



# MAINE STATE LEGISLATURE

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## April 23, 2025 - Testimony in support of LD 1273:

### *"An Act to Make Paid Family and Medical Leave Voluntary"*

***Good afternoon Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor.*** Thank you for the opportunity to testify today. My name is Representative Billy Bob Faulkingham, and I serve as the House Republican Leader. I represent House District 12, which includes the towns of Franklin, Gouldsboro, Hancock, Sorrento, Sullivan, Winter Harbor, and Steuben. I am here today to present testimony on my proposed legislation, ***LD 1273 – "An Act to Make Paid Family and Medical Leave Voluntary."***

The concept of this bill mirrors the approach the State of New Hampshire chose by implementing a Voluntary Paid Family and Medical Leave Program. The voluntary program in New Hampshire, which began in 2021, offers flexibility and a lower financial burden on businesses, particularly small employers. It provides employees with the option to opt in for paid leave benefits while avoiding forced participation.

In contrast, Maine's mandatory program ensures universal access to paid leave for all employees but imposes a financial burden on employers and increases administrative complexity. Both systems have their benefits, but the choice between them depends on a balance of universal coverage versus flexibility and the financial implications for businesses and employees.

This bill seeks to make Maine's paid family and medical leave program voluntary rather than mandatory, providing employers and employees with more flexibility in managing their family and medical leave needs. I believe that this legislation will help support the economic and personal well-being of Maine's businesses and workers.

One of the primary reasons for this proposal is the burden the current mandatory paid family and medical leave system places on small businesses in Maine. Small businesses with fewer than 50 employees, which are not required to offer paid family and medical leave under the existing law, are still obligated to pay into the system, often without receiving any immediate benefit. These businesses face financial challenges as they are forced to cover the cost of premiums while not receiving any direct advantage. For many small businesses in rural areas like those I represent, this could mean difficult trade-offs between hiring additional staff or offering enhanced benefits to their employees.

Voluntary participation allows businesses to make decisions based on their financial health and the needs of their workforce. Some businesses, particularly larger employers, may already have existing paid leave policies in place. Forcing them to contribute to a state-mandated system could be redundant and lead to increased administrative complexity and costs. Maine should not have

imposed a one-size-fits-all approach, as businesses differ greatly in size, structure, and capacity to provide benefits.

Employees should have the ability to choose whether or not they want to participate in a paid family and medical leave program, particularly if their employer does not offer paid leave options. Some workers may not wish to participate due to personal financial priorities or because they have alternative coverage, such as through a spouse's employer or private insurance. Allowing voluntary participation provides employees the freedom to decide what works best for their own situations.

A voluntary system would ensure that employees who need paid leave are still able to access coverage, but would not force others to pay for something they do not need or want. This supports personal freedom while maintaining access to necessary benefits for those who choose to participate.

Under the current system, employers and self-employed individuals have already paid into the paid family and medical leave program. Part A of LD 1273 requires the Department of Labor to refund contributions that have already been made, ensuring that those who have paid into the system are not left without recourse. This is a crucial provision of this bill, as it ensures that Maine residents and businesses are not unfairly burdened by a system they are no longer obligated to participate in.

According to the Maine Department of Labor's own estimates, the paid family and medical leave program would require millions in funding from employers and employees. By allowing for a refund of these contributions, the state helps ensure fairness for all stakeholders involved.

The bill also includes a provision that requires the Commissioner of Labor to contract with an insurance company to offer voluntary paid family and medical leave benefits after a competitive bidding process. This could lead to better efficiency in program administration, as private insurers may be better equipped to provide coverage in a cost-effective manner while reducing the administrative burden on the state.

The core goal of this bill is to ensure that workers who need paid leave for family or medical reasons have access to it, while giving employers the ability to determine the best course of action for their individual businesses. By offering a voluntary program, businesses can maintain the flexibility they need to thrive, while workers can still benefit from essential protections.

In conclusion, LD 1273 represents a balanced and reasonable approach to ensuring that Maine's paid family and medical leave system works for both employers and employees. By making the program voluntary, we reduce the financial strain on small businesses, offer workers more flexibility, and preserve a viable safety net for those who need it. I urge the Committee to support this bill and give businesses and workers the freedom to choose what is best for them.

Respectfully,

A handwritten signature in cursive script that reads "Billy Bob Faulkingham".

Rep. Billy Bob Faulkingham  
House Republican Leader