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**Testimony in Support of LD 1964, An Act to Implement the Recommendations of the  
Commission to Develop a Paid Family and Medical Leave Benefits Program  
Committee on Labor and Housing  
May 25, 2023**

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

Thank you for the opportunity to provide testimony in support of establishing a statewide Paid Family and Medical Leave (PFML) program.

The Maine Small Business Coalition (MSBC) is a statewide collective of over 1,000 small business owners. Our mission is to amplify the voices of small business owners on important policy issues in Maine. We work to advance public policies that allow small businesses to thrive, invest in Maine's workforce, and promote investment in our communities.

The MSBC believes that the creation of a statewide PFML program would be a significant investment in Maine's small business community and the people who help small businesses thrive. The establishment of a PFML program will foster a robust workforce and help level the playing field for small businesses. A comprehensive, statewide PFML program would put Maine in good company with eleven other states (including our New England neighbors) – and more importantly, make us more competitive by helping to attract and retain talent in Maine's workforce.

**Fostering a Robust Workforce**

A healthy workforce is key to the financial stability of small businesses and strong local economies. At some point, most people – including small business owners – may need to take extended time away from work for major life events or medical emergencies such as welcoming a new baby, recovering from an accident, or providing care to a family member.

These events are a part of life, but for many small business owners, these events can mean financial ruin. Many small businesses operate on razor-thin margins and a single medical emergency can jeopardize the survival of the business. PFML provides small business owners with much-needed flexibility and financial security to deal with major life events without jeopardizing their business.

## Leveling the Playing Field for the Small Business Community

Small business owners take great pride in employing people from their communities. They truly care about their workers (many treat their staff like family) and they strive to do right by their employees. Most small business owners want paid leave benefits for themselves and their employees, but they cannot afford to offer the benefit.

There are very limited choices for private paid leave policies and the available options are very costly – especially for high-risk fields such as construction or manufacturing. In general, the private market does not offer affordable policies to small businesses because these businesses lack the capital and the scale to make it affordable.

On the other hand, large businesses and corporations – who have the capital and employee volume to acquire private paid leave policies – currently enjoy a competitive advantage in attracting and retaining talent with more robust benefits packages. A statewide PFML program would help level the playing field for small businesses by providing an affordable and comprehensive benefit to all working Mainers.

### Areas of Concern

The bill exempts small businesses from certain parts of the law relating to retaliation or job protection. Many Mainers work for small businesses – fear of retaliation or job loss would be a major barrier to people accessing the program if they need it. The MSBC believes protection from retaliation and job loss are cornerstones of a strong PFML program. We urge the Committee to consider a thorough assessment and rulemaking process as part of implementation to ensure employees have the protections they need and small businesses have the flexibility they need to weather an employee's leave.

The bill also permits nearly all aspects of the program administration to be contracted out to a private insurer, which the MSBC finds contradictory to the purpose of establishing a state PFML program. In our view, the purpose of a state PFML program is to provide all working Mainers with affordable and comprehensive support, regardless of employer size. Private insurers (as for-profit businesses), are hard-wired to focus on maximizing profit margins, not to serve people equitably. We urge the Committee to consider a publicly-administered PFML program because it will prevent small businesses and working families from being nicked and dimed on a critical benefit.

While we urge the Committee to exercise extreme caution regarding job protection exemptions and privatization of the program, the MSBC is supportive of LD 1964. This legislation serves as a meaningful opportunity to provide small businesses and working families with the stability and financial security they need to weather challenging life events. We respectfully urge the Committee to vote yes LD 1964.

Respectfully submitted,

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