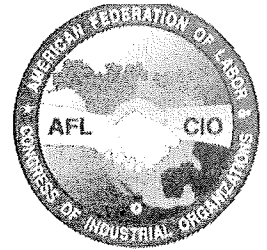




MAINE AFL-CIO

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Testimony of Maine AFL-CIO Legislative & Political Director, Adam Goode, in Support of LD 1964, "An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program"

Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor and Housing, my name is Adam Goode. I'm the Legislative and Political Director of the Maine AFL-CIO. We represent 40,000 working people in the state of Maine. We work to improve the lives and working conditions of our members and all working people. We testify in support of LD 1964.

Our Maine AFL-CIO Executive Board has spent considerable time looking at Paid Family Medical Leave (PFML) including the proposed Citizen's Initiative, the bill in the 129th legislature and the current bill before you today. Our board has been clear that the Maine AFL-CIO supports the right of working people to paid leave. We think that it is a fundamental human right and that it is essential that people can access paid leave to care for a new born child, a serious health condition, military caregiving needs and more.

Working people, whether black, brown or white, deserve time away from their job in order to care for themselves or a loved one. It is not possible to expect people to be able to do this without being paid. Life is better for a newborn child if their parents take leave in order to form a critical initial bond with them and to bring them to the pediatrician for a regular check-up or immunization. The 178,000 older adults who live in Maine are better able to recover from injury and illness when cared for by family members and for most of us that can happen only if we have wage replacement to do so. All working people should be able to have the dignity, respect and peace of mind in the workplace to be able to provide care for their family and an income for their family.

Currently working people in Maine often must choose between caring for themselves or family members and making a living. All people in our state should be able to both earn a living and have a life. We know that currently most working people, particularly those not in a union, do not have access to paid family or medical leave and for those that do have access it is often for an insufficient period of time.

In addition to this most fundamental reason - that people should not have to choose between their economic livelihood and taking care of a newborn or a loved one - we support Paid Family Medical Leave for 3 additional reasons. First, we believe in social insurance models as a humane and rational way to meet basic human needs. We have fundamental human rights to things like healthcare, education and leave and we should create strong public systems to equitably provide those needs. Secondly, we know that these kinds of systems reduce inequality both in terms of who can access such leave and in terms of overall economic inequality. That is a good thing for all of us. Third, paid leave promotes gender equity in the workplace and society. Leave systems encourage men to take leave and to play a larger caretaking role. They also better facilitate the possibility to return to work after childbirth and help balance work histories between women and men, thus contributing to closing the gender wage gap.

We also support the current approach where the program is equitably financed. PFML is a shared social responsibility that has benefits for both the employee and the employer. It is not the individual responsibility of the worker. The bill funds the program through an even split in funding between employers and employees. This wage contribution for the program is no more than 1% of an employee's wages split between an employer and employee, which is .5% or less for the employee and employer. Employers should pay into the system and the financing should not fall to working people alone.

Maine AFL-CIO Recommendations to Strengthen this Legislation

This is an important and complex policy area and we recognize that the committee may make some changes to this bill. To that end, we recommend the following changes which are of importance to the labor movement. Some of these areas may already be addressed in the sponsor's amendment and some may need further amendments to fix in the bill.

1. We support the wage replacement provisions in this bill that prevent penalizing higher income wage earners. Setting the Average Weekly Wage (AWW) for wage replacement to up 120% of the state AWW ensures workers earning slightly more money do not experience significant wage loss when utilizing the system.

The provisions in this bill that wage replacement can be up to 120% Maine's AWW (currently \$1,036.13) is an appropriate approach as it protects wages for working people who happen to make a higher wage. We encourage the committee not to lower this Average Weekly Wage percentage level. Someone who is working lots of overtime in order to catch up on car payments or help get their child through that first year of college should not have their wage dinged if both of their parents take a turn for the worse.

As a concrete example, if you are an electrician working 60 hours a week or a mill worker working lots of overtime and you earn \$70,000 per year, you would make \$1,346 per week (pre tax). Under any proposal where the AWW is capped at 100%, you would lose more than \$300 per week (\$1346 - \$1036) in wage replacement under the leave system given the cap. Most people live based on the income that they earn and we should do our best to fully replace wages folks earn. We encourage the committee to only pass a Paid Family Medical Leave bill that has a cap set at 120% of the AWW.

Furthermore, the bill requires the Department of Labor to adjust the maximum rate in the future "as necessary." We recommend that the bill be amended to say that the Commissioner adjust the maximum rate "in accordance with this section". This provides a guarantee to workers that the AWW will be up to whatever 120% of the SAWW at the time.

2. We feel strongly that the public system should not hurt other entities which have better plans and collectively bargained plans. We appreciate that the bill creates a floor for leave and permits other plans to supplement the leave provisions. The committee should work to ensure that the proposal before us increases the floor for everyone while respecting and not undermining entities with existing plans, whether collectively bargained or otherwise. The proposed ballot initiative had the best language on protecting collective bargaining and while the language in the bill mostly mirrors the language in the ballot initiative, one important subsection was left out of the bill. To help improve the bill, we would ask to include this language from the ballot initiative inserted into any amendment on the bill:

6. Employer policy may not diminish employee's right to benefits. An employer policy adopted or retained after the effective date of this subchapter may not diminish an employee's right to benefits under this subchapter. Any agreement by an employee to waive the employee's rights under this subchapter is against public policy and is void and unenforceable.

3. The collective bargaining section can be further improved by two additions. First, the bill should specifically prohibit the concurrent running of the benefits in PFML and any other leave benefits. The bill captures this concept with the “exhaust” phrasing, but we want to make sure that is totally protected in order to make sure that a worker won’t be expected to be using two benefits simultaneously. Second, denials or any other problems with PFML should be made subject to the grievance process.
4. Lastly, the Authority established in this bill should have a position for a representative of at least one statewide labor organization. Labor’s experience working with PFML found in existing collective bargaining agreements, implementing PFML in the workplace and crafting successful social insurance programs that have stood the test of time will be helpful on the Authority.

Every family faces major life events. Working people deserve the right to be fully present – and economically secure – during a major loss in their family or the exciting addition of a new person through birth, adoption or fostering of a child.

We urge you to support and strengthen LD 1964 as outlined above.