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LD 1964

Concerns:

- Our organization is a small business existing 30 years, currently employing 25 FT & PT seasonal staff with an average wage of \$16/hr during a 26-week season.
- If there is no small business exemption, LD 1964 would place increased financial burden on our business in addition to the past 7 years of minimum wage increases, resulting increases in Unemployment and Worker's Comp Insurance premiums and claim expenses, Earned Paid Leave expenses and the pending Mandatory Retirement legislation (although not mandated employer matching, resulting increased payroll services costs).
- Since 2016, our annual payroll expenses increased from \$215K to \$315K (8 years). Our organization's payroll expenses in 2016 and before were 31-35% of annual revenues but has steadily increased to 39-42% (2020 was an outlier at 73% of income before PPP).

Questions:

- Will there be a wait period like EPL for new employees?
- Would businesses with less than year-round operations still pay FMLA beyond their seasons?
- Would retirement benefits, EPL and/or vacation time accrue while on FMLA?
- If the employee works at two or three businesses, who would inherit the FMLA expense (all?)
- Presuming the business would have to keep the position open for the FMLA employee, wouldn't businesses also incur increased labor expenses for the temporary substitute/replacement staff?
- How would FMLA Wage Replacement Wages be calculated for PT staff (some only 8-10hrs/week, most 20-24hrs/week)?

Conclusions:

- Much of Maine's identity and appeal is the iconic sole lobsterman, Mom & Pop corner store or family-owned restaurants. In time, only Maine businesses that are corporate owned/operated will survive if LD 1964 is passed.
- Long term second and third order effects to such a generous benefit program (12 weeks, no exemptions, 75-90% of SAWW wage replacement, 100% benefit cap) will drive businesses from Maine
- The definition of "Family Member(s)" is so loose (eg ...is like a family relationship, regardless of biological or legal relationship.), that everyone will qualify to take FMLA to care for practically anyone.
- LD 1964 is too costly for small businesses to absorb in such a short period of time. Small/seasonal businesses cannot raise prices or costs of services fast enough to keep pace with current labor laws and recent decisions by Maine legislators to increase employment benefits.
- Our business is Against LD 1964 without provisions for small and/or seasonal businesses exemptions.