

Testimony of Jake Lachance

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Maine State Chamber of Commerce

**Before the Joint Standing Committees on Appropriations and Financial Affairs and
Labor and Housing**

**In Opposition to Section YYY, L.D. 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**

Chair Rotundo, Chair Gattine, and distinguished members of the Joint Select Committee on Appropriations and Financial Affairs, as well as Chair Tipping, Chair Roeder, and distinguished members of the Joint Standing Committee on Labor, my name is Jake Lachance. I am a Government Relations Specialist with the Maine State Chamber of Commerce, which advocates for a network of over 5,000 large and small businesses across the State of Maine. I am here to testify in opposition to part YYY of LD 210, the Biennial Budget, regarding the removal of the Assessment Cap of the Workers' Compensation Board.

Last year, LD 2176 proposed removing the Assessment Cap of the Workers Compensation Board and the Chamber opposed the legislation. LD 2176 passed the legislature but failed to be enacted at the end of the 131st Legislature. As a result, we are now seeing the same bill come back, but as a part of the budget and not through the Labor Committee as a stand-alone bill.

The section of the budget, like LD 2176, proposes to eliminate an existing statutory cap on the Workers' Compensation Board's budget and assessment on employers. The statutory cap, currently set at \$14.7 million, is a necessary safeguard to the employer community who are 100% funding the Workers' Comp Board Assessment. This existing cap on the assessment also brings the employers community an important safeguard as the budgets of the Workers' Compensation Board have not been unanimous but have passed with a close majority vote. The proposal to remove this statutory cap would reduce the

barriers for increasing assessments and increasing unnecessary administrative costs. The Chamber believes the current structure allows the legislature to consider whether the current statutory cap is at an appropriate level and review proposals to adjust with a public hearing.

It should also be noted that in reviewing other portions of spending by the state in this Biennial Budget, specifically in Parts J, K, L, and M, all those parts include language that is either “not to exceed”, “may not exceed”, or “in an amount up to” specific dollar amounts. Simply, all the Chamber is asking for is the same mechanism to be applied to employer funded programs.

For these reasons, the Maine State Chamber opposes the language in Part YYY of LD 210. I am happy to answer any questions at this time.