

May 25, 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: Sunday River Resort 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

Dear Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing:

As the general manager of Sunday River, which is a year-round resort located in Newry, Maine, I am writing to express my objections to L.D. 1964, an Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave (PFML) Benefits Program. At Sunday River, we highly value our team members and wholly know that providing support when a team member faces family or medical challenges is not optional. However, I have several concerns regarding the proposed PFML program.

Sunday River is Oxford County's second largest employer with more than 1200 team members during the winter season, most of whom work on a seasonal or part-time basis. Similarly, our summer/fall team primarily consists of seasonal and part-time workers. L.D. 1964 does not include any exemption for seasonal or part-time employees, which puts us at risk of experiencing severe staffing shortages during peak periods. Operating in a competitive labor market, even losing a small number of seasonal team members for weeks or months would have unimaginable consequences. While profitability is important, my primary concern lies in the strain it would place on those remaining to shoulder additional duties and responsibilities.

Firstly, I want to emphasize that granting all workers access to 12 weeks of paid leave through the proposed PFML program would create significant challenges for operations of any size, including Sunday River. It is crucial to consider exploring minimum employment terms enforced by states that currently offer similar benefits. This exploration would ensure a fair balance between employee rights and the operational needs of businesses in Maine.

Implementing a mandatory payroll premium equivalent to 1% of wages would burden both employees and employers, regardless of how it is divided. Moreover, it remains unclear whether this amount would be sufficient to sustain the program. Some states that have implemented similar PFML programs initially underestimated costs and subsequently increased contributions required from businesses and individuals. If there are any caps or maximums on the proposed payroll premiums, the language in L.D. 1964 appears unclear. Accuracy in estimating program costs is crucial, and following the patterns seen in other states, premium increases would likely be the solution if Maine's program falls short of maintaining solvency.

Another concern that requires thorough review is the proposal to establish an entirely new department to manage the PFML program. Most states offering paid leave benefits rely on private insurance companies to handle such programs. L.D. 1964 would burden Maine taxpayers with additional government employees and suggest that oversight be conducted by a committee of 13, with only two seats held by public members and employers.

Lastly, the legislation's definition of "family members" is highly subjective. In addition to standard inclusions, the proposed definition encompasses de-facto grandparents, grandchildren, siblings, and any other individual with whom the employee has a significant personal bond, akin to a family relationship, regardless of biological or legal ties. The ease with which one can become eligible for benefits under the proposed PFML program further strengthens my opposition to L.D. 1964, as outlined in the Amendment dated 5/10/2023.

In conclusion, I would like to express my gratitude for your time and consideration. Maine has much to offer its residents and visitors, and it is crucial that we make every effort to rebuild and maintain a strong workforce in the state.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'B-Heon', written in a cursive style.

Brian Heon  
General Manager