



Janet T. Mills
GOVERNOR

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AUGUSTA, MAINE
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July 13, 2021

The 130th Legislature of the State of Maine
State House
Augusta, Maine

Dear Honorable Members of the 130th Legislature:

By the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing L.D. 677, *An Act to Improve Public Sector Labor Relations by amending the Laws Governing Arbitration under Certain Public Employees Labor Relations Laws*.

This Legislature and this Administration have taken bold steps to support our hard working public employees, supporting funding 55% state funding for public schools, enacting a \$40,000 minimum salary for teachers, increasing revenue sharing for our municipalities, and successfully negotiating and approving seven collective bargaining agreements in record time in my first year in office.

However, this bill, authorizing binding arbitration, delegates the power of the purse to unelected officials, no matter how those individuals are selected. Binding arbitration also presupposes a failure of good faith negotiations and is an extraordinary remedy that I do not believe is warranted at this time.

L.D. 677 would amend Maine's public employees labor relations acts covering municipal, county, and other public entities, the University of Maine System, Maine Maritime Academy, the Community College System, as well as the executive, legislative, and judicial branches of State government. This bill would empower independent arbitrators to make final and binding determinations with respect to the expenditure of public funds for *salaries* of State employees, and, under certain circumstances, the *salaries, pensions, and insurance* of all other public employees in Maine. The bill would defer the submission of cost items reached through arbitration to the legislative session in the fiscal year after a contract is ratified.

Salaries, pensions, and insurance comprise a significant portion of most operating budgets. Decisions regarding how to spend taxpayer dollars should remain in the hands of the citizens of Maine and their elected representatives. Turning over this responsibility to arbitrators runs counter to the principles of representative democracy. Private arbitrators are not elected and have no public accountability. It is for these reasons that Maine has repeatedly rejected this approach to labor relations in the public sector.



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L.D. 677 differs in certain respects from a bill I vetoed in the 129th Legislative Session (L.D. 1177), but the amendments do not alleviate my concerns. This bill changes the way the arbitrator is selected by calling for the creation of a panel of arbitrators selected by the Governor, and then directing labor and management each to choose an arbitrator, who in turn select a neutral arbitrator. The premise, however, remains unchanged. An arbitrator, no matter how chosen, is still a third-party outsider, neither elected nor beholden to the taxpayers or to the greater public. L.D. 677 also attempts to mitigate the immediate budgetary impacts of an arbitrator's decision by requiring that the public employer budget any increased costs no later than the next budget cycle, therefore pushing those costs into a future budget. Deferring these increased costs into a future budget is bad public policy, as elected officials know their current revenue status, but cannot anticipate what the future might bring. The consequences of these decisions could create a need for increased revenues and impact the delivery of public services.

Public employers and bargaining agents are required by law to negotiate in good faith. In the event a public employer and union are not able to reach agreement at the bargaining table, Maine's labor laws help the parties find an acceptable middle ground through the use of mediation, fact finding, and arbitration. If either party fails to bargain in good faith or refuses to participate in these statutory procedures in good faith, the parties may seek redress from the Maine Labor Relations Board.

The existing statutory framework for bargaining is fair, balanced, and it works. The people of Maine expect their elected officials to make final decisions on the expenditure of public funds. To delegate those decisions to arbitrators who are not accountable to taxpayers would run counter to that public responsibility.

For these reasons, I return L.D. 677 unsigned and vetoed, and I urge the Legislature to sustain this veto.

Respectfully,



Janet T. Mills
Governor



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