

Paid Family Medical Leave – Citizen Initiative
Fiscal Estimate – Prepared by the Maine Department of Labor

The following estimate assumes that a new unit of state government will operate the Paid Family Medical Leave (PFML) program. The functions of operating such a program mirror the state’s unemployment operations, including program eligibility determination, an appeals process, and collection of contributions.

Technology – System implementation (one-time)	\$ 65,000,000
On-going costs	
Staffing	\$ 8,800,000
Technology (ongoing)	5,700,000
Other program expenses	<u>4,400,000</u>
Total on-going cost projection:	18,900,000
Estimated Annual PFML Benefit Payments	\$ 290,000,000

The on-going costs are based on the costs of staffing at full program capacity. These costs will be phased in during the first three years. Initially, only an implementation team of 10-12 people will be needed. Contributions staffing will then be added, followed by eligibility and appeals staffing. By the end of the third year, an estimated 95 positions would be needed.

Bond funding would be needed in order to implement the program. Assuming a 5-year payback, interest on \$50 million in bonds is estimated at \$5.5 million over the first five years.

As the legislation caps the bond at \$50 million, an additional \$19 million would be needed to cover implementation costs.