

University of Maine System Testimony in Support of Language Part E LD 209, An Act Making Unified Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025 Presented by Vice Chancellor for Finance & Administration Ryan Low - Jan. 22, 2025

Senators Rotundo, Rafferty and Tipping; Representatives Gattine, Murphy and Roeder; and distinguished members of the Joint Standing Committees on Appropriations & Financial Affairs, Education & Cultural Affairs, and Labor: My name is Ryan Low and I am the Vice Chancellor for Finance & Administration for the University of Maine System (UMS).

I am here today on behalf of our public universities to urge your **support of Language Part E in the FY25 supplemental budget** and to thank the Mills Administration for proposing this transfer of already-appropriated State funds to our System to subsidize our required contributions under Maine's new mandatory Paid Family & Medical Leave (PFML) program.

Maine's public universities employ approximately 10,500 faculty, staff and student workers in the state, making us one of Maine's largest employers. Because of the timing of negotiations with the seven collective bargaining units representing our employees and the uncertainties about Maine's new PFML program, including whether our System's generous current leave benefits will be approved as a substantially equivalent private plan, UMS has decided to cover the required contribution of 1% of wages (.5% employee and .5% employer share) for this current fiscal year. Our annual payroll is approximately \$400 million; thus, we estimate the cost of this mandatory Paid FMLA premium payment during this six-month period in FY25 (Jan. 1 through June 30, 2025) to be \$2 million.

If the Legislature does not allow the State to assist us in covering these costs, as it did for other State employees, the burden of this unfunded mandate for Maine's public universities is equivalent to a 1% tuition hike for all UMS students just for these two guarters of contributions.

Once again, we thank Governor Mills and Commissioner Figueroa for proposing a creative solution that is sensitive to both tuition and taxpayers and encourage your support of this fund transfer.

Thank you and I welcome your questions.