

Testimony of Jake Lachance

Government Relations Specialist

Maine State Chamber of Commerce

**Before the Joint Standing Committees on Appropriations and Financial Affairs and
Labor and Housing**

**Neither for nor Against to Provisions of the Supplemental Budget, not limited to but
including Part E in LD 209, "An Act Making Unified Supplemental Appropriations and
Allocations for the Expenditures of State Government, General Fund and Other Funds,
and Changing Certain Provisions of the Law Necessary to the Proper Operations of
State Government for the Fiscal Year Ending June 30, 2025**

Chair Rotundo, Chair Gattine, and distinguished members of the Joint Select Committee on Appropriations and Financial Affairs, as well as Chair Tipping, Chair Roeder, and the Joint Standing Committee on Labor, and Chair Rafferty, Chair Murphy, and the Joint Standing Committee on Education and Cultural Affairs, my name is Jake Lachance. I am a Government Relations Specialist with the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here to testify neither for nor against regarding provisions in the supplemental budget regarding allocations to pay premiums for the Paid Family and Medical Leave program.

Firstly, I would like to thank all the committees for soliciting opinions and viewpoints on this matter.

Second, I am here to not speak specially about any specific employer but want to address the funding of the PFML program related to all public sector employers and employees, and the long-term implications on the state's general fund. For background the PFML law and regulations state, the burden of this premium falls on the choice of the employer whether the remittance for this program is taken care of solely by the employer or passed down to up to .5% to the employees. The decision to include public sector employees in the scope of the law has and will have a continued impact on the general fund. The method of the remittance outlined over the last month with the state fully paying the remittance will have implications on this fiscal year and upcoming biennial budget. We would be strongly opposed to this structure being utilized in perpetuity and believe it will put significant pressure on the general fund.

The Maine State Chamber of Commerce had concerns with Maine's Paid Family Medical Leave law and ultimately opposed the finalized legislation. We are now concerned that the method of remittance for state employees, if it is maintained, will have a material impact on the state's fiscal outlook. We would urge the Committee to assess the long-term implications for employers in the public sector utilizing this method of remittance going forward on the general fund in future fiscal years.

Thank you for the time to voice these concerns, and I am happy to take any questions.