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President of the Senate

THE MAINE SENATE
131st Legislature

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Testimony in Support of LD 2113
An Act to Provide Relief to Federal Employees Affected by a Federal Shutdown
Presented to the Joint Standing Committee on Health Coverage, Insurance & Financial Services
March 7, 2024

Senator Bailey, Representative Perry and members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services, my name is Troy Jackson. I serve as President of the Maine Senate and have the great honor of representing Aroostook County in the Legislature. I am here today to introduce LD 2113, "An Act to Provide Relief to Federal Employees Affected by a Federal Shutdown." This bill would provide support to Maine's federal workers who have to work temporarily without pay during a federal government shutdown.

Too often, when the federal government shuts down, it is the result of political posturing and partisan gamesmanship. The real world effect of this political theater is that federal workers across the country who have homes to heat, kids to feed and bills to pay must find a way to stay afloat until a budget is passed and they start receiving a paycheck again. Many of these workers must also continue to work, unpaid, during that time.

As a state, our ability to do anything about federal government shut downs is limited - we don't have the ability to reopen the federal government when it shuts down or bring members of Congress together to come to an agreement. But what we can do is make sure that the impacted workers in our state continue to have access to funds to pay their bills without going into massive debt that will cause further hardship when it's time to pay it back.

LD 2113 would accomplish this by establishing the Federal Shutdown Loan Guarantee program. Under this program, the Finance Authority of Maine would provide access to no-interest loans to federal employees in Maine affected by federal government shutdowns that last longer than 14 consecutive days. Each employee would be 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. There would also be a grace period before repayment could be required, either until the end of the shutdown or 90 days after disbursement, whichever is later, and there would not be any interest allowed on the loans until 180 days following the end of the grace period. At the end of that period, if the loan has still not been repaid, the lender may apply to FAME for repayment of the uncollected amount, at which point FAME must seek repayment from the employee who received the loan.

I know from personal experience what it's like to live paycheck to paycheck. The anxiety of a single missed check can start a chain of events where it feels like there's no coming back from. I don't think anyone should have to experience that stress, especially when their stream of income is outside of their control.

When a federal shutdown occurs, the federal workers living in our state are in dire need of our help. We may not be able to restart their paychecks, but we can ensure that they have access to funds to continue paying their bills until their back pay kicks in and their paychecks restart. I hope you will join me in supporting this bill and recommending that it ought to pass to the larger legislature. Thank you.