



May 24, 2023

Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Joint Standing Committee On Labor and Housing
100 State House Station
Augusta, ME 04333-0100

RE: **Sugarloaf testimony in opposition to L.D. 1964, An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program (SP0800)**
Public Hearing – Thursday, May 25, 2023 at 1:00PM

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee On Labor and Housing,

As president and general manager of Sugarloaf, a four-season resort located in Carrabassett Valley, Maine, I am writing to express my opposition to L.D. 1964, An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave (PFML) Benefits Program. Sugarloaf's greatest asset is its team members and we undoubtedly recognize the importance of support and accommodation when a member of our staff faces family or medical challenges. However, the PFML program as proposed raises multiple concerns.

During the winter season, Sugarloaf employs roughly 750 team members with most serving on a seasonal or part-time basis. As well, our summer/fall staff is largely made up of seasonal and part-time workers. By providing no exemption for seasonal or part-time employees, LD 1964 would put us at risk of facing severe staffing shortages during peak periods. We already operate in a tight labor market and the impacts of losing even a small number of seasonal employees for weeks or months at a time are almost unimaginable. Leading a profitable operation is secondary to my concerns for the strain such a scenario would place on those left to take on additional duties and responsibilities.

I'll start by emphasizing that all workers having access to 12 weeks of paid leave through the proposed PFML program would create significant hardships for operations of any size, and most certainly for us at Sugarloaf. Minimum terms of employment such as those enforced by states currently offering such benefits should be explored as it is critical that you ensure a fair balance between employee rights and the operational needs of Maine's businesses.

A mandatory payroll premium equaling 1% of wages would be a burden for employees and employers—however split. And does that amount truly sustain the program? Some among the few states that have implemented similar PFML programs initially underestimated costs and have increased the contributions required of both businesses and individuals. If a cap or any maximums on the proposed payroll premiums actually exist, it seems this language in LD 1964 is foggy at best. This is especially important since accuracy of the program's cost estimates is unknown and just as it has been done in other states, imposing a premium increase would be the likely solution should Maine's program launch, then fall short in maintaining solvency.

Another concern and one I ask that you thoroughly review is the proposed creation of an entirely new department to manage a PFML program. Of the small number of states offering paid leave benefits, most utilize private insurance companies to manage such. LD 1964 stands to strap Maine taxpayers with additional government employees and



proposes oversight be conducted by a committee of 13 with only two seats held by public members and actual employers.

Lastly, this legislation's definition of 'family members' is exceptionally subjective. Beyond the standard inclusions, de-facto grandparents, grandchildren, and siblings are included, and as well, any other individual with whom the employee has a significant personal bond that is, or is like a family relationship, regardless of biological or legal relationship. The ease in which one can become eligible for benefits under the proposed PFML program greatly strengthens my opposition to LD 1964 as detailed in the Amendment dated 5/10/23.

In closing, I want to thank you for your time and consideration. Maine has so much to offer its residents and visitors... and Maine is worthy of every effort to rebuild and retain a robust workforce.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl Strand', written in a cursive style.

Karl Strand
President and General Manager
Sugarloaf