



Union Farm Equipment, Inc.

"The Friendly Folks"

Open Monday ~ Saturday | 7:30 A.M ~ 5:00 P.M.

Testimony In Opposition To

LD 1964 - An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program

May 25, 2023

Senator Tipping, Representative Roeder and members of the Labor and Housing Committee, my name is Ken Keiran and I am the Owner and General Manager of Union Farm Equipment.

Union Farm Equipment is a family owned and managed business that has been located on Route 17 in Union since 1949. Today, we have 36 employees and we sell and service Farm, Light Construction and Outdoor Power Equipment.

We recognize our employees as our biggest asset and are very proud of the fact our employee turnover is extremely low. Our wages are very competitive and every employee is eligible for incentive pay and bonus days off. Our health insurance is primarily paid for by the company. We match employee contributions into our 401(k) program. We offer short term disability and we recently revamped our sick time and vacation time policies into one combined pool of Personal Time Off so employees could use their time however and wherever they want. I mention this because we take care of one another at Union Farm Equipment and we are there in our times of need.

I am not here today to dispute the need for a family medical leave program. As an employer and as part of society at large, I believe we have an obligation to provide assistance and opportunities to those in need. No, I am here because this legislation as presented is much too extreme and does not provide adequate oversight. I am offering this testimony in opposition to LD 1964.

LD 1964

Considering the fact that our population is the oldest in the nation and that our average wages rank somewhere in the middle, the financial and economic impact of this legislation are frightening.

- The proposed 90% Wage Replacement is the highest in the country.
- The 120% benefit cap is the highest in the country.
- And the 50% employee share is among the highest in the country.
- For comparison, the 2022 Massachusetts Salary Average was nearly \$20,000 higher than Maine, but their replacement wage is 64%, benefit cap is 64% and employee share is 0%.

It appears that the only eligibility verification and oversight will be from the employer. I respectfully suggest that a program of this scope and magnitude cannot be managed at the employer lever. This will quickly spiral out of control with too much money involved and too much potential for fraud.

- ANY employee meeting the six week and dollars earned requirement will be eligible
- There is NO minimum time requirement for living in Maine
- Eligibility includes ANY employee including Part Time, Student and Temporary employees.
 - So potentially, a student home for the summer or an H1N1 visa employee could fraudulently receive twelve weeks of paid leave after only working for six or so.
- In an already depleted labor pool, the remaining employees will be further burdened as they struggle to provide adequate customer service while covering for missing staff members.
 - While employers are still burdened with health insurance and other employee expense.
- And finally, the letters to the editor are very clear that this will NOT be a tax. I can assure you that no one differentiates between taxes, health care expenses and any other items that take money from their paycheck.

This legislation will require working people to pay into a system with a massive potential of fraud, leading to more absenteeism, staff shortages and work-related stress in an already seriously depleted labor pool.

And these numbers are just what we can see from the legislation. It does not take into account the recent explosive burden of inflation or associative explosion in business wage expenses. And there are no provisions to address the potential increases associated with new legislation and proposed changes to the Workers Comp program. All at a time when no one is sure where or how the economy is going.

Again, I am not denying our obligation to be of assistance to others, but this legislation is flawed as it is overly burdensome and lacks necessary oversight. We have all experienced staff shortages in restaurants that either offer limited services or cannot open at all. We have all been to stores that are understaffed as employees struggle to provide an adequate level of customer service. Given the nature of this legislation, one can only assume this will only get much worse as staffs are further depleted because people are taking advantage of and/or abusing this system.

While my suggestion would be to base any program expansions on the existing Family Medical Leave program, I will close merely asking for caution. Given the fact this legislation was only made public a few days ago, and given the scope of the program and the money involved, may I respectfully suggest that this is far too big an issue to address and put into action in the time remaining in this session.

Thank you for accepting these comments.