

DATE: February 16, 2026  
TO: Joint Standing Committee on Labor  
FROM: Sam Warren, UMS Chief External & Governmental Affairs Officer  
RE: **LD 2049, An Act to Clarify Indemnification When Seeking Remedy for Labor Law Violations (As Amended)**

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Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor: I am writing on behalf of the University of Maine System (UMS), which has recently begun to reverse decades of underinvestment in our statewide infrastructure that has resulted in a \$1.8 billion backlog of deferred maintenance.

In FY25, **UMS invested \$141 million in major capital construction** — up from \$95 million in FY24 — with a focus on modernizing facilities that advance student success, workforce preparation, and research and development that accelerates Maine's economy. Notably, last fiscal year, the System spent more than \$1 million for construction-related services with each of the following Maine-based businesses, many of which proudly employ UMS engineering and other professional graduates: WBRC Inc. (Bangor), Benchmark Construction (Westbrook), Sheridan Construction (Fairfield), CEM/DP Contractors (Hermon), SMRT Architects and Engineers (Portland), Sullivan & Merritt Constructors (Hermon), Buildings Etcetera (Houlton), and Allied Cook Construction (Scarborough).

Our System appreciates the intent of LD 2049 to ensure workers are paid lawfully and promptly. However, the amended bill adds “owners and developers,” which we believe would encompass UMS and create new and significant financial risk to our public universities. Specifically, as a large public owner with significant construction activity across the state, the bill would materially **increase our exposure to wage and benefit compliance issues arising deep in the contractor and subcontractor chain** — even where our System does not hire, supervise, or pay those workers. While we share the sponsor's commitment to worker protections, this effectively **places our System in the position of policing employment relationships in which we have no direct involvement or control, adding cost and complexity** to already heavily regulated, competitively bid, public construction projects at the expense of tuition and taxpayers.

We anticipate this could increase the number of lawsuits naming public owners, such as our System, in contractor or subcontractor disputes, including claims brought directly by

individual employees seeking unpaid wages. While the indemnification provided by the bill may partially mitigate this expanded liability, it does not prevent Maine's public universities from being named as a defendant, nor does it shield our public institutions from the immediate costs, disruption, and administrative burden of litigation.

As a result, UMS would need to **significantly enhance its due diligence and monitoring of subcontractors' compensation practices**. Given the scale of our current construction activity, we would need to hire at least several additional compliance officers, which, if not supported by new and ongoing State appropriations, would divert limited resources from our System's core mission of high-quality, high-value education, research, and service. For context, there are more than 120 capital projects underway at the University of Maine alone. This includes the new construction of the Green Engineering & Materials (GEM) Factory of the Future, for which the construction manager at risk, Consigli, has contracted with 33 subcontractors and nine third-party consultants/vendors.

Thank you for your consideration of this testimony and your support of Maine's public universities.