

I

Testimony of Frederick Brewer, CPA

**In Support of LD 786, *An Act To Promote Public Safety and Retain Essential First Responders by Funding the*
*Maine Length of Service Award Program***
April 23, 2025

Good Morning Senator Beebe-Center, Representative Hasenfus, and honorable members of the Committee on Criminal Justice and Public Safety. My name is Frederick Brewer, and I am the Governors Appointee to the Length of Service Award Program for the State of Maine. I was appointed to the LOSAP board because of my background as a CPA, my training and expertise working with municipalities and retirement plans & my life long experience as a fourth-generation volunteer firefighter on the Massasoit Engine Co. of Damariscotta. I appreciate the opportunity to speak in support of LD 786, An Act To Promote Public Safety and Retain Essential First Responders by Funding the Maine Length of Service Award Program. The original bill that established the program was passed under the 127th legislative session in 2015. We have actively been working toward funding this bill since that time. Funding for the program was provided from the Appropriations Committee in the 130th legislative session with startup money of \$500,000. We have been working to establish the program over the last three years and are now accepting municipal contributions to the program. We submitted a request for \$2.5 million in funding in the Biennial Budget the Appropriations Committee is currently reviewing. Unfortunately the funds we requested as part of the regular budgetary process were cut out of the budget that was submitted under LD 210. This has shifted our focus from implementing the program and getting participants enrolled in the program to asking your committee to approve our request for funding.

This bill is the product of an effort to address Maine's crisis to attract, retain, and support our volunteer first responders, which our communities have been so reliant upon for generations and even more acutely today. This bill seeks to provide funding for Maine's LOSAP:

The first part of the funding will appropriate funds for the administrative costs of the program so that municipalities in Maine can contribute to the program for the benefit of their volunteer firefighters and EMS personnel.

The second part of the funding is for a State contribution to the program. The State appropriation will fund contributions for firefighters and EMS personnel that meet the training, meeting attendance, and calls that their department has during the year. This is referred to as qualified services under the plan.

The LOSAP board established the service award calculation so that first responders can accrue benefits for services that will benefit the communities they serve the most. The benefit of the state contribution is that we have set a floor of 30 points that the participant needs to earn. If they do not achieve the 30 points, then they will not receive a contribution from the State. The ceiling of the program is \$1,000 annually per participant. This enables departments to encourage additional participation from their membership by showing them how much service credit they have earned throughout the year. The communities that benefit the most from this program, are those in the more rural part of the State.

Maine's LOSAP is a deferred compensation program under Internal Revenue Code 457. A defined contribution program puts funds in the participants account and they can draw on it after they reach retirement age and have provided 5 years of vesting service to their community. The defined contribution plan is effective because it doesn't create any pension liabilities that the State will have to fund in future

years. The only funding requirement is the annual contribution to the program based on the participants service to their community.

LOSAP programs vary from State to State. States like **Maryland, Wisconsin, Oregon and Pennsylvania** have similar State-wide, defined contribution programs. States like **New York, New Mexico, Montana** have defined benefit programs that provide a specific pension amount, when they reach retirement age, based on their years of service. Some States like New York allow the individual volunteer departments to have their own LOSAP program that is monitored by the State. Maine is a State wide program that allows individual municipalities to add to the first responders account to supplement the contribution from the State, as they see fit.

For the sake of the health and future of our volunteer first responders in Maine, and the communities that depend on them, I urge you to vote in favor of this bill. I welcome any questions about the operation of the program and thank you for your service.