



MAINE STATE LEGISLATURE

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April 23, 2025 - Testimony in support of LD 1249:

"An Act to Delay Payment of Benefits Under the Paid Family and Medical Leave Benefits Program"

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 1249 – "An Act to Delay Payment of Benefits Under the Paid Family and Medical Leave Benefits Program."***

This legislation seeks to delay the implementation of the State of Maine's Paid Family and Medical Leave Benefits Program until July 1, 2027. It also extends the timeline for the administrator of the program to begin processing claims for benefits until November 1, 2027.

The next Governor of Maine, who will take office in January 2027, will face the challenge of overseeing a number of significant state initiatives. This bill would provide the incoming Governor the flexibility to review the Paid Family and Medical Leave Benefits Program and recommend adjustments as necessary. Given the potential complexity and costs of this program, it is prudent to ensure that the next administration has sufficient time to assess the impact and make any recommended adjustments to the future 133rd Legislature so we may align this program with the needs of Maine's workforce and businesses.

The Maine State Chamber of Commerce has expressed significant concerns regarding the financial burden the program may impose on employers, particularly small businesses. Under the current timeline, employers are required to contribute to the state program through the first quarter of 2025, even if they already offer private leave programs. These businesses would be paying into a program they will never use. The Chamber argue that this mandate is unnecessary and places an additional financial strain on employers who are already providing leave benefits. Delaying the program's implementation would allow businesses to better plan and potentially avoid redundant costs.

There are widespread concerns that the program's costs will be passed down to consumers in the form of higher prices. This will be particularly damaging for businesses that operate on thin margins or face stiff competition. In industries where businesses are competing with out-of-state counterparts, such added costs could put Maine businesses at a disadvantage. Allowing for additional time to evaluate and refine the program will provide Maine's business community with the

opportunity to fully understand its economic impact and ensure that the program does not inadvertently harm Maine's competitive edge.

The Paid Family and Medical Leave Benefits Program is complex, with many moving parts. It will require both businesses and the state to navigate a complicated process of claims, compliance, and reporting. There are concerns that the state administrator may face challenges in processing claims and ensuring that employers adhere to the program's rules, particularly with regard to those who promise but fail to implement private plans. By delaying the implementation of the program, the state can use the extra time to ensure that the administration of the program is smooth and that the infrastructure needed to support it is in place.

In conclusion, by delaying the implementation and claims processing dates, we can ensure that the next administration has time to review and recommend improvements, that businesses are not unduly burdened, and that the program is fully prepared for a successful launch.

I urge the committee to support LD 1249 and allow for the time necessary to make this program successful for Maine's businesses and workers. Thank you for your time and consideration. I would be happy to answer any questions the committee may have.

Respectfully,

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

Rep. Billy Bob Faulkingham
House Republican Leader