



Maine Grocers &  
Food Producers  
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**IN OPPOSITION - LD 1964 'An Act to Implement the Recommendations of the  
Commission to Develop a Paid Family and Medical Leave Benefits Program'**

Dear Senator Tipping, Chair, Representative Roeder, Chair, and Members of the Committee on Labor and Housing,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association. Originally from Augusta, I now live in Sidney. I grew up working at my father's convenience store, and coincidentally I now advocate on many of the same issues that affected my father's business and other businesses alike. The Maine Grocers & Food Producers Association is a business trade association representing more than 200 businesses within Maine's food community; Main Street businesses including independently owned and operated grocery stores and supermarkets, food and beverage producers and processors, manufacturers, wholesalers, distributors, and supportive service companies.

MGFPA is opposed to LD 1964 as written (and amendment language 5/10/23) while conceptually supporting paid time away from work due to circumstances that require a longer-term period of absence.

Our trade association represents businesses who employ less than 10 staffers and those who employ hundreds. Amongst the membership there are a myriad of paid leave programs in place in various forms. Businesses are offering benefits and accommodations based on their individual business models to retain staff. Each employer and employee are unique and many of our members want the opportunity to retain the rights to determine what works for their business and employees specific to longer term paid leave. MGFPA is not opposed to a paid-leave program conceptually but the current proposal is too vast without adequate guardrails to ensure all sizes of businesses can remain viable.

As a mother of two, who has experienced partially paid maternity leaves and a medical leave, I fully understand the need and necessity of time away from work. Employers are working within their means to address the needs of their staff. It is imperative that they do so to retain them. In response to my needs and a colleague's recent medical leave, a short-term insurance policy was established. However, I'm not naive to the fact that it comes from compromises in other areas of our budget. We all want the optimal work-life balance but it all comes with a cost. There are existing insurance programs for employees and Mainers to fill the voids, and options that do not mandate employer contributions.

Our largest concern with the proposal is the minimal eligibility requirements and the ramifications on absenteeism. If employees across the state devote a portion of their paycheck to a statewide program, inevitably, they will seek out an opportunity to utilize the program that they have helped to fund. They lawfully are entitled to use the benefit. Employers are obligated to hold the employee's position for the duration of their leave. Not all roles will easily find replacements for a limited timeframe, nor are employees' voids easily filled. This will affect businesses of all industries and sizes and could have a crippling effect on employee morale as the workload of their peers shifts to their plates. Increased absenteeism will have implications on production and revenue as businesses become even more short staffed.

The low qualifying earnings of 'at least 6 times the state average weekly wage in wages' is of significant concern. Our grocers and food producers who often employ seasonal staff for influxes in the summer or holiday months may find

themselves having to hold positions for staffers who have worked as little as three months (in addition to contributing for these new employees).

While time and money has been spent on an actuarial study based on the Commission's findings, we have significant concerns about the costs as the proposal details fluctuate. A \$300-400M annual program with \$60M plus start-up is a substantial program and undertaking that requires accurate fiscal information. We believe there is much more to be done to fully understand the dollars needed to ensure the program is sustainable, to comprehend the number of employees who will utilize the program, and the big picture impact on employers.

Over the last three years, managing inventory, inflation and demand has compressed our members' margins. According to the 2022 edition of the Independent Grocers Financial Survey, "Expenses rose to 28.7% of sales, back to 2019 levels, with labor and benefits, averaging 15% of sales. Many retailers also experienced increases in utilities." The changes that our grocers, markets and producers have had to make to remain viable are real. In an effort to adjust to the most recent incremental increases, businesses have reported that they have reduced staff hours, stopped paying weekend premium pay, reduced the number of paid days off, raised prices, stopped and or reduced offering paid dental and have had to stop capital improvements. The costs to fund and stabilize this program will again come from Mainer's pockets and everyone is looking for a reprieve from increased costs not additional taxes.

Maine's 10-year Strategic Plan specifically states that a key strategy for ensuring a diverse and sustainable economy is to "maintain a stable business environment." The future is in talent, innovation and developing infrastructure. This plan's language makes Maine an outlier with its overly generous proposal and it will be detrimental to the Maine's businesses contradicting the goal of a stable business environment.

MGFPA opposes LD 1964's generous plan with bountiful opportunities to utilize and misuse which further complicates the already challenging business climate.

Thank you for the opportunity to provide testimony.



Christine Cummings  
Executive Director