Testimony of Mark Brunton Maine Service Employees Association, SEIU Local 1989 Before the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Taxation, 1pm Monday, February 3, 2025, State House Room 228 and Electronically

LD 210, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027, (Emergency) (Governor's Bill), Sponsored by Representative Drew Gattine

Senator Rotundo, Representative Gattine and members of the Committee on Appropriations and Financial Affairs, and Senator Grohoski, Representative Cloutier and members of the Committee on Taxation, I'm Mark Brunton, president of the Maine Service Employees Association, Local 1989 of the Service Employees International Union. We are a labor union representing over 13,000 Maine workers, including workers in all three branches of Maine State Government.

By way of introduction, I live with my wife in China, Maine. We've raised our family here. I'm also a 2013 graduate of the University of Maine. I have worked for the Maine Department of Health and Human Services since 2014, most recently as a comprehensive health planner.

After reviewing the Governor's budget plan, I'd like to offer some perspective from the public service workers of Maine's state and local governments, and the workers we represent at the many nonprofit social service agencies. Our members serve the people of Maine in direct ways every day.

Maine workers and their families should not shoulder the burden of bridging the shortfall between projected revenues and projected spending levels in the next biennium.

Increased revenues since 2019 have enabled our state to fill the budget stabilization fund to its limit, and to make progress in meeting our government obligations to the people in meaningful ways, not seen in several decades. Three important obligations are: raising wages for state employees, funding access to affordable childcare, and raising reimbursement rates for direct care services provided to children, adults and seniors.

Prematurely turning to budget cuts in the face of reduced revenue is shortsighted. The proposed cuts will cause further erosion of the state workforce, and to closures of agencies that deliver vital services to the public.

The proper path forward is to raise revenue by shifting the responsibility for funding budget priorities from taxes on the working class and the middle class, to corporations (both foreign and domestic), and to wealthy Mainers who reap economic benefit from our economy. Ask more of those who directly benefit from the economic activity of Maine consumers, and from the productivity of Maine workers, and who've gotten a free ride for too long in the pursuit of trickle-down-economic benefits that haven't materialized for 50 years.

Maine's top tax bracket for 2025 begins at \$63,450 in annual income. For a working Mainer with a family, two kids, a home and expenses, \$63,450 is not enough to do much more than survive. And yet, our tax

structure treats that family the same as someone earning \$1 million or \$2 million annually. The wealthiest 1% in Maine pay a smaller percentage of their income in state and local taxes than the middle class. That's not a fair tax structure.

Corporate taxation is even less fair when compared to the average working Mainer. We allow corporations to shift their profits to out-of-state and overseas tax havens and pay zero tax on the profits they have earned in Maine's economy utilizing Maine's infrastructure. That's not a fair tax structure.

Tax structures that favor the wealthy and corporations shift the revenue burden to workers and small businesses, making it harder for our communities to thrive.

This Legislature has an opportunity to enact a budget that continues making progress to meet your obligations to working Mainers and their families, and to the people we have pledged to serve and protect.

Maine's tax code should ask more of those who benefit the most from our economy, not of working people and the most vulnerable who are already struggling.

There are a number of bills already submitted by legislators that would increase revenues, make our tax system fairer, and allow us to avoid unnecessary cuts to essential services.

We, the working people of Maine urge you to enact these revenue increases, rather than following the Governor's proposal to cut services, and strip away cost-of-living-adjustments for direct-care workers in the name of "savings."

Those of us in organized labor have a saying, and a song, "<u>Which Side are You On?</u>" I urge you to be on our side. The side of working Mainers and the people we serve.

Thank you and I would be glad to answer any questions.