



207 E Buffalo Street, Suite 211
Milwaukee, WI 53202

 FamilyValuesAtWork
 @FmlyValuesWork

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Testimony in Opposition to LD406, LD539, LD952, LD1169, LD1221, LD1249, LD1273, LD1307, LD1333, LD1400

Senator Tipping, Representative Roeder, and Honorable Members of the Labor Committee,

Thank you for the opportunity to address the Committee. My name is Preston Van Vliet and I am submitting testimony on behalf of Family Values @ Work.

Family Values @ Work grew out of the recognition that valuing caregiving and all forms of family is key to achieving racial, gender and economic justice. is key to achieving racial, gender and economic equity. FV@W supports grassroots organizations in more than two dozen states, including Maine, as a recognized leader with significant experience fostering grassroots coalitions and policy change in a geographically diverse set of locations. FV@W and our Network has shaped the debates around Paid Sick and Safe Days and Paid Family and Medical Leave (PFML), engaged a wide range of partners, and guided development of the most inclusive policies to date.

Currently, ten states have PFML programs open for workers to submit paid leave applications. While the PFML programs are varied in their specific policy components, they have similar elements that make their programs successful. Maine's PFML policy is in general alignment with current best practices from other states. However, the bills proposed would harm or delay the program and put it at risk. LD406, LD539, and LD1273 would repeal this popular bill entirely, preventing Maine workers and their families from having access to a meaningful paid leave program.

Other bills under consideration today create similar challenges to paid leave best practices and put paid leave and Maine families at risk. We ask that you reject any legislation unless it is:

- Inclusive of all workers in the formal economy: Social insurance programs are most efficient when the highest number of workers and employers are contributing to the fund. The only notable carveouts present in other up and running PFML programs are public sector workers. Carving out sectors or expanding the hardship exemption could negatively impact the solvency of the fund and could impact the contribution rates for workers and employers. LD952, LD1400, LD1249, LD1333 and LD1712 all include some form of harmful carveout.

- Providing sufficient wage replacement: Research shows that the lowest wage workers need at least 80% of their income replaced in order for them to actually take leave.¹ Eight out of the ten currently running programs have at least an 80% wage replacement rate for lowest wage workers. Six of the ten have at least 90% wage replacement for lowest wage workers. LD1712, however, would lower the wage replacement rate to 65%, reducing the ability of low-income workers to use the program.
- Ensuring adequate contribution rates: Contribution rates for the ten open programs range from 0.14% - 1.3% of wages up to a certain amount, usually the Social Security contribution base. Maine's contribution rate of no more than 1% of wages is well within the normal range. Any legislation that reduces contributions, such as LD1169, LD 1307, and LD 1712, would risk PFML funding before the program begins.

Paid leave puts money in the pockets of workers who would have lost all their wages otherwise. Research by the Urban Institute shows that workers without access to paid leave struggle with financial security, like paying rent, compared to workers with paid leave.² But with paid leave, mothers in California are more likely to be employed and working around a year after childbirth compared to states that don't have paid leave.³ Workers who have paid leave are less likely to rely on public assistance.⁴

Maine's PFML program is a crucial lifeline for workers, families, people with disabilities, and aging adults. By having a sufficient wage replacement rate, being inclusive of all workers, and having reasonable contribution rate, in addition to the other supportive policy components (like an inclusive definition of family, safe leave, and job protection), Maine is following the successful footsteps of many of the other states that have PFML programs. We strongly encourage legislators to maintain and protect these critical policy components. Thank you for the opportunity to submit testimony and please vote "Ought not to pass" on these bills that would weaken Maine's PFML program to below national standards.

¹ Recommendations for Creating Equitable and Inclusive Paid Family Leave Policies - Child Trends
<https://www.childtrends.org/publications/recommendations-for-creating-equitable-and-inclusive-paid-family-leave-policies>

² Access to Paid Leave is Lowest Among Workers with the Greatest Need,
<https://www.urban.org/sites/default/files/2022-07/Access%20to%20Paid%20Leave%20Is%20Lowest%20among%20Workers%20with%20the%20Greatest%20Needs.pdf>

³ Evidence on the Benefits of Expanded Access to Family and Medical Leave,
https://www.urban.org/sites/default/files/publication/101705/evidence_on_the_benefits_of_expanded_access_to_family_and_medical_leave_15.pdf

⁴ Ibid