

Testimony of the Maine Municipal Association (MMA)

In Opposition to

LD 1152, *An Act to Make Long-term Disability Insurance Coverage Available to Public Employees*

April 4, 2023

Senator Tipping, Representative Roeder and members of the Labor and Housing Committee. My name is Kate Dufour, and I am submitting testimony in opposition to LD 1152 on behalf of the 70 municipal leaders elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish positions on bills of municipal interest.

Municipal leaders strongly oppose LD 1152, as it shifts decision making authority away from the local legislative body (e.g., town meeting or council) and into the hands of the members of the Maine State Legislature, who are under no obligation to consider how this mandated benefit impacts the property taxpayers, mil rate, or the provision of municipal services and programs.

Annually, MMA conducts a fiscal survey with the collected data used to project statewide expenditures and revenues. In FY 2019, it is projected that municipalities statewide raised \$2.7 billion in property tax revenues to fund K-12 education, county services and both mandated and desired local government programs. Of the total expenditure, \$192 million was raised to fund employee salaries and benefits. While the expenditure pales in comparison to the property taxes raised to fund the local share of public education, the cost represents 7% of all property taxes raised statewide. When treating the state as one large community, the funds appropriated for salaries and benefits is equal to one mil.

Additionally, LD 1152 seeks to place an unwelcome wedge between municipal employers and employees, who already have the authority to negotiate wages and salaries. When the legislature inserts itself in these discussions, it tips the scales in favor of employee groups to the disadvantage of the property owners who are left to pay more without say. The over 300 municipalities who are members of the Maine Municipal Health Trust can access such a program, should the community elect to offer long-term disability insurance.

Municipal officials strongly urge that you vote "ought not to pass" on LD 1152 and continue to trust local decision makers to do what is best for their communities, or at the very least include a fiscal note requiring reimbursement for the costs incurred by schools and municipalities. It is only fair that the state pays for its mandated policies.

Thank you for considering the municipal perspective. If you have any questions about the Association's position on this bill, please do not hesitate to contact me at 1-800-592-4038 or kdufour@memun.org.