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#### April 23, 2025

- To: Sen. Mike Tipping and Rep. Amy Roeder, co-chairs Members, Committee on Labor
- From: David R. Clough, State Director in Maine
- Re: LD 1712, LD 1333, LD 575, LD 894 LD 406, LD 539, LD 1221, LD 1249, LD 1273, LD 1307

A full statement has been posted on the Labor Committee website. Both that statement and this summary are on behalf of the thousands of small business owners in Maine who are members of the National Federation of Independent Business. Member small businesses collectively span a wide range of economic activities; provide jobs and paychecks to about 30,000 people; and help form the economic backbone of hundreds of communities and the State.

#### Let Small Businesses Manage Their Workplaces

- Small business owners are personally responsible for having enough money to meet payroll, pay suppliers and bills related to business operations, make bank financing payments, repair or replace malfunctioning and outdated equipment, invest in modernization and possible expansion, and so forth.
- Small businesses are not scaled-down versions of larger businesses; small businesses have
  unique characteristics including more limited staffing flexibility and the absence of people with
  particular expertise in human resource law and management. Increased regulation of small
  workplaces often means increased workload stress and increased overhead costs that must be
  absorbed in worker wages and customer prices.

## Legislation to Repeal Paid Family & Medical Leave

- By way of background, NFIB members did not support the legislation that was enacted in 2023.
- NFIB member views and concerns have likely grown stronger as they become more aware of the complexities and obligations placed on small employers.

## Make Less Onerous & More Practical, If Not Repeal

• If there is to be a PFML law, it needs to operate in a way that minimizes the burden on small employers and accommodates the uniqueness of small workplaces.

• Various provisions of <u>LD 1712 and LD 1333</u> improve the practicality of the PFML program as it concerns small employers. NFIB thanks the of sponsors and cosponsors of these proposals.

# "Undue Hardship" Reality

- NFIB opposes LD 575.
- Undue hardship is meant as a realistic acknowledgement that 12 weeks of leave (60 working days) can have a significant impact on small workplaces and working with an employer on the timing of leave, where possible, is important to business stability.
- The provision is more than a seasonal issue for small employers; it can be an operational issue throughout the year.

# **Counting 52-Week Average of Employment**

- The PFML rules provide that an employer will be considered an employer of 15 or more for the entire year if that employer has 15 or more workers for only 20 weeks.
- NFIB supports averaging employment over a full 52-weeks (LD 1333), similar to what is done in Massachusetts and Oregon.

## Intermittent Leave Parameters

- The use of intermittent leave is largely open-ended with no parameters on the amount of 60 working days that can be taken without some sort of review.
- NFIB supports building in a periodic review of intermittent leave (LD 1333, for example).

## Small businesses are essential in Maine

• Over 79% of Maine employers have fewer than 10 workers and over 86% have fewer than 20 workers, for example. And there are many more small employers above that level.

If the law is not repealed, then it needs to be made as practical as possible for small employers.

Thank you for being mindful of Maine small business owners and all who depend on their success.

If Paid Family & Medical Leave law and rules do not work for thousands of Maine small businesses, they will not work for Maine families or our economic vitality!

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