



STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

Paul R. LePage
GOVERNOR

3 July 2018

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1770, "An Act To Revise Laws Regarding Unemployment That Were Amended or Affected by Recently Enacted Legislation."

This bill originally sought to correct language errors in the biennial budget that affected employer chargeability and brought the Department into compliance with federal unemployment requirements by providing that initial tax appeals are handled by the Department of Labor's Division of Administrative Hearings, rather than by the Maine Unemployment Insurance Commission.

Instead of moving this maintenance bill forward, the committee held it hostage, adding language that did not pertain to employer chargeability without seeking the advice of or consulting with any subject matter expert from the Bureau of Unemployment Compensation. Instead, they adopted language drafted by first- and second-term legislators who believe, erroneously, that employees pay into the unemployment system.

The Maine Department of Labor is responsible for the financial administration of the Unemployment Insurance Program under a state-federal partnership. The federal government's fiscal model determines the funding each state receives to support all administrative and staffing costs of the Unemployment Insurance Program, with efficiency being a critical factor.

The Legislature's politically motivated, ignorant intervention on this bill will result in reduced funding to the unemployment system. The bill amendment mandates that certain positions be filled without regard to claims volume. If the Bureau's number of employees does not correlate to workload, the federal fiscal model's efficiency measures will penalize the state for having too high a cost per claim. This will actually decrease funding.

For these reasons, I return LD 1770 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,


Paul R. LePage
Governor



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