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Testimony of Nate Cloutier

Before the Joint Standing Committee on Judiciary
January 7, 2026

In Opposition to LD 1993, “An Act to Increase the Annual Cap on Funds Assessed for the Safety Education and Training Fund”

Senator Tipping, Representative Roeder, and distinguished members of the Joint Standing Committee on Labor, my name is Nate Cloutier, and I am here on behalf of HospitalityMaine (HM) and the Maine Tourism Association (MTA). HM represents Maine’s hospitality industry, including lodging establishments, restaurants, and related businesses. MTA has been promoting Maine and supporting tourism-related businesses for over 100 years. HospitalityMaine and the Maine Tourism Association respectfully oppose LD 1993, “An Act to Increase the Annual Cap on Funds Assessed for the Safety Education and Training Fund.”

We recognize the importance of workplace safety education and prevention. Hospitality and tourism employers operate in environments with high employee interaction and, in many cases, seasonal turnover. Access to effective training and consultation services is an important component of maintaining safe workplaces across our industries.

Our comments on LD 1993 are offered from a position of caution rather than opposition to the underlying program. The bill proposes to permanently increase the statutory cap on an employer-funded workers’ compensation assessment from 1% to 2%. At this point, we would benefit from additional clarity regarding how, when, or under what circumstances that expanded authority would be exercised.

In reviewing the Department’s recent reporting, including the *2024 Annual Report on the Status of the Maine Workers’ Compensation System*, we understand that the Safety Education and Training Fund is operating closer to its margin as injury counts decline and fixed costs remain. That dynamic is understandable. At the same time, it is difficult to evaluate whether a permanent increase in the statutory cap is warranted without a clearer picture of how the existing cap is functioning in practice.

The *2023 Workers’ Compensation Board Annual Compliance Report* further indicates that many of the system’s ongoing challenges relate to administrative compliance and operational performance. Those findings

are helpful in understanding the broader workers' compensation landscape, but they may not necessarily demonstrate that safety education or training services have been constrained to a degree that would necessitate a permanent expansion of assessment authority. It is possible that more detailed program-level data exists, and additional information regarding service demand, utilization, or unmet need would be helpful in assessing that question.

For employers, raising the cap does not automatically increase assessments, but it does allow higher costs in future years without further legislative action. While the cap sets a maximum rather than mandating an increase, doubling it materially expands the amount that could be assessed in future years, potentially by millions of dollars depending on benefit levels in a given year. Given that scale, it would be helpful to understand why a permanent increase to 2% is the appropriate response, as opposed to a more targeted or time-limited adjustment.

Finally, the Department's reporting identifies staffing transitions and service-delivery challenges as contributing factors. Additional clarity regarding how those operational issues relate to assessment authority would be useful as the committee considers whether a permanent statutory change is the appropriate response.

For these reasons, HospitalityMaine and the Maine Tourism Association approach LD 1993 with caution. Further discussion regarding scope, duration, and intended use would be valuable before making a permanent adjustment to the assessment structure.

Thank you for your time and consideration. I would be happy to answer any questions.