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Testimony of Representative Ed Crockett on

LD 1712, An Act to Amend the Paid Family and Medical Leave Benefits Program to Balance Support of Businesses and Employees

Before the Joint Standing Committee on Labor

Good afternoon Senator Tipping, Representative Roeder and the distinguished colleagues of the Labor Committee. My name is Ed Crockett, and I represent House District 43, which includes part of Portland and part of Falmouth. I am pleased to testify on **LD 1712, An Act to Amend the Paid Family and Medical Leave Benefits Program to Balance Support of Businesses and Employees**, and other Paid Family and Medical Leave (PFML) measures that are looking to only amend the program and make it better.

For starters, I feel for all of you considering you have thirteen bills today on the Maine PFML program and six are emergency bills. To me it highlights that this legislation, which I believe in, was never properly vetted, and has major flaws that hopefully we can address now. Let's go back to the 131st Legislature. The PFML bill had a \$25M fiscal note and was added to the budget at the end of the session. It was not part of the initial biennium budget that was implemented early in the 131st; it was added after the continuing services budget, or as others call the majority budget, was moved. It was also approved along straight partisan lines.

I'll digress for a moment and recall what happened at the end of the 131st Legislature as a direct result of those earlier actions. Over 250 bills, most with fiscal notes (although not nearly as high as PFML) and many unanimous out of committee, died on the table. How did that happen? Well in my opinion, passing a continuous services or majority budget put (OUR) the Legislature's priorities and all our committee work on the back burner; it limited the Legislature's negotiating power with the chief executive, after all, all the chief executive had to do was wait out the Legislature since we have a specific adjournment timeline which the chief executive doesn't, and it basically put the majority party in a position to bless the chief executive's priorities.

The only alternative was to oppose the chief executive, which would have resulted in a shutdown, initiated by the majority party that had previously moved the continuous services budget. That would never happen. Thus, we adjourned, and too many outstanding bills died since there was no room for them. Interestingly, the PFML bill was the only legislation with a significant fiscal note that got added to the budget, again along straight partisan lines. Personally, that isn't the process I signed up for when

I ran for office, and it is the main reason I didn't support the majority budget this session. Still, the majority decided to go down this road again. Sadly, I see history repeating itself.

I wish I could go back in time since it is my fault the PFML bill passed along partisan lines in the House. You see I had intended to vote against the bill; because I believed it needed a lot of work, but in discussions with the sponsors I agreed to abstain when the vote came to the floor of the House. You may wonder why I abstained.

I was told there would be ample opportunity to fine tune the bill before it went into effect in 2025. So, there was no need to debate further at that time. I took that at face value. I shouldn't have. Now there were several meetings and discussions regarding the finer points of this legislation over the summer and into the fall. The Department of Labor collected data from all stakeholders, and adjustments were anticipated. Unfortunately, those discussions appear to have gone nowhere thus bringing us here today, with a baker's dozen of new legislation in hopes of making this bill, which again, I believe is a good bill for Mainers, more equitable for all. Many think the outcry is only coming from businesses. That's not the case. Even some school superintendents and boards are up in arms over this legislation and the burden it is placing on its budgets.

Now let me tell you about my issues with the original bill. I'm in agreement with most of the proposed changes in LD 1712 but expect some massaging on a few points. For that I respectfully defer this to the committee to determine which amendments are in the best interests of working Mainers. For example, this bill as it stands today, could be a huge burden on Maine's seasonal businesses that don't have the time or talent to recover if an employee takes up to 12 weeks off during its four- to five-month season. There appears to be a hole in this law that would allow an employee to request PFML as the operation is getting ready to close but would be paid for months while the business isn't operating. That's a flaw and there are and must be better answers. We really need to address these flaws now before the snowball gets out of control.

Now that isn't even my biggest angst with this legislation. My biggest problem is how it is being funded. Why are we asking employers and employees to build the base (\$25 million) for this program? At the time we had a billion-dollar rainy day fund, still do. Twenty-five million out of one billion is 2.5%; a drop in the bucket. If this fund is being managed properly, 2.5% would be covered by interest gains alone. We wouldn't even notice it. But no, instead we opted to tax all employers, even those that will opt-out and provide this benefit privately, and all employees in companies with over fifteen workers. I've never understood or supported that calculus.

I'm aware that some don't call this a tax. Well, I can tell you that the employees that are paying this fee see it as a tax. Employers, when trying to be agreeable, see it as an insurance cost at best, but know it's a tax. I've been on the Taxation Committee for four years; call it what you like but it's a tax.

Folks are already paying. I'm curious how much of the \$25M has been collected thus far out of the pockets of Maine's hardworking people and employers? I'm not suggesting we pay that back, but putting a plug in it would be appreciated and give us time to build up this fund properly.

In closing, I don't envy how you're going to navigate all these bills. We rushed into this legislation, and it was not vetted properly. We owe the people of Maine an equitable PFML program, not one like this that has everyone up in arms. Thank you for your time and happy to answer any questions.