

Testimony of Jake Lachance
Government Relations Specialist
Maine State Chamber of Commerce
Before the Joint Standing Committee on Labor and Housing
In Opposition to LD 2176 "An Act to Ensure the Workers' Compensation Board's Allocations
Are Properly Funded"

Sen. Tipping, Rep. Roeder, and members of the Joint Standing Committee on Labor and Housing, my name is Jake Lachance, and I am a Government Relations Specialist for the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here to give testimony in opposition to LD 2176 "An Act to Ensure the Workers' Compensation Board's Allocations are Properly Funded."

Currently, the assessments levied by the Workers' Comp Board may not be designed to produce more than \$14,700,000 beginning in the 2023-2024. This bill strikes that language and changes the statute to read "assessments levied... may not be designed to produce more revenue than is sufficient for expenditures allocated pursuant to subsection 2 and to maintain a reserve of up to ¼ of the board's annual budget." The structure and assessment construct was carefully developed by the Legislature and we believe that the current structure allows careful scrutiny of the budget of The Workers' Comp Board, which is 100% funded by employers. The afore-mentioned statutory cap of \$14,700,000 is currently a safeguard for employers, allowing them to have a realistic idea of what their yearly contributions are going to be, and is a means of checks and balances for the system. The Legislature has and will continue to have the authority to amend this level based on public testimony. It has worked for decades and can continue to do so through a legislative hearing and statutory amendment.

In closing, the Chamber recognizes the good work that the Workers' Comp Board undertakes, but the focus should be on how the Board can become more efficient with their current operations and budget and if necessary amend the current statutory cap through a public hearing and consideration by this Committee. The Maine State Chamber of Commerce feels that the current statutory structure has worked and urges committee members to oppose this legislation.