goes back to the start of my employment in 1971.

I testified before you on this bill back on February 10 – so you should still have my original testimony in your folders, and I'm not going to subject you to listening to my earlier arguments again – you already have them. That testimony also included the government CPI-U table, so you could check my figures.

What I am going to address this time is the governor's persistent idea of granting ad-hoc increases to retirees, apparently assuming that the inflationary price-increases are also ad-hoc. If this is her belief, then I have a great deal on a New York bridge for her, and it will pay for itself in a year or two from the tolls.

Back in, I think it was 2021, she proposed a 2% COLA supplement to the retirees' pension – also ad-hoc – which the legislature dropped down to 1% on the base. Better, but not matching the cost-of-living increase. Just last month there was another one-time ad-hoc increase of 1% in my pay-check. Mine came to \$ 174.73 after taxes. Whoopee! That will certainly take care of inflation for me!

In 2010, the legislature dropped the cap on retirees' COLA from 4% to 3%, and froze COLAs for a couple of years. This started state retirees falling behind, and despite legislative efforts since then, the damage has not been undone. I was outraged to read in the paper recently that the legislature itself has a 5% COLA cap. Huh! Sauce for the goose but not the gander?

Since that 2010 change, retirees have fallen further and further behind – greatly accelerating in 2021 as inflation took off, **with the accumulated difference approaching 20 % with the 2022 figures.**

I'm a scientist. I like cold hard facts. The figures in my testimony are from the CPI-U data and my annual 1099-R [the retiree's version of a W-2]. In my figures you see a lag in the pension-increase from my retirement in 1996 to 2010. That's because the CPI is June figures, the COLA is in Sept., and the 1099-R is Dec. I caught up in 2009 because there was negative inflation in 2009 – the Great Recession.

People who get Social Security enjoy an uncapped COLA, while State retirees are stuck – and falling further and further behind. The State currently enjoys a nice surplus. This would be a great time for the legislature to really step up to the plate and make us whole, on the base, and the 3 % ad-hoc increase that the administration is suggesting falls way short.

Now a bit about my 25-year career as a chemist with the State: I started out in the water Lab, doing some of the analyses that ensure the safety of Maine's drinking water. After about a year I set up and ran the blood-lead lab, which detected Maine children who had been exposed to dangerous levels of lead. About five years later, I moved to the so-called chemistry lab where I performed various forensic [law-related] analyses while continuing to supervise the lead lab where the now much-simpler analyses were performed by a lab. tech.

In the chemistry lab, I performed analyses that were used in the prosecution of arson, drunk-driving, and drug-offense cases, and the detection of carbon-monoxide poisoning. In a number of cases, I implemented new analytical methods in performing the analysis.

The last few years of my time in the chemistry lab, in addition to performing the various analyses above, I used my computer-programming skills in writing a multi-part program to set up and operate a database which collected alcohol test results from the two independent labs in the state that were doing OUI analysis, the results of our own OUI analyses, and the Intoxilyzers at various police and sheriff departments around the state. The data collected was used to generate monthly reports for the head of the OUI-prevention section of the State police.

During the 25 years, I received periodic 'merit increases' and a promotion from chemist I to chemist II, there were also periodic pay increases based on the increased cost of living over the years. Because I have the data and the ability, I have examined my salary and inflation over those 25 years. If you remove the merit increases, I discovered that I'd lost ground against inflation. The rationale used to justify granting state employees less money than inflation warranted was always "We just don't have the money", and in the mid '90s there were mandatory furlough days and a shortened work-week [with accompanying reduction in income] because the state was 'short'.

With the state enjoying a surplus, it would be nice – and way past time – for the state to finally take significant steps to make me whole, and addressing that **19.8 % shortfall on the base** would be a good place to start.

Here's a spreadsheet chart, with both the CPI-U data and the retiree-pension data, showing the difference [highlighted].

	Raw CPI	[CPI-U	Change]		CPI - Pension	[Pension	Change]
		Annual	Accum.		Difference	Accum.	Annual
1996	156.7			1996			
1997	160.3	2.3%		1997			
1998	163	1.7%	1.7%	1998	0.2%	1.9%	1.9%
1999	166.2	2.0%	3.7%	1999	-0.1%	3.6%	1.6%
2000	172.4	3.7%	7.5%	2000	-1.3%	6.2%	2.6%
2001	178	3.2%	11.0%	2001	-0.9%	10.1%	3.7%
2002	179.9	1.1%	12.2%	2002	0.6%	12.9%	2.5%
2003	183.7	2.1%	14.6%	2003	-0.1%	14.5%	1.4%
2004	189.7	3.3%	18.3%	2004	-1.0%	17.3%	2.5%
2005	194.5	2.5%	21.3%	2005	-0.4%	20.9%	3.0%
2006	202.9	4.3%	26.6%	2006	-2.0%	24.5%	3.0%
2007	208.6	2.8%	30.1%	2007	-1.2%	29.0%	3.6%
2008	218.8	4.9%	36.5%	2008	-3.5%	33.0%	3.1%
2009	215.7	-1.4%	34.6%	2009	2.0%	36.5%	2.6%
2010	218	1.1%	36.0%	2010	0.5%	36.5%	0.0%
2011	225.7	3.5%	40.8%	2011	-4.3%	36.5%	0.0%
2012	229.5	1.7%	43.2%	2012	-2.6%	40.6%	3.0%
2013	233.5	1.7%	45.7%	2013	-6.9%	38.8%	-1.3%
2014	238.3	2.1%	48.7%	2014	-8.7%	39.9%	0.8%
2015	238.6	0.1%	48.8%	2015	-8.3%	40.6%	0.5%
2016	241	1.0%	50.3%	2016	-6.2%	44.1%	2.6%
2017	245	1.7%	52.8%	2017	-5.5%	47.4%	2.2%
2018	252	2.9%	57.2%	2018	-6.8%	50.4%	2.0%
2019	256.1	1.6%	59.8%	2019	-5.7%	54.1%	2.5%
2020	257.8	0.7%	60.8%	2020	-4.8%	56.0%	1.3%
2021	271.7	5.4%	69.5%	2021	-11.3%	58.2%	1.4%
2022	296.3	9.1%	84.8%	2022	-19.8%	65.0%	4.3%
2023				2023			
2024				2024			

Below is a graph which provides a visual presentation of the **accumulated increase** information in the spreadsheet chart for ease of comparison. As you can see, the COLA keeps pace with the CPI until 2011.

CPI dark, Retiree COLA light

